



**Crescent
Fibres**



**Quarterly Report
March 31, 2022**



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)
	Sheikh Muhammad Ali Asif	(Independent, Non-Executive Director)

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

Audit Committee

Jahanzeb Saeed Khan	(Chairman)
Nadeem Maqbool	(Member)
Naila Humayun Maqbool	(Member)

Human Resources & Remuneration Committee

Sheikh Muhammad Ali Asif	(Chairman)
Nadeem Maqbool	(Member)
Naila Humayun Maqbool	(Member)

Auditors BDO Ebrahim & Company
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Share Registrar Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.

Registered Office 104 Shadman 1,
Lahore - 54000
Tel : (042) 35960871-4 Lines
Fax : (042) 35960004

E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

Jama Punji
www.jamapunji.pk

Be aware, Be alert, Be safe
Learn about investing at
www.jamapunji.pk

Key features:

- ✔ Licensed Online Verification
- ✔ Scan meter
- ✔ Jama Punji games
- ✔ Tax credit calculator
- ✔ Company Verification
- ✔ Insurance & Investment Checklist
- ✔ FPA Assessment
- ✔ Stock trading simulator (based on live feed from KSE)
- ✔ Knowledge center
- ✔ Risk profiler
- ✔ Financial calculator
- ✔ Subscription to alerts (email, push, sms, corporate and regulatory actions)
- ✔ Jama Punji registration for mobile device
- ✔ Online Orders

Download Jama Punji on Google Play Store

MANAGEMENT REVIEW

The Company made a profit of Rs. 141.7 million in the third quarter of the fiscal year, which when combined with a profit of Rs. 408.5 million in the six months, resulted in a net profit of Rs. 550.2 million for the nine months ended March 31, 2022. The earnings per share for the period under review was Rs. 44.30 as compared Rs. 24.29 for the period ended March 31, 2021.

Sales for the period under review were 36% higher than the corresponding period, due to optimal capacity utilization and higher end product prices. In the period under review, the gross margin increased to 16.7 % as compared to 12.7% in the corresponding period. Owing to cost controls, selling, administrative expenses were 1.9% of sales as compared to 2.3% in the previous nine months. The operating margin for the period under review increased to 14.2% as compared to 10.3% for the period ended March 31, 2021. Financial charges at Rs. 92.8 million were 1.5% of sales as compared to 2.1% in the corresponding period. This is largely attributable improved cash flows and reduction in long term leverage. Overall, the net margin was 9.1% as compared 6.8% in the previous period.

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 geopolitical issues. According to the data released by Pakistan Bureau of Statistics (PBS), textile exports for first seven months of fiscal 2021-2022 saw a growth of 24.7% 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 prudent 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. However, we expect that given the recent interest hike, the strict lock down in China and the war in Ukraine will exert pressure on margins.

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


NADEEM MAQBOOL
Director

April 28, 2022

کمپنی نظماء (ڈائریکٹران) کی رپورٹ:

کمپنی کو مالی سال کی تیسری سہ ماہی میں 141.7 ملین روپے کا منافع ہوا جو کہ چھ ماہ کے منافع 408.5 ملین روپے کے ساتھ شامل کرنے کے نتیجے میں 31 مارچ 2022 کو نو ماہ کے لئے 550.2 ملین روپے کا منافع بنتا ہے۔ 31 مارچ 2021 کی مدت کے لئے 24.29 روپے منافع کے مقابلے میں زیر جائزہ مدت کے لئے فی حصہ آمدن 44.30 روپے تھی۔

