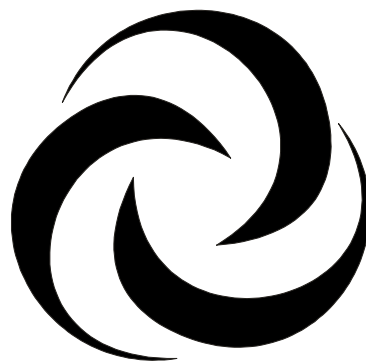


CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2021
(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.
3-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 second quarter and half year ended December 31, 2021. During the period under review, your company has earned a pre-tax profit of Rs. 232.633 Million as compared to pre-tax profit of Rs. 120.368 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 3,550.199 Million, whereas, the turnover figures during the same period in year 2020 was Rs. 2,298.313 Million. The cost of sales in the period under review stood at 87.08% whereas up to December 31, 2020 it was around 87.69%. In spite of the hardships being faced by the textile industry during the period under review, the management of the company is continuously striving hard for better results.

Overview

The recovery in Pakistan's economy has gained further traction. The Financial year 2021-22 has started with encouraging economic growth outlook and the performance of your company continued to reflect an improved operating performance during the period under review. Although the costs show an increasing trend on account of inflationary pressures in the economy as well as rising raw material prices, the prices of our finished goods also kept pace with this rise.

As per assessment, cotton crop is expected to surpass production targets and will be around 7.5 million bales. Despite of the healthy increase, we believe that requirements of textile industry will not be met and once again we will have to rely on imported raw material. In view of post COVID demand, all commodity prices are at an all time high and this can hamper the earnings of the textile industry where raw material prices have increased and Pakistan rupee continues to erode in value against the world currencies.

The global outlook is dependent on the severity of the health crisis, the efficacy of the vaccine against new COVID-19 strains and successful implementation of well-coordinated economic policies. All textile sectors are performing well. However, in view of increasing cotton prices, devaluation of Pak Rupee, delay in shipments due to non availability of empty containers and rising shipment costs, working capital requirement of textile exporters has increased and textile export oriented industry is facing liquidity crunch. The Govt. of Pakistan has decided to limit the gas availability to the textile industry in winter months and also raised the price of gas from US\$ 6.5 to US\$ 9.0 per MMBTU. The increase in prices has increased the power cost of the Company and has affected the profitability.

The company is closely watching the cotton outlook to procure cotton at minimum rates and is focusing efforts on minimizing cost by enhancing capacity, improving efficiencies to achieve the favorable financial results of current financial year

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
February 28, 2022

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو مختصر دوسری سہ ماہی اور پہلی ششماہی کے لیے مختصر عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 232.633 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت میں کمپنی کا قبل از ٹیکس منافع 120.368 ملین روپے تھا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت کی آمدنی 3,550.199 ملین روپے رہی جبکہ سال 2020ء میں اسی مدت کے دوران ٹرن اوور کی رقم 2,298.313 ملین روپے تھی۔ زیر جائزہ مدت میں فروخت کی لاگت 87.08 فیصد رہی جبکہ 31 دسمبر 2020ء تک یہ 87.69 فیصد کے لگ بھگ تھی۔ زیر جائزہ مدت کے دوران ٹیکسٹائل کی صنعت کو درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے مسلسل کوشاں ہے۔

حاجزہ:

پاکستانی معیشت میں بحالی نے مزید توجہ حاصل کی ہے۔ مالی سال 2021-22 کا آغاز معاشی ترقی کے نقطہ نظر کی حوصلہ افزائی سے ہوا ہے اور زیر جائزہ مدت کے دوران آپ کی کمپنی کی کارکردگی کی عکاسی کرتی رہی۔ اگرچہ معیشت میں افراط زر کے دباؤ کے ساتھ ساتھ حسام مال کی قیمتوں میں اضافے کی وجہ سے لاگت میں اضافہ ہوتا ہوا رجحان ظاہر ہوتا ہے لیکن ہماری تیار شدہ اشیاء کی قیمتیں بھی اس اضافے کے ساتھ ساتھ چلتی رہیں۔ تخمینے کے مطابق کپاس کی فصل پیداواری اہداف سے بڑھ جانے اور تقریباً 7.5 ملین ٹن تک پہنچ جانے کی توقع ہے۔ صحت مند اضافے کے باوجود ہمیں یقین ہے کہ ٹیکسٹائل صنعت کی ضروریات پوری نہیں ہوں گی اور ایک بار پھر ہمیں درآمد شدہ خام مال پر انحصار کرنا پڑے گا۔ کوویڈ کے بعد کی طلب کے پیش نظر اشیاء کی تمام قیمتیں اب تک کی بلند ترین سطح پر ہیں اور اس سے ٹیکسٹائل صنعت کی آمدنی میں رکاوٹ پیدا ہو سکتی ہے جہاں خام مال کی قیمتوں میں اضافہ ہوا ہے اور پاکستان روپے کی قدر میں عالمی کرنسیوں کے مقابلے میں مسلسل کمی ہو رہی ہے۔

