



**Crescent
Fibres**



**Quarterly Report
September 30, 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)
	Syed Rizwan Husain	(Independent, Non-Executive Director)
	Sheikh Muhammad Ali Asif	(Independent, Non-Executive Director)

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

Audit Committee

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

Human Resources & Remuneration Committee

Syed Rizwan Husain	(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

MANAGEMENT REVIEW

The Company reported after tax profit of Rs. 8.1 million for the quarter ended September 30, 2022 as compared to a profit of Rs. 178.7 million for the three months ended September 30, 2021. The earnings per share for the period under review was Rs. 0.65 as compared to Rs. 14.39 in the previous quarter.

Overall, sales increased by 8.8% as compared to the quarter ended September 2021. The gross margin for the period was 6.3% as compared to 15.7% in the previous period. Distribution and administrative expenses at 2.1% were higher as compared to 1.9% in the previous period primarily attributable to the general inflationary trend. The operating margin in the period under review was at 4.4% as compared to 13.3% for the quarter ended September 30, 2021. The financial charges were higher at 2.6% as compared to 1.3% for the corresponding period due to the increase in interest rates. Overall, the net margin for the quarter was 0.4% as compared to 9.5% for the previous quarter.

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

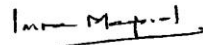
Imprudent economic policies combined with recent global events have made Pakistan's economy particularly fragile, characterized by high balance of payment and fiscal deficits, a weakening currency, rising inflation and interest rates, high external indebtedness and energy shortages. Without meaningful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

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

We expect the next year to be a very difficult one for the textile industry. In light of the negative outlook, the Management will continue to rely on sound, low risk decision making to protect the interests of the shareholders.

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

Quarterly Report



IMRAN MAQBOOL
Chief Executive Officer



NADEEM MAQBOOL
Director

October 28, 2022

کمپنی نظم و ضبط (ڈائریکٹران) کی رپورٹ

کمپنی نے 30 ستمبر 2022 کو ختم ہونے والی سرمایہ کے لیے ٹیکس ادائیگی کے بعد 8.1 ملین روپے منافع حاصل کیا جس کے مقابلے میں 30 ستمبر 2021 کو ختم ہونے والے تین ماہ کا منافع 178.7 ملین روپے تھا۔ زیر جائزہ مدت کے لئے فی حصص آمدنی 0.65 روپے رہی جو کہ پچھلی سرمایہ میں 14.39 روپے تھی۔

مجموعی طور پر، ستمبر 2021 کو ختم ہونے والے سرمایہ کے مقابلے میں فروخت میں 8.8 فیصد اضافہ ہوا۔ اس مدت کے لیے مجموعی منافع گزشتہ مدت کے 15.7 فیصد کے مقابلے میں 6.3 فیصد تھا۔ تقسیم کار اور انتظامی اخراجات 2.1 فیصد زیادہ تھے جو گزشتہ مدت میں 1.9 فیصد کے مقابلے میں بنیادی وجہ عام افراط زر کے رجحان سے منسوب تھے۔ زیر جائزہ مدت میں آپریٹنگ مارجن 30 ستمبر 2021 کو ختم ہونے والے سرمایہ کے 13.3 فیصد کے مقابلے میں 4.4 فیصد رہا۔ سود کی شرح میں اضافہ کی وجہ سے مالیاتی اخراجات اسی مدت کے 1.3 فیصد کے مقابلے میں 2.6 فیصد زیادہ تھے۔ مجموعی طور پر، سرمایہ کے لیے خالص منافع گزشتہ سرمایہ کے 9.5 فیصد کے مقابلے میں 0.4 فیصد تھا۔

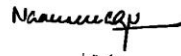
گذشتہ مالی سال کی چوتھی سرمایہ میں ٹیکسٹائل کی طلب میں کمی آنا شروع ہوئی۔ یہ رجحان ایک کمزور عالمی معیشت، بڑھتی ہوئی شرح سود اور افراط زر اور مجموعی اجناس اور مالیاتی منڈی کے آثار چڑھاؤ کی وجہ سے شدید ماگ کی تباہی کی وجہ سے بہتر ہو گیا تھا۔ ملکی اور عالمی چیلنجوں کی روشنی میں ہمیں اندیشہ ہے کہ یہ رجحان جاری رہے گا۔

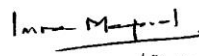
عالمی عالمی واقعات کے ساتھ مل کر غلط معاشی پالیسیوں نے پاکستان کی معیشت کو خاص طور پر کمزور بنا دیا ہے، جس کی بنیادی وجہ ادائیگیوں کے بلند توازن اور مالیاتی خسارے، گرتی ہوئی کرنسی، بڑھتی ہوئی افراط زر، شرح سود میں اضافہ، بلند بیرونی قرضہ جات اور توانائی کی قلت ہے۔ معاشی مسابقت کو فروغ دینے والی بائیسٹی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

عالمی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل انڈسٹری کو دیگر چیلنجوں کا سامنا ہے جن میں کاروبار کرنے کی زیادہ لاگت، مالیاتی اضافہ، شرح مبادلہ اور اجناس کی منڈی میں آثار چڑھاؤ، ملکی کپاس کی پیداوار میں کمی اور معیار اور فراہمی کے سلسلے میں رکاوٹیں شامل ہیں۔ حکومت نے علاقائی سطح پر مسابقتی نرخوں پر توانائی کی فراہمی کا وعدہ کیا ہے، اور اس قابل عمل کو یقینی بنایا جائے، اس کے علاوہ حکومت کو ایک توسیع مالیاتی پالیسی اپنانی چاہیے۔ سیلز ٹیکس کے نظام کو حکومت کو فوری طور پر معطل کرنا چاہیے اور طویل عرصہ سے تاخیر کا حکم ٹیکس اور دیگر چھوٹ جاری کر کے لیکویڈیٹی کو بہتر بنانا چاہیے۔