زیر جائزہ مدت کے لئے مالیت فروخت اسی مدت کے مقابلے میں 36 فیصد زیادہ تھی، جو کہ زیادہ سے زیادہ صلاحیت کے استعمال اور اختتامی مصنوعات کی قیمتیں بڑھنے کی وجہ سے تھی۔ زیر جائزہ مدت میں، مجموعی منافع اسی مدت میں 12.7 فیصد کے مقابلے میں بڑھ کر 16.7 فیصد ہو گیا۔ لاگت کے کنٹرول کی وجہ سے، فروخت، انتظامی اخراجات، پیچھے نو مہینوں میں 2.3 فیصد کے مقابلے میں فروخت 1.9 فیصد تھے۔ زیر جائزہ مدت کے لئے آپریٹنگ منافع 31 مارچ 2021 کو ختم ہونے والی مدت کے 10.3 فیصد کے مقابلے میں بڑھ کر 14.2 فیصد ہو گیا۔ مالیاتی اخراجات 92.8 ملین روپے تھے جو اسی عرصے میں 2.1 فیصد کے مقابلے میں فروخت 1.5 فیصد تھے جس کی وجہ بڑی حد تک بہتر نقد بہاؤ اور طویل مدتی لیوریج میں کمی ہے۔ مجموعی طور پر، پیچھے عرصے میں خالص منافع 6.8 فیصد کے مقابلے میں 9.1 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 سامنا کرنے والے ممالک سے آرڈر کی منتقلی کی وجہ سے اپنی مصنوعات کی مضبوط مانگ دیکھی ہے۔ پاکستان پیور آف سٹینڈنگس (پنی بی ایس) کے جاری کردہ اعداد و شمار کے مطابق، مالی سال 2021-2022 کے پہلے سات مہینوں میں ٹیکسٹائل کی برآمدات میں سالانہ 24.7 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 ملکیت اور لوں 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 باغی 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 چیلنجوں کا سامنا ہے جن میں کاروبار کرنے کی زیادہ قیمت، معاشی اضافہ، زرمبادلہ کی شرح اور اجناس کی مارکیٹ میں اتار چڑھاؤ، کم ملکی سپلائی 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، سیکٹر 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 مینجمنٹ تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر انحصار کرتی رہے گی۔ تاہم، ہم توقع کرتے ہیں کہ سود میں حالیہ اضافے کو دیکھتے ہوئے، چین میں سخت لاک ڈاون اور یوکریین میں جنگ منافع پر دباؤ ڈالے گی۔

کمپنی کی انتظامیہ عمل کی 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۔

Naamunap
ندیم مقبول
ڈائریکٹر

Imran Murtaza
عمران مقبول
چیف ایگزیکٹو آفیسر

کراچی: تاریخ: 28 اپریل 2022ء

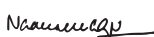
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022 (UN-AUDITED)

		March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
ASSETS	Note		
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,281,146,501	1,349,149,824
Capital work-in-progress	6	68,633,616	8,872,286
Investment property		1,752,738,250	1,752,738,250
Investment in equity accounted associate		171,064	196,063
Long term deposits		23,385,356	34,166,748
		<u>3,126,074,787</u>	<u>3,145,123,171</u>
CURRENT ASSETS			
Stores, spares and loose tools	7	96,906,332	82,525,721
Stock in trade	8	607,304,353	349,327,257
Trade debts		2,064,941,591	1,514,688,864
Loans and advances		204,018,493	17,081,881
Trade deposits and short term prepayments		16,923,914	10,661,068
Other receivables		1,735,325	2,539,638
Short term investments	9	81,877,437	94,939,218
Tax refunds due from Government		-	8,026,640
Taxation - net		-	6,674,826
Cash and bank balances	10	191,807,548	221,423,239
		<u>3,265,514,993</u>	<u>2,307,888,352</u>
TOTAL ASSETS		<u>6,391,589,780</u>	<u>5,453,011,524</u>
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		1,994,780,568	1,996,280,568
Unrealised gain on investments at fair value through other comprehensive income		45,138,818	58,200,599
		<u>2,039,919,386</u>	<u>2,054,481,167</u>
Revenue reserves			
Unappropriated profit		2,078,219,111	1,545,188,198
		<u>4,242,317,257</u>	<u>3,723,848,125</u>
NON CURRENT LIABILITIES			
Long term financing	11	114,144,457	164,035,855
Lease liabilities	12	28,023,455	32,952,510
Deferred taxation		153,028,963	143,668,760
Deferred capital grant	13	-	1,034,419
GIDC payable		66,435,753	88,395,561
		<u>361,632,628</u>	<u>430,087,105</u>
CURRENT LIABILITIES			
Trade and other payables	14	1,086,555,537	885,225,484
Unclaimed dividend		3,070,540	2,423,134
Mark-up accrued		18,310,100	8,214,710
Short term borrowings	15	412,422,740	206,910,135
Taxation - net		127,626,075	-
Current portion of long term liabilities		139,654,903	196,302,830
		<u>1,787,639,895</u>	<u>1,299,076,294</u>
TOTAL EQUITY AND LIABILITIES		<u>6,391,589,780</u>	<u>5,453,011,524</u>
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director