عالمی نقطہ نظر کا انحصار صحت کے بحران کی سنگینی، کوویڈ-19 کے نئے تناؤ کے خلاف ویکسین کی افادیت اور اچھی طرح مربوط معاشی پالیسیوں کے کامیاب نفاذ پر ہے۔ ٹیکسٹائل کے تمام شعبے اچھی کارکردگی کا مظاہرہ کر رہے ہیں۔ تاہم کپاس کی قیمتوں میں اضافے، پاک روپے کی قدر میں کمی، حسام مال کی کمپنی کی عدم دستیابی اور شپٹ لاگت میں اضافے کے باعث شپٹ میں تاخیر کے پیش نظر ٹیکسٹائل ایکسپورٹرز کی ورکنگ کمپنیل کی ضرورت میں اضافہ ہوا ہے اور ٹیکسٹائل ایکسپورٹ اور ریٹیل انڈسٹری کو کیلکولیڈیٹی کی کمی کا سامنا ہے۔ حکومت پاکستان نے سر دیوں کے مہینوں میں ٹیکسٹائل انڈسٹری کو گیس کی دستیابی محدود کرنے کا فیصلہ کیا ہے اور گیس کی قیمت 5.6 امریکی ڈالر سے بڑھا کر 10.9 امریکی ڈالر فی ایم این بی ٹی یو کردی ہے۔ قیمتوں میں اضافے سے کمپنی کی بجلی کی لاگت میں اضافہ ہوا ہے اور منافع متاثر ہوا ہے۔

کمپنی کپاس کی کم سے کم نرخوں پر خریداری کے لئے کپاس کے نقطہ نظر کو قریب سے دیکھ رہی ہے اور صلاحیت میں اضافہ کر کے لاگت کو کم سے کم کرنے، رواں مالی سال کے موافق مالی نتائج کے حصول کے لئے کارکردگی کو بہتر بنانے پر کوششوں پر توجہ مرکوز کر رہی ہے۔

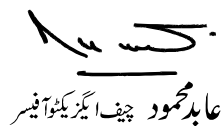
اعتراف:

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

منجانب
بورڈ آف ڈائریکٹرز


نویڈ گلزار ڈائریکٹر

فیصل آباد
28 فروری 2022ء


عابد محمود چیف ایگزیکٹو آفیسر

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CRESCENT COTTON MILLS LIMITED

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **CRESCENT COTTON MILLS LIMITED** as at 31 December 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
February 28, 2022
UDIN:RR202110158wHbeJzcR1

UNCONSOLIDATED CONDENSED INTERIM STATEMENT

	UN-AUDITED 31 December 2021	AUDITED 30 June 2021
NOTE		
	(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 30 000 000 (30 June 2021: 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		
Surplus on revaluation of freehold land and investment properties	4,136,711	4,136,711
Other capital reserves	127,476	147,267
	4,264,187	4,283,978
Revenue reserves	711,590	513,050
Total reserves	4,975,777	4,797,028
TOTAL EQUITY	5,202,378	5,023,629
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	146,755	203,742
Deferred liabilities	140,873	149,201
	287,628	352,943
CURRENT LIABILITIES		
Trade and other payables	1,018,994	678,321
Unclaimed dividend	3,971	3,971
Accrued mark-up	17,945	11,623
Short term borrowings	1,056,060	368,704
Current portion of non-current liabilities	184,776	175,510
Provision for taxation	42,908	75,853
	2,324,654	1,313,982
TOTAL LIABILITIES	2,612,282	1,666,925
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	7,814,660	6,690,554

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


ABID MEHMOOD
 CHIEF EXECUTIVE OFFICER

OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	UN-AUDITED 31 December 2021	AUDITED 30 June 2021
NOTE		
	(RUPEES IN THOUSAND)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,933,761	4,936,183
Investment properties	267,729	267,729
Long term investments	10,792	9,260
Long term deposits	2,647	3,383
Long term advances	248	115
Deferred income tax asset	54,706	47,304
	5,269,883	5,263,974
CURRENT ASSETS		
Stores, spare parts and loose tools	74,648	66,478
Stock-in-trade	1,464,868	488,087
Trade debts	269,298	194,519
Loans and advances	56,228	16,121
Short term deposits and prepayments	7,089	3,327
Other receivables	260,446	136,752
Income tax	152,283	197,114
Short term investments	176,841	181,465
Cash and bank balances	83,076	142,717
	2,544,777	1,426,580
TOTAL ASSETS	7,814,660	6,690,554


NAVEED GULZAR
 DIRECTOR


SAMI ULLAH CH.
 CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)**

NOTE	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
CONTINUING OPERATIONS: (RUPEES IN THOUSAND)				
REVENUE	3,550,199	2,294,489	1,896,614	1,177,623
COST OF SALES	(3,083,387)	(1,996,745)	(1,662,365)	(994,989)
GROSS PROFIT	466,812	297,744	234,249	182,634
DISTRIBUTION COST	(91,558)	(38,089)	(58,483)	(20,591)
ADMINISTRATIVE EXPENSES	(101,984)	(82,963)	(52,987)	(24,744)
OTHER EXPENSES	(28,556)	(20,757)	(20,825)	(18,996)
OTHER INCOME	27,479	26,012	18,478	18,948
FINANCE COST	(39,560)	(40,506)	(27,095)	(18,604)
PROFIT BEFORE TAXATION	232,633	141,441	93,337	118,647
TAXATION	(35,828)	(14,867)	(17,238)	2,187
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	196,805	126,574	76,099	120,834
DISCONTINUED OPERATION:				
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	-	(21,130)	-	(22,974)
PROFIT AFTER TAXATION	196,805	105,444	76,099	97,860
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	8.69	5.59	3.36	5.33
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	-	(0.93)	-	(1.01)

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)**

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)				
PROFIT AFTER TAXATION	196,805	105,444	76,099	97,860
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified subsequently to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(16,411)	64,208	(14,676)	70,136
Deferred income tax relating to investments at fair value through other comprehensive income	(1,645)	(147)	(1,645)	(147)
	(18,056)	64,061	(16,321)	69,989
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(18,056)	64,061	(16,321)	69,989
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	178,749	169,505	59,778	167,849

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)**

	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value of investments at FVOCI	Surplus on revaluation of land and investment properties	Sub Total	General reserve	unappropriated profit	Sub Total	TOTAL reserves	TOTAL EQUITY
Balance as at 30 June 2020 - (Audited)	226,601	5,496	12,000	114,105	4,136,711	4,268,312	100,988	101,054	202,042	4,470,354	4,696,955
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(3,009)	-	(3,009)	-	3,009	3,009	-	-
Profit for the period	-	-	-	-	-	-	-	105,444	105,444	105,444	105,444
Other comprehensive income for the period	-	-	-	-	-	64,061	-	-	-	64,061	64,061
Total comprehensive income for the period	-	-	-	-	-	64,061	-	105,444	105,444	169,505	169,505
Balance as at 31 December 2020 - (Un-audited)	226,601	5,496	12,000	175,157	4,136,711	4,329,364	100,988	209,507	310,495	4,639,859	4,866,460
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(5,647)	-	(5,647)	-	5,647	5,647	-	-
Profit for the period	-	-	-	-	-	-	-	216,140	216,140	216,140	216,140
Other comprehensive loss for the period	-	-	-	(39,739)	-	(39,739)	-	(19,232)	(19,232)	(58,971)	(58,971)
Total comprehensive income for the period	-	-	-	(39,739)	-	(39,739)	-	196,908	196,908	157,169	157,169
Balance as at 30 June 2021 - (Audited)	226,601	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 investment at fair value through other comprehensive income	-	-	-	(1,735)	-	(1,735)	-	1,735	1,735	-	-
Profit for the period	-	-	-	-	-	-	-	196,805	196,805	196,805	196,805
Other comprehensive loss for the period	-	-	-	(18,056)	-	(18,056)	-	-	-	(18,056)	(18,056)
Total comprehensive income for the period	-	-	-	(18,056)	-	(18,056)	-	196,805	196,805	178,749	178,749
Balance as at 31 December 2021 - (Un-audited)	226,601	5,496	12,000	109,980	4,136,711	4,264,187	100,988	610,602	711,590	4,975,777	5,202,378

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)**

	NOTE	31 December 2021	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(RUPEES IN THOUSAND)			
Cash used in operations	8	(557,598)	(86,718)
Finance cost paid		(39,197)	(44,815)
Employees' retirement benefit paid		(18,270)	(19,786)
Income tax paid		(32,989)	(23,884)
Decrease in long term deposits		736	-
Net increase in long term advances		(133)	-
Net cash used in operating activities		(647,451)	(175,203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(40,354)	(104,986)
Proceeds from sale of property, plant and equipment		2,872	1,230
Proceeds from sale of non-current assets held for sale		-	94,100
Investment made		(16,399)	-
Proceeds from sale of investments		3,081	3,607
Net cash used in investing activities		(50,800)	(6,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(58,489)	(10,687)
Proceeds from long term financing		9,743	99,998
Short term borrowings - net		687,356	127,196
Net cash from financing activities		638,610	216,507
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(59,641)	35,255
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		142,717	41,668
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		83,076	76,923

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited (the Company) is a public limited company incorporated in March 1959 in Pakistan under Companies Act, 1913 (Now Companies Act, 2017) and 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 and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups. The Company also has an embroidery unit.

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 required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

2.2 Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Actual results may differ from these estimates. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

UN-AUDITED	AUDITED
31 December 2021	30 June 2021

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING

Financing from banking company - secured

Opening balance	307,047	225,539
Add:		
Obtained during the period / year	9,743	155,205
Amortization during the period / year	1,808	5,019
	318,598	385,763
Less:		
Repaid during the period / year	58,489	70,538
Deferred income recognized during the period / year	-	8,178
	58,489	78,716
	260,109	307,047
Less: Current portion shown under current liabilities	113,354	103,305
Closing balance	146,755	203,742

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

i) Certain additions have been made by the assessing officers in tax years 1993, 2006 and 2010 on various grounds and have created demand of Rupees 5.635 million (30 June 2021: Rupees 6.335 million). The Company, being aggrieved, has filed appeals with Lahore High Court, Lahore and with Supreme Court of Pakistan, which are still pending. Dates of the institution of above mentioned appeals were 14 October 2002, 05 September 2016 and 05 April 2017 respectively. No provision has been made in these unconsolidated condensed interim financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited (CFL) for the recovery of Rupees 23.000 million (30 June 2021: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. CFL filed an application seeking rejection of the suit but the said application was dismissed by Civil Court, Lahore. Against this rejection, CFL filed civil revision petition before Lahore High Court, Lahore on 08 October 2016 and under order of Lahore High Court, Lahore, the proceedings before Civil Court, Lahore were stayed. No provision against this receivable has been made in these unconsolidated condensed interim financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) The Company has filed a suit in Lahore High Court, Lahore dated 15 October 2018 against levy of cotton cess. However the related provision of Rupees 1.696 million (30 June 2021: Rupees 1.696 million) is not accounted for in these unconsolidated condensed interim financial statements as the management is hopeful that the case will be decided in the favour of the Company.