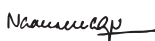

KAMRAN RASHEED
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Rupees	Rupees	Rupees	Rupees
Sales - net		6,042,856,807	4,441,027,496	2,076,168,804	1,579,811,401
Cost of sales	17	(5,030,780,389)	(3,876,920,719)	(1,742,684,149)	(1,326,277,763)
Gross profit		1,012,076,418	564,106,777	333,484,655	253,533,638
General and administrative expenses		(113,732,241)	(102,724,875)	(37,501,112)	(32,274,723)
Distribution cost		(15,047,881)	(15,704,771)	(4,874,944)	(5,450,792)
Other operating income		38,701,733	51,059,926	9,697,526	8,352,297
Other operating expenses		(61,692,865)	(40,828,383)	(18,647,340)	(15,089,185)
		(151,771,254)	(108,198,103)	(51,325,870)	(44,462,403)
Operating profit		860,305,164	455,908,674	282,158,785	209,071,235
Financial charges		(92,791,227)	(93,808,323)	(36,160,021)	(36,884,106)
Share of loss from associate		(25,000)	(21,900)	(9,400)	(6,600)
		(92,816,227)	(93,830,223)	(36,169,421)	(36,890,706)
Profit before taxation		767,488,937	362,078,451	245,989,364	172,180,529
Taxation	18	(217,331,210)	(60,472,943)	(104,285,314)	(33,990,745)
Profit for the period		550,157,727	301,605,508	141,704,050	138,189,784
Earnings per share - basic and diluted	19	44.30	24.29	11.41	11.12

The annexed notes from 1 to 27 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
FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)**

	Note	March 31, 2022 Rupees	March 31, 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	20	107,662,139	114,658,426
Financial charges paid		(82,695,837)	(108,295,276)
Taxes paid		(80,344,931)	(42,250,095)
Net cash generated from operating activities		(55,378,629)	(35,886,945)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(121,093,589)	(18,403,800)
Proceeds from disposal of operating fixed assets		57,259,270	57,085
Short term investments		-	36,339,037
Long term deposits		10,781,392	4,803,900
Net cash generated from / (used in) investing activities		(53,052,927)	22,796,222
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(130,764,791)	(10,417,352)
Proceeds from long term financing		28,750,000	156,919,279
Principal paid on lease liabilities		(6,855,925)	(16,147,634)
Dividend paid		(17,826,024)	(444)
Short term borrowings - net		205,512,605	(95,711,335)
Net cash used in financing activities		78,815,865	34,642,514
Net increase in cash and cash equivalents		(29,615,691)	21,551,790
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		191,807,548	173,923,058