iv) Guarantees of Rupees 69.143 million (30 June 2021: Rupees 87.432 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.

v) Cheques of Rupees 32.485 million (30 June 2021: Rupees 32.485 million) are issued to Nazir of Sindh High Court as security against impugned gas rate difference suit, related to Spinning Unit No. 3 of the Company which has been sold out during the last year. If the outcome of the suit comes against the Company, cheques issued as security shall be encashable.

b) Commitments:

i) There was no commitment in respect of capital expenditure as at 31 December 2021 (30 June 2021: Rupees 5.889 million).

ii) 'Letters of credit other than for capital expenditure are of Rupees 144.970 million (30 June 2021: Rupees 103.970 million).

5. PROPERTY, PLANT AND EQUIPMENT

UN-AUDITED	AUDITED
31 December 2021	30 June 2021

(RUPEES IN THOUSAND)

Operating fixed assets (Note 5.1)	4,930,811	4,871,119
Capital work-in-progress (Note 5.2)	2,950	65,064

4,933,761	4,936,183
------------------	------------------

5.1 Operating fixed assets

Opening book value	4,871,119	4,926,601
Add: Cost of additions during the period / year (Note 5.1.1)	102,468	110,878

4,973,587	5,037,479
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Less: Book value of deletions during the period / year (Note 5.1.2)	887	87,323
---	------------	--------

4,972,700	4,950,156
------------------	------------------

Less: Depreciation charged during the period / year	41,889	79,037
---	---------------	--------

Closing book value	4,930,811	4,871,119
--------------------	------------------	------------------

5.1.1 Cost of additions during the period / year

Buildings and roads	-	126
Plant and machinery	31,290	104,984
Stand-by equipment	64,950	2,607
Electric installations	3,838	731
Tools and equipment	-	1,857
Vehicles	2,290	91
Furniture and fixtures	100	291
Office equipment	-	191

102,468	110,878
----------------	----------------

UN-AUDITED	AUDITED
31 December 2021	30 June 2021

(RUPEES IN THOUSAND)

5.1.2 Book value of deletions during the period / year

Buildings and roads	-	4,661
Plant and machinery	-	76,487
Electric installations	-	3,678
Tools and equipments	-	994
Furniture and fixtures	-	622
Vehicles	887	881

887	87,323
------------	---------------

5.2 Capital work-in-progress

Buildings and roads	760	760
Plant and machinery	2,190	6,806
Stand-by equipment	-	55,208
Advance against purchase of vehicle	-	2,290

2,950	65,064
--------------	---------------

6. STOCK-IN-TRADE

Raw materials	1,079,612	295,438
Work-in-process	118,154	30,777
Finished goods	266,186	160,066
Waste	916	1,806

1,464,868	488,087
------------------	----------------

(Un-audited)			
Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

7. COST OF SALES

Raw materials consumed	2,197,877	1,261,115	1,243,138	654,203
Salaries, wages and other benefits	227,341	162,516	110,715	76,427
Stores, spare parts and loose tools consumed	98,020	67,664	51,781	34,004
Fuel and power	418,775	347,581	213,514	193,518
Outside weaving / other charges	168,544	36,200	109,233	25,569
Other manufacturing overheads	36,956	10,410	20,553	5,456
Insurance	5,173	5,592	2,875	2,880
Repair and maintenance	3,013	1,067	1,553	534
Depreciation	40,142	35,360	20,884	13,243
	3,195,841	1,927,505	1,774,246	1,005,834
Work-in-process				
Opening stock	30,777	26,831	115,750	24,573
Closing stock	(118,154)	(24,663)	(118,154)	(24,663)
	(87,377)	2,168	(2,404)	(90)
Cost of goods manufactured	3,108,464	1,929,673	1,771,842	1,005,744
Finished goods				
Opening stock	161,872	215,151	157,625	137,324
Closing stock	(267,102)	(188,013)	(267,102)	(188,013)
	(105,230)	27,138	(109,477)	(50,689)
	3,003,234	1,956,811	1,662,365	955,055
Cost of goods purchased for resale	80,153	39,934	-	39,934
	3,083,387	1,996,745	1,662,365	994,989

UN-AUDITED	
31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

8. CASH USED IN OPERATIONS

Profit before taxation	232,633	120,368
Adjustments for non-cash charges and other items:		
Depreciation	41,889	39,516
Provision for employees' retirement benefit	18,087	18,467
Gain on sale of property, plant and equipment	(1,985)	(1,031)
Gain on sale of non-current assets held for sale	-	(14,290)
Finance cost	39,560	45,920
Amortization of deferred grant	1,808	(2,654)
Gain on remeasurement of deferred liability	(2,970)	(8,474)
Provision for doubtful loans and advances	4,097	4,693
Loans and advances written off	-	42
Allowance for expected credit losses - net	2,358	1,990
Working capital changes (Note 8.1)	(893,075)	(291,265)
	(557,598)	(86,718)