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2022

	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	-	-	-	301,605,508	301,605,508
Other comprehensive income					
Unrealised gain on revaluation of investments classified as 'fair value through other comprehensive income'	-	4,137,416	-	-	4,137,416
	-	4,137,416	-	301,605,508	305,742,924
Balance as at March 31, 2021	124,178,760	57,215,379	1,993,825,768	1,392,554,447	3,567,774,354
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	-	-	-	550,157,727	550,157,727
Other comprehensive income					
Unrealised (loss) on revaluation of investments classified as 'fair value through other comprehensive income'	-	(13,061,781)	-	-	(13,061,781)
Transfer to unappropriated profit in respect of disposal of revalued property, plant and equipment	-	-	(1,500,000)	1,500,000	-
	-	(13,061,781)	(1,500,000)	551,657,727	537,095,946
Balance as at March 31, 2022	124,178,760	45,138,818	1,994,780,568	2,096,845,925	4,260,944,071
Transactions with owners					
Dividend declared @ Rs. 1.5 per Share	-	-	-	(18,626,814)	(18,626,814)
Balance as at March 31, 2022	124,178,760	45,138,818	1,994,780,568	2,078,219,111	4,242,317,257

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	550,157,727	301,605,508	141,704,050	138,189,784
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'	(13,061,781)	4,137,416	(194,742)	18,105,713
Total comprehensive income for the period	537,095,946	305,742,924	141,509,308	156,295,497

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



IMRAN MAQBOOL
Chief Executive Officer



NADEEM MAQBOOL
Director



KAMRAN RASHEED
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (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 submitted to the shareholders as required under section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the quarter ended March 31, 2022 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 nine month ended March 31, 2022.

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 judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

		March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
5 OPERATING FIXED ASSETS	Note		
Fixed assets	5.1	1,208,216,816	1,275,574,442
Right-of-use assets	5.2	72,929,685	73,575,382
		<u>1,281,146,501</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 cost) from capital work in progress during the period / year		30,244,459	-
Transfer (at NBV) from right-of-use assets during the period / year		-	9,360,000
Revaluation surplus		-	2,454,801
Additions (at cost) during the period / year	5.1.1	25,831,800	29,894,563
		<u>1,331,650,701</u>	<u>1,374,628,686</u>
Disposals (at NBV) during the period / year		52,224,358	198,079
Depreciation charged during the period / year		<u>71,209,527</u>	<u>98,856,165</u>
		<u>123,433,885</u>	<u>99,054,244</u>
Closing net book value (NBV)		<u>1,208,216,816</u>	<u>1,275,574,442</u>
5.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Plant and machinery		3,810,000	28,386,663
Vehicles		<u>22,021,800</u>	<u>1,507,900</u>
		<u>25,831,800</u>	<u>29,894,563</u>
5.1.2 Details of disposals (at NBV) during the period / year are as follows:			
Owned			
Plant & Machinery		2,655,359	-
Vehicles		7,568,999	198,079
Freehold land		<u>42,000,000</u>	<u>-</u>
		<u>52,224,358</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		5,256,000	2,825,000
Depreciation charged during the period / year		<u>(5,901,697)</u>	<u>(7,913,468)</u>
		<u>72,929,685</u>	<u>73,575,382</u>
6 CAPITAL WORK-IN-PROGRESS			
Intangible Assets		9,240,175	-
Building		35,066,718	8,872,286
Plant & Machinery		<u>24,326,723</u>	<u>-</u>
		<u>68,633,616</u>	<u>8,872,286</u>
7 STORES, SPARES AND LOOSE TOOLS			
Stores		99,099,541	71,633,488
Spares		8,284,655	21,390,047
Loose tools		<u>66,133</u>	<u>46,183</u>
		<u>107,450,329</u>	<u>93,069,718</u>
Less: Provision for slow moving items		<u>(10,543,997)</u>	<u>(10,543,997)</u>
		<u>96,906,332</u>	<u>82,525,721</u>
8 STOCK IN TRADE			
Raw material in hand		351,349,044	194,938,050
Work-in-process		113,448,946	72,961,942
Finished goods		<u>142,506,363</u>	<u>81,427,265</u>
		<u>607,304,353</u>	<u>349,327,257</u>
9 SHORT TERM INVESTMENTS			
At fair value through other comprehensive income	9.1	80,677,437	93,739,218
Term Deposit			
At amortised cost	9.2	1,200,000	1,200,000
		<u>81,877,437</u>	<u>94,939,218</u>
9.1 Fair value through other comprehensive income			
Cost		48,187,534	48,187,534
Unrealized gain on revaluation of investments		45,138,818	58,200,599
Impairment loss		<u>(12,648,915)</u>	<u>(12,648,915)</u>
		<u>80,677,437</u>	<u>93,739,218</u>
9.2 Amortised cost			
Term deposit	9.2.1	1,200,000	1,200,000
9.2.1 These term deposit certificates carry mark-up at rates ranging from 6.00% to 10.25% per annum (June 30, 2021: 5.00% to 5.50% per annum).			