8.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(8,170)	(39,336)
Stock-in-trade	(976,781)	(284,415)
Trade debts	(77,137)	117,445
Loans and advances	(44,204)	(55,554)
Short term deposits and prepayments	(3,762)	(8,280)
Other receivables	(123,694)	(4,762)
	(1,233,748)	(274,902)
Increase / (decrease) in trade and other payables	340,673	(16,363)
	(893,075)	(291,265)

9. SEGMENT INFORMATION
9.1

	(UN-AUDITED)		(RUPEES IN THOUSAND)		(UN-AUDITED)		(RUPEES IN THOUSAND)		(UN-AUDITED)		(RUPEES IN THOUSAND)	
	Textiles		Trading		Elimination of inter-segment transactions		TOTAL		Textiles		Trading	
	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
CONTINUING OPERATIONS:												
Revenue	3,293,446	2,069,874	256,753	224,615	-	-	3,550,199	2,294,489	3,550,199	2,294,489	3,550,199	2,294,489
External Intersegment	127,712	74,519	-	-	(127,712)	(74,519)	-	-	-	-	-	-
Cost of sales	3,421,158	2,144,393	256,753	224,615	(127,712)	(74,519)	3,550,199	2,294,489	3,550,199	2,294,489	3,550,199	2,294,489
	(2,985,183)	(1,901,238)	(225,916)	(170,026)	127,712	74,519	(3,083,387)	(1,996,745)	(3,083,387)	(1,996,745)	(3,083,387)	(1,996,745)
Gross profit	435,975	243,155	30,837	54,589	-	-	466,812	297,744	466,812	297,744	466,812	297,744
Distribution cost	(79,489)	(15,987)	(12,069)	(22,102)	-	-	(91,558)	(38,089)	(91,558)	(38,089)	(91,558)	(38,089)
Administrative expenses	(101,557)	(82,352)	(427)	(611)	-	-	(101,984)	(82,963)	(101,984)	(82,963)	(101,984)	(82,963)
Other income	27,064	26,012	415	-	-	-	27,479	26,012	27,479	26,012	27,479	26,012
Finance cost	(39,096)	(38,617)	(464)	(1,889)	-	-	(39,560)	(40,506)	(39,560)	(40,506)	(39,560)	(40,506)
Profit before taxation and unallocated expenses	242,897	132,211	18,292	29,987	-	-	261,189	162,198	261,189	162,198	261,189	162,198
Unallocated expenses:												
Other expenses							(28,556)	(20,757)	(28,556)	(20,757)	(28,556)	(20,757)
Taxation							(35,828)	(14,867)	(35,828)	(14,867)	(35,828)	(14,867)
Profit after taxation from continued operation							196,805	126,574	196,805	126,574	196,805	126,574
Loss after taxation from discontinued operation							-	(21,130)	-	(21,130)	-	(21,130)
Profit after taxation							196,805	105,444	196,805	105,444	196,805	105,444

9.2 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

Textiles		Trading		TOTAL	
(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
7,673,733	6,570,037	86,221	73,213	7,759,954	6,643,250
Total assets for reportable segments					
Unallocated assets:					
Deferred income tax asset				54,706	47,304
Total assets as per unconsolidated statement of financial position				7,814,660	6,690,554
Total liabilities for reportable segments					
Unallocated liability:					
Provision for taxation				42,908	75,853
Total liabilities as per unconsolidated statement of financial position				2,612,282	1,666,925

9.3 Geographical information:

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

	Textiles		Trading		TOTAL-Company	
	Half Year Ended		Half Year Ended		Half Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)						
Africa	-	-	233,898	224,615	233,898	224,615
South America	374,933	-	-	-	374,933	-
North America	66,230	44,537	-	-	66,230	44,537
Pakistan	2,852,283	2,025,337	22,855	-	2,875,138	2,025,337
	3,293,446	2,069,874	256,753	224,615	3,550,199	2,294,489

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

	Textiles		Trading		TOTAL-Company	
	Half Year Ended		Half Year Ended		Half Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)						
Major products/service lines						
Yarn / waste / others	2,852,283	2,025,337	22,855	-	2,875,138	2,025,337
Cloth	-	-	233,898	224,615	233,898	224,615
Hosiery	66,230	44,537	-	-	66,230	44,537
Made-ups	374,933	-	-	-	374,933	-
	3,293,446	2,069,874	256,753	224,615	3,550,199	2,294,489

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated company, 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 is as follows: (Un-audited)

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)				
i) Transactions				
Subsidiary company				
Purchase of goods	27,904	-	27,904	-
Expenses paid on behalf of subsidiary company	18	58	13	58
Associated company				
Insurance premium	12,723	12,398	1,028	871
Other related parties				
Loans (repaid to) / received from Chief Executive Officer, Directors, Executives and Sponsors - net	(6,477)	1,819	(7,574)	(11,575)
Remuneration paid to Chief Executive Officer, Directors and Executives	27,960	34,727	13,980	17,364

ii) Period end balances

	(Un-audited) 31 December 2021	(Audited) 30 June 2021
	(RUPEES IN THOUSAND)	
Subsidiary company		
Trade and other payables	14,627	1,117
Associated companies		
Trade and other payables	6,952	1,697
Other related parties		
Short term borrowings	284,194	290,671

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS
12.1 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 December 2021 (Un-Audited)				
At fair value through other comprehensive income	185,133	-	2,500	187,633
	185,133	-	2,500	187,633
At 30 June 2021 (Audited)				
At fair value through other comprehensive income	190,221	-	504	190,725
	190,221	-	504	190,725

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 publicly traded derivatives trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value listed financial instruments was the use of quoted market prices.

13. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	UN-AUDITED	
	31 December 2021	31 December 2020
	(RUPEES IN THOUSAND)	
Shariah compliant bank deposits and bank balances		
Bank balances	11,451	26,822
Loans / advances obtained as per Islamic mode		
Contract liabilities	59,282	74,066
Short term borrowings	284,194	290,671

	UN-AUDITED	
	31 December 2021	31 December 2020
	(RUPEES IN THOUSAND)	
Revenue earned from shariah compliant business	3,550,199	2,294,489
Exchange gain / (loss)	7,403	(2,825)
Gain or dividend earned from shariah compliant investments		
Dividend income	107	5
Unrealized (loss) / gain on remeasurement of investments measured at FVTOCI	(6,100)	1,946
Profits earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	11,485	11,540
Mark-up on short term borrowings	18,606	25,881

Relationship with shariah compliant banks

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

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

14. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on February 28, 2022.

15. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of 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.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT

	UN-AUDITED	AUDITED
NOTE	31 December 2021	30 June 2021
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2020: 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

5,466,211	5,278,010
------------------	------------------

Total equity

5,692,812	5,504,611
------------------	------------------

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing

146,755	203,742
----------------	----------------

Employees' retirement benefits

-	141,054
----------	----------------

Deferred liabilities

141,254	8,147
----------------	--------------

288,009	352,943
----------------	----------------

CURRENT LIABILITIES

Trade and other payables

1,008,661	679,964
------------------	----------------

Unclaimed dividend

3,971	3,971
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Accrued markup

32,147	25,825
---------------	---------------

Short term borrowings

1,061,060	373,704
------------------	----------------

Current portion of long term financing

184,776	175,510
----------------	----------------

Provision for taxation

45,067	77,378
---------------	---------------

2,335,682	1,336,352
------------------	------------------

TOTAL LIABILITIES

2,623,691	1,689,295
------------------	------------------

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

8,316,503	7,193,906
------------------	------------------

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	UN-AUDITED	AUDITED
NOTE	31 December 2021	30 June 2021
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment

6	4,936,280	4,938,760
----------	------------------	------------------

Investment properties

267,729	267,729
----------------	----------------

Long term investments

7	9,665	8,438
----------	--------------	--------------

Long term deposits

3,570	3,905
--------------	--------------

Long term advances

248	115
------------	------------

Deferred income tax - asset

54,506	47,103
---------------	---------------

5,271,998	5,266,050
------------------	------------------

CURRENT ASSETS

Stores, spare parts and loose tools

86,978	66,478
---------------	---------------

Stock in trade

1,464,868	488,087
------------------	----------------

Trade debts

269,298	194,519
----------------	----------------

Loans and advances

77,308	16,131
---------------	---------------

Deposits, prepayments and other receivables

271,244	142,905
----------------	----------------

Income tax

157,455	199,098
----------------	----------------

Short term investments

8	176,841	181,458
----------	----------------	----------------

Cash and bank balances

540,513	639,180
----------------	----------------

3,044,505	1,927,856
------------------	------------------

TOTAL ASSETS

8,316,503	7,193,906
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NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
CONTINUING OPERATIONS : (RUPEES IN THOUSAND)				
SALES	3,633,032	2,294,489	1,979,447	1,177,623
COST OF SALES	(3,160,226)	(1,996,745)	(1,775,863)	(994,989)
GROSS PROFIT	472,806	297,744	203,584	182,634
DISTRIBUTION COST	(91,769)	(38,089)	(58,678)	(20,591)
ADMINISTRATIVE EXPENSES	(110,117)	(83,059)	(57,303)	(24,744)
OTHER OPERATING EXPENSES	(28,556)	(20,757)	(20,825)	(18,996)
	(230,442)	(141,905)	(136,806)	(64,331)
	242,364	155,839	66,778	118,303
OTHER OPERATING INCOME	41,871	26,012	27,665	18,948
(LOSS)/PROFIT FROM OPERATIONS	284,235	181,851	94,443	137,251
FINANCE COST	(39,699)	(40,506)	(27,135)	(18,604)
	244,536	141,345	67,308	118,647
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES	(299)	(1,138)	(393)	(986)
PROFIT/(LOSS) BEFORE TAXATION	244,237	140,207	66,915	117,661
TAXATION	(37,987)	(14,867)	(18,616)	2,187
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATION	206,250	125,340	48,299	119,848
DISCONTINUED OPERATION :				
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	-	(21,130)	-	(22,974)
PROFIT AFTER TAXATION	206,250	104,210	48,299	96,874
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES):	9.10	5.53	2.13	5.29
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES):	-	(0.93)	-	(1.01)

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)				
PROFIT/(LOSS) AFTER TAXATION	206,250	104,210	48,299	96,874
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss	(1,735)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) on remeasurement of available for sale investments	(20,519)	65,062	(19,603)	69,989
Other comprehensive income / (loss) for the period	(22,254)	65,062	(19,603)	69,989
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	185,731	169,272	28,696	166,863