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

		March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
10 CASH AND BANK BALANCES	Note		
Cash in hand		2,881,930	849,755
Cash with banks			
In current accounts		108,032,400	120,062,646
In savings accounts	10.1	80,893,218	100,510,838
		<u>188,925,618</u>	<u>220,573,484</u>
		<u>191,807,548</u>	<u>221,423,239</u>
10.1	The balance in savings accounts carry mark-up at the rates ranging from 5.25% to 5.75% per annum (June 30, 2021: 5.00% to 5.50% per annum).		
11 LONG TERM FINANCING			
From banking companies - secured			
Conventional mode			
United Bank Limited-Term finance - 1		27,277,733	54,555,466
MCB Bank Limited - Term finance - 2		-	3,659,700
MCB Bank Limited - Term finance - 3		-	13,190,892
United Bank Limited -Term finance - 4		5,222,224	15,666,668
MCB Bank Limited - Term finance - 5		24,316,000	26,527,000
MCB Bank Limited - Term finance - 6		13,341,000	16,676,000
MCB Bank Limited - Term finance - 7		10,975,556	13,170,667
MCB Bank Limited - Term finance - 8		37,332,000	42,666,000
MCB Bank Limited - Term finance - 9		24,000,000	27,000,000
Bank Of Punjab -Term finance - 10		64,922,186	123,766,916
Bank Of Punjab -Term finance - 11	11.1	28,750,000	-
		<u>236,136,699</u>	<u>336,879,309</u>
Islamic mode			
Orix Modaraba - Term finance - 12		-	485,802
Orix Modaraba - Term finance - 13		-	191,605
Orix Modaraba - Term finance - 14		66,088	660,862
		<u>66,088</u>	<u>1,338,269</u>
		<u>236,202,787</u>	<u>338,217,578</u>
Less: Current portion shown under current liabilities		(122,058,330)	(174,181,723)
		<u>114,144,457</u>	<u>164,035,855</u>
11.1	This facility has been obtained from MCB Bank Limited for the import of machinery for planned BMR activity in exciting units located at Bikhi-Punjab and Dadu-Sindh. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months(June 30, 2021: nil). The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million and exclusive charge on plant and machinery of Rs. 271.43 Million.. The sanctioned limit of the facility is Rs. 190 million (June 30, 2021: nil).		
12 LEASE LIABILITIES	Note	March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
Lease liabilities		42,262,656	49,118,581
Less: Current portion		(14,239,201)	(16,166,071)
		<u>28,023,455</u>	<u>32,952,510</u>
Maturity analysis-contractual discounted cashflow:			
Less than one year		14,239,201	16,166,071
One to five years		28,023,455	32,952,510
Total discounted lease liability		<u>42,262,656</u>	<u>49,118,581</u>
12.1	When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 11.33% to 14.43% per annum (June 30, 2021: 8.15% to 15.86% per annum).		
13 DEFERRED CAPITAL GRANT			
Capital grant		3,357,372	6,989,457
Current portion shown under current liability		(3,357,372)	(5,955,037)
		<u>-</u>	<u>1,034,420</u>
13.1	Following is the movement in government grant during the period / year:		
Opening balance		6,989,457	-
Addition during the period		-	13,537,453
Amortizitized during the period		(3,632,085)	(6,547,996)
Closing balance		<u>3,357,372</u>	<u>6,989,457</u>
14 TRADE AND OTHER PAYABLES			
Creditors	14.1	349,209,519	235,111,931
Accrued liabilities	14.2	619,869,678	535,427,990
Sales Tax Payable		-	20,949,381
Advance from customers		-	10,882,496
Payable to Provident Fund		2,872,489	2,472,897
Workers' Profit Participation Fund		41,218,525	31,748,275



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)**

		March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
	Note		
Due to related party	14.3	30,277,860	23,679,715
Withholding tax payable		1,778,953	2,136,039
Workers' Welfare Fund		36,833,477	21,170,436
Other liabilities		4,495,036	1,646,324
		<u>1,086,555,537</u>	<u>885,225,484</u>

14.1 This includes balance amounting to Rs. 6.158 million (June 30, 2021: Rs. 2.352 million) due to an associated company.

14.2 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.

14.3 This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 5.133 million (June 30, 2021: Rs. 5.170), Rs. 4.560 million (June 30, 2021: Rs.1.220 million) and Rs. 20.584 million (June 30, 2021: Rs.17.300 million) respectively. These balances do not carry any interest and are repayable on demand.

		March 31, 2022 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
	Note		
15 SHORT TERM BORROWINGS			
From banking companies - secured			
Running / cash finance		-	120,000,000
Islamic mode			86,910,135
Conventional mode		<u>412,422,740</u>	<u>206,910,135</u>
		<u>412,422,740</u>	<u>206,910,135</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 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 MARCH 31, 2022 (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.

16.2 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, import spare parts and machinery amounting to Rs. 1,293.47 million (June 30, 2021: Rs 276.118 million).

17 COST OF SALES

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Un-audited)			
	----- Rupees -----			
Materials consumed	3,937,566,149	2,700,135,379	2,611,640,847	983,190,540
Stores, spares and loose tools consumed	100,528,735	81,810,927	66,594,807	28,961,302
Packing material consumed	68,190,082	57,241,477	45,472,251	19,580,024
Salaries, wages and other benefits	378,945,502	334,113,817	244,905,816	109,624,578
Fuel and power	539,848,946	409,115,197	359,279,811	130,263,784
Insurance	10,890,461	9,000,992	7,208,054	3,000,000
Repairs and maintenance	6,103,061	5,850,406	(2,210,857)	1,484,638
Depreciation	70,314,392	73,793,836	46,668,740	24,803,739
Other manufacturing overheads	19,959,163	19,490,665	13,752,892	6,041,785
	5,132,346,491	3,690,552,696	3,393,312,361	1,306,950,390
Opening work in process	72,961,942	78,313,474	121,415,622	70,649,780
Closing work in process	(113,448,946)	(76,300,935)	(113,448,946)	(76,300,935)
	(40,487,004)	2,012,539	7,966,676	(5,651,155)
Cost of goods manufactured	5,091,859,487	3,692,565,235	3,401,279,037	1,301,299,235
Cost of goods purchased for trading	-	126,530,182	-	8,635,000
Opening stock of finished goods	81,427,265	106,132,191	95,580,785	64,650,416
Closing stock of finished goods	(142,506,363)	(48,306,888)	(142,506,363)	(48,306,888)
	(61,079,098)	57,825,303	(46,925,578)	16,343,528
	5,030,780,389	3,876,920,719	3,354,353,459	1,326,277,763

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	March 31, 2022 (Un-audited) Rupees	March 31, 2021 (Un-audited) Rupees
18 TAXATION		
Current	204,346,451	-
Prior	3,624,557	-
Deferred	9,360,202	60,472,943
	<u>217,331,210</u>	<u>60,472,943</u>