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


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CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)															(RUPEES IN THOUSAND)	
SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value reserve	CAPITAL RESERVES			REVENUE RESERVES					Share of (unaccumulated) profit/loss/unappropriated reserves	Sub Total	TOTAL EQUITY		
				Reserve of investments at FVOC	Reserve for issue of bonus shares	Surplus on revaluation of fixed assets	General Reserve	Dividend equalization	Sub Total							
226,601	5,496	12,000	-	-	22,257	-	4,136,711	4,176,464	48,975	-	53,442	201,821	304,238	4,707,303	-	
-	-	-	-	-	(3,009)	-	-	(3,009)	-	-	-	-	3,009	3,009	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	104,210	104,210	104,210	
-	-	-	-	-	65,062	-	-	65,062	-	-	-	(21,416)	21,130	(286)	64,776	
Total comprehensive income for the half year ended 31 December 2020																
226,601	5,496	12,000	-	-	-	65,062	-	-	65,062	-	-	(21,416)	125,340	103,924	168,986	-
Balance as at 31 December 2020 - Unaudited																
-	-	-	-	-	-	84,310	-	4,136,711	4,238,517	48,975	-	32,026	330,170	411,171	4,876,289	-
Loss for the next half year ended 30 June 2021																
-	-	-	-	-	-	-	-	-	-	-	-	-	678,756	678,756	678,756	-
-	-	-	-	-	(23,386)	-	-	(23,386)	-	-	-	(27,048)	-	(27,048)	(50,434)	(50,434)
Total comprehensive income for the next half year ended 30 June 2021																
-	-	-	-	-	(23,386)	-	-	(23,386)	-	-	-	(27,048)	678,756	651,708	628,322	-
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	1,062,879	5,504,611	-	-
Gain realized on disposal of equity equity investment at fair value through other comprehensive income																
-	-	-	-	-	(1,735)	-	-	(1,735)	-	-	-	-	1,735	1,735	-	-
Loss for the half year ended 31 December 2021																
-	-	-	-	-	-	-	-	-	-	-	-	-	206,250	206,250	206,250	-
Other comprehensive income for the half year ended 31 December 2021																
-	-	-	-	-	(20,519)	-	-	(20,519)	-	-	-	2,470	-	2,470	(18,049)	(18,049)
Total comprehensive income for the half year ended 31 December 2021																
-	-	-	-	-	(20,519)	-	-	(20,519)	-	-	-	2,470	206,250	208,720	188,201	-
Balance as at 31 December 2021 - Un-audited																
226,601	5,496	12,000	-	-	38,670	-	4,136,711	4,192,877	48,975	-	7,448	1,216,911	1,273,334	5,692,812	-	-

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

ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

NAVEED GULZAR
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (UN-AUDITED)

	NOTE	31 December 2021	31 December 2020
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	(614,977)	(86,718)
Finance cost paid		(33,377)	(44,815)
Staff retirement gratuity paid		(18,270)	(19,786)
Income tax paid		(36,177)	(23,884)
Dividend paid		-	-
		(87,824)	(88,485)
Net cash (utilized in) / generated from operating activities		(702,801)	(175,203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(40,429)	(104,986)
Proceeds from sale of property, plant and equipment		2,872	95,330
Proceeds from sale of investments		3,081	3,607
Net cash from investing activities		(34,476)	(6,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(58,489)	(10,687)
Proceeds from long term financing		9,743	99,998
Short term borrowings - net		687,356	127,196
Net cash (used in) / from financing activities		638,610	216,507
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(98,667)	35,255
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		639,180	45,069
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		540,513	80,324

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

ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

NAVEED GULZAR
DIRECTOR

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**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2021 (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. 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 ceased all production activities since August 1998 and has disposed of major part of the plant and machinery. The Company has leased out its buildings and other facilities to the Holding Company.

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 2021.

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 2021.

3.2 Basis of consolidation**A) Subsidiary**

Subsidiary Company is that entity in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The condensed interim financial information of the Subsidiary Company is included in the consolidated consolidated condensed interim financial information from the date control commences until the date that control ceases.

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

Intragroup balances and transactions have been eliminated.

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2021.

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 2021: Rupees 6.355 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 2021: 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 69.143 million (30 June 2021: Rupees 87.432 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 2021: 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 2021: 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 December 2021 (30 June 2021 Rs. Nil)

Commitments:

Letters of credit for capital expenditure are of Rs. Nil (30 June 2021: Rupees 5.889 Million).

Letters of credit for other than capital expenditure are of Rupees 144.970 Mln (30 June 2021: Rupees 103.970 million).

6. PROPERTY, PLANT AND EQUIPMENT

UN-AUDITED	AUDITED
31 December	30 June
2021	2021

(RUPEES IN THOUSAND)

Operating fixed assets (Note 6.1)	4,933,330	4,873,696
Capital work-in-progress	2,950	65,064
	<u>4,936,280</u>	<u>4,938,760</u>

6.1 Operating fixed assets

Opening book value	4,873,696	4,927,364
Add : Cost of additions during the period / year (Note 6.1.1)	102,543	113,978
	<u>4,976,239</u>	<u>5,041,342</u>
Less:		
Book value of deletions during the period / year (Note 6.1.2)	887	83,899
Depreciation charged during the period / year	42,022	79,086
Transferred to investment property	-	4,661
	<u>42,909</u>	<u>167,646</u>
Book value at the end of the period / year	<u>4,933,330</u>	<u>4,873,696</u>