19 EARNINGS PER SHARE - BASIC AND DILUTED

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

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Un-audited)			
	Rupees			
Profit for the period (Rupees)	550,157,727	301,605,508	141,704,050	138,189,784
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	44.30	24.29	11.41	11.13

	March 31, 2022 (Un-audited) Rupees	March 31, 2021 (Un-audited) Rupees
20 CASH GENERATED FROM OPERATIONS		
Profit before taxation	767,488,937	362,078,451
Adjustment for non-cash charges and other items:		
Depreciation	77,111,224	79,784,111
Deferred income	(3,632,085)	(1,324,140)
Gain on disposal of operating fixed assets	(5,034,912)	-
Unrealised gain on revaluation of investments classified as 'fair value through profit or loss'	-	(113,740)
Share of loss from associate	25,000	21,900
Financial charges	92,791,227	93,808,323
Allowance for expected credit loss	4,000,000	12,565,854
	<u>165,260,454</u>	<u>184,742,308</u>
Profit before working capital changes	932,749,391	546,820,758
Working capital changes	20.1 (825,087,252)	(432,162,332)
	<u>107,662,139</u>	<u>114,658,426</u>

20.1 Working capital changes

Decrease / (increase) in current assets:		
Stores, spares and loose tools	(14,380,611)	(9,071,862)
Stock in trade	(257,977,096)	(33,754,643)
Trade debts	(554,252,727)	(17,043,058)
Loans and advances	(186,936,612)	(177,480,923)
Trade deposits and short term prepayments	(6,262,846)	(4,727,070)
Other receivables	804,313	(288,249)
Tax refunds due from the Government	14,701,466	-
	<u>(1,004,304,113)</u>	<u>(242,365,805)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	179,216,861	(189,796,527)
	<u>(825,087,252)</u>	<u>(432,162,332)</u>

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

21 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	Nine months ended		Quarter ended	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
			(Un-audited)			
-----Rupees-----						
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	239,949,333	23,883,000	103,424,607	9,286,200
	Insurance premium	Premier Insurance Limited	25,276,867	20,233,978	1,888,354	58,061
	Rent received	Amil Exports (Private) Limited	584,100	507,105	194,700	169,035
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	14,115,547	13,027,422	4,772,109	516,981
Director	Rent paid	Mr. Imran Maqbool	675,000	675,000	225,000	225,000
	Rent paid	Mr. Humayun Maqbool	675,000	675,000	225,000	225,000
Others	Rent paid	Ms. Khawar Maqbool	1,935,000	1,935,000	645,000	645,000
Chief executive	Remuneration and benefits	Mr. Imran Maqbool	8,655,340	7,912,937	2,885,113	2,637,646
Director	Remuneration and benefits	Mr. Humayun Maqbool	8,659,138	7,890,569	2,886,379	2,630,190
Key management personnel	Remuneration and benefits	Key management personnel	19,013,914	17,787,857	6,337,971	6,027,383
			March 31, 2022	June 30, 2021		
			(Un-audited)	(Audited)		
			Rupees	Rupees		

21.1 Period / year end balances

Receivable from associated company - Suraj Cotton Mills Limited	19,858,450	3,533
Payable to associated company - Premier Insurance Limited	6,158,331	2,352,331
Payable to provident fund	2,872,489	2,472,895
Due to Chief Executive and Directors	30,277,860	23,679,715

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

22 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

As at March 31, 2022, 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	80,677,437	-	-	80,677,437

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.

23 NUMBER OF EMPLOYEES

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
a) Number of employees as at	1075	1062
Average number of employees	1068	1059

24 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 28, 2022 by the Board of Directors of the Company.

25 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Company for the period ended March 31, 2022 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.

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.


26 CORRESPONDING FIGURES

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

27 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



CRESCENT FIBRES LIMITED

104 Shadman 1, Lahore 54000
Tel: +92 (42) 35960871 - 4 Lines
Fax: +92 (42) 35960004
Email: lo@crescentfibres.com
Website: www.crescentfibres.com