UN-AUDITED	AUDITED
31 December	30 June
2021	2021

(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

Buildings on free hold land	-	126
Plant and machinery	31,290	104,984
Stand-by equipment	64,950	2,607
Electric installations	3,838	3,831
Tools and equipments	-	1,857
Furniture and fixtures	100	291
Vehicles	2,365	91
Office equipment	-	191
	<u>102,543</u>	<u>113,978</u>

6.1.2 Book value of deletions during the period / year

Plant and machinery	-	77,064
Electric installations	-	4,252
Tools and equipments	-	1,018
Furniture and fixtures	-	653
Vehicles	887	889
Office equipment	-	23
	<u>887</u>	<u>83,899</u>

7. LONG TERM INVESTMENTS

In associates:

Cost	502	502
Share of post acquisition profit:		
At the beginning of the period / year	35,330	35,330
Share of profit/(loss) during the period / year	(299)	(6,661)
Adjustment of carrying amount	(31,275)	(25,630)
	<u>3,756</u>	<u>3,039</u>
	<u>4,258</u>	<u>3,541</u>
Available for sale:		
Quoted - Others	616	616
Unquoted - Others	1,158	1,158
	<u>1,774</u>	<u>1,774</u>
Less: Impairment loss charged to profit and loss account	-	-
Add: Fair value adjustment	3,633	3,123
	<u>5,407</u>	<u>4,897</u>
	<u>9,665</u>	<u>8,438</u>

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

UN-AUDITED	AUDITED
31 December 2021	30 June 2021

(RUPEES IN THOUSAND)

8. SHORT TERM INVESTMENTS - Available for sale

Quoted - Others	71,448	123,631
Add : Fair value adjustment	105,393	57,827
	176,841	181,458

(Un-audited)

Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	2,169,974	1,261,115	1,215,235	654,203
Salaries, wages and other benefits	227,341	162,516	110,715	76,427
Stores, spare parts and loose tools consumed	98,020	67,664	51,781	34,004
Fuel and power	418,775	347,581	213,514	193,518
Outside weaving charges	168,544	36,200	109,233	25,569
Other manufacturing overheads	36,956	8,682	20,553	4,714
Insurance	5,173	5,592	2,875	2,880
Repair and maintenance	3,013	2,795	1,553	1,276
Depreciation	40,142	35,360	20,884	13,243
	3,167,938	1,927,505	1,746,343	1,005,834

Work-in-process:

Opening stock	30,777	26,831	115,750	24,573
Closing stock	(118,154)	(24,663)	(118,154)	(24,663)
	(87,377)	2,168	(2,404)	(90)
Cost of goods manufactured	3,080,561	1,929,673	1,743,939	1,005,744

Finished goods:

Opening stock	161,872	215,151	157,625	137,324
Closing stock	(267,102)	(188,013)	(267,102)	(188,013)
	(105,230)	27,138	(72,818)	(72,818)
	2,975,331	1,956,811	1,671,121	932,926

Cost of goods purchased	184,895	39,934	104,742	39,934
	3,160,226	1,996,745	1,775,863	972,860

UN-AUDITED	
31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

10. CASH UTILIZED IN OPERATIONS

Profit before taxation	244,180	119,020
Adjustments for non-cash charges and other items:		
Depreciation	42,022	95,718
Provision for staff retirement gratuity	18,468	39,516
Gain on sale of property, plant and equipment	(1,985)	(15,321)
Fair value gain on FVTPL investments	-	-
Share of (profit) / loss from associated companies	31,275	1,138
Finance cost	39,699	35,092
Impairment loss on investments	-	-
Working capital changes (Note 10.1)	(988,636)	(361,881)
	(614,977)	(86,718)

Working capital changes
10.1
(Increase) / decrease in current assets

Stores, spare parts and loose tools	(20,500)	(39,336)
Stock in trade	(976,781)	(284,415)
Trade debts	(74,779)	119,435
Loans and advances	(61,177)	(50,819)
Deposits, prepayments and other receivables	(169,982)	(24,444)
	-	-
	(1,303,219)	(279,579)

(Decrease) / increase in trade and other payables	314,583	(82,302)
	(988,636)	(361,881)

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Description	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Revenue	1,000,000	1,000,000	1,000,000	1,000,000
Cost of sales	(500,000)	(500,000)	(500,000)	(500,000)
Gross profit	500,000	500,000	500,000	500,000
Operating expenses	(200,000)	(200,000)	(200,000)	(200,000)
Operating income	300,000	300,000	300,000	300,000
Other income	50,000	50,000	50,000	50,000
Income before taxes	350,000	350,000	350,000	350,000
Taxes	(70,000)	(70,000)	(70,000)	(70,000)
Net income	280,000	280,000	280,000	280,000

i) Transactions

(RUPEES IN THOUSAND)

Associated companies				
Service charges	12,723	12,398	1,028	871
Other related parties				
Loans received from/(repaid to)				
Chief Executive Officer,				
Directors, Executives and Sponsors - Net	(6,477)	1,819	(7,574)	(11,575)
Remuneration paid to Chief Executive Officer,				
Directors, and Executives	27,960	34,727	13,980	17,364

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 2021.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on February 28, 2022 by the Board of Directors of the Group.

15. CORRESPONDING FIGURES

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

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

16. GENERAL

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

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ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

h/

NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



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