ہم توقع کرتے ہیں کہ اگلا سال ٹیکسٹائل انڈسٹری کے لئے بہت مشکل ہوگا۔ وقتی نقطہ نظر کی روشنی میں، انتظامیہ بیشتر ہولڈز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر اصرار کرتی رہے گی۔

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


ندیم مقبول
ڈائریکٹر


عمران ممبر
چیف ایگزیکٹو آفیسر

کراچی، تاریخ 28 اکتوبر 2022ء



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022 (UN-AUDITED)**

		September 30, 2022	June 30, 2022
	Note	(Un-audited) Rupees	(Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,348,648,714	1,267,631,945
Capital work-in-progress	6	110,701,751	103,987,733
Intangible assets		8,316,159	8,778,168
Investment property		1,756,577,720	1,756,577,720
Long term deposits		23,483,799	31,401,599
		<u>3,247,728,143</u>	<u>3,168,377,165</u>
CURRENT ASSETS			
Stores, spares and loose tools	7	111,498,166	106,245,383
Stock in trade	8	1,070,464,780	742,731,116
Trade debts		2,233,956,217	2,185,089,164
Loans and advances		47,233,359	97,520,894
Trade deposits and short term prepayments		31,283,695	9,241,112
Other receivables		5,986,281	3,370,315
Short term investments	9	76,133,822	74,251,580
Tax refunds due from Government		113,187,980	24,382,978
Cash and bank balances	10	255,429,310	247,809,755
		<u>3,945,173,610</u>	<u>3,490,642,297</u>
		<u>7,192,901,753</u>	<u>6,659,019,463</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2022: 15,000,000)			
ordinary shares of Rs. 10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital			
12,417,876 (June 30, 2022: 12,417,876)			
ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,996,280,568	1,996,280,568
Unrealised gain on investments at fair value			
through other comprehensive income		39,395,203	37,512,961
		2,035,675,771	2,033,793,529
Revenue reserves			
Unappropriated profit		2,189,334,131	2,181,283,944
		<u>4,349,188,662</u>	<u>4,339,256,233</u>
NON CURRENT LIABILITIES			
Long term financing	11	186,202,556	113,434,557
Lease liabilities	12	17,718,705	23,301,894
Deferred taxation		125,124,793	123,368,293
GIDC payable		36,164,568	46,486,767
		<u>365,210,621</u>	<u>306,581,511</u>
CURRENT LIABILITIES			
Trade and other payables	13	1,433,805,878	1,212,793,507
Unclaimed dividend		3,040,376	3,040,376
Interest and mark-up accrued		31,865,461	21,048,553
Short term borrowings	14	862,421,126	595,571,495
Taxation - net		69,852,708	79,815,472
Current portion of long term liabilities		77,716,920	100,901,316
		<u>2,478,502,469</u>	<u>2,013,171,720</u>
		<u>7,192,901,753</u>	<u>6,659,019,463</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 25 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 (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Note	Three Months Ended	
		September 30, 2022	September 30, 2021
		Rupees	Rupees
Sales - net		2,041,698,229	1,876,941,641
Cost of sales	16	(1,913,134,556)	(1,581,678,511)
Gross profit		128,563,673	295,263,130
General and administrative expenses		(42,440,627)	(35,114,153)
Distribution cost		(5,799,214)	(4,987,116)
Other operating income		11,642,092	12,208,690
Other operating expenses		(2,829,664)	(17,150,361)
		(39,427,413)	(45,042,940)
Operating profit		89,136,260	250,220,190
Financial charges		(53,459,005)	(23,679,025)
Share of loss from associate		-	(10,500)
		(53,459,005)	(23,689,525)
Profit before taxation		35,677,254	226,530,665
Taxation	17	(27,627,067)	(47,782,172)
Profit for the period		8,050,187	178,748,493
Earnings per share - basic and diluted	18	0.65	14.39

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



Quarterly Report

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

		September 30, 2022	September 30, 2021
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	(119,745,296)	(260,890,401)
Financial charges paid		(42,843,098)	(19,574,577)
Taxes paid		<u>(33,833,329)</u>	<u>(22,962,826)</u>
Net cash generated from operating activities		(198,421,723)	(303,427,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		<u>(113,413,558)</u>	<u>(51,572,902)</u>
Proceeds from disposal of operating fixed assets		-	49,511,800
Short term investments		-	<u>(77,000,000)</u>
Long term deposits		7,917,800	11,141,800
Net cash generated from / (used in) investing activities		(105,495,758)	(67,919,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		<u>(26,337,134)</u>	<u>(55,244,156)</u>
Proceeds from long term financing		75,768,000	-
Principal paid on lease liabilities		<u>(4,743,461)</u>	<u>(3,878,486)</u>
Short term borrowings - net		<u>266,849,631</u>	<u>502,746,355</u>
Net cash used in financing activities		311,537,036	443,623,713
Net increase in cash and cash equivalents		7,519,555	72,276,607
Cash and cash equivalents at the beginning of the period		<u>247,809,755</u>	<u>221,423,239</u>
Cash and cash equivalents at the end of the period		<u>255,429,310</u>	<u>293,699,846</u>

The annexed notes from 1 to 25 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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves	Total
		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, 2021	124,178,760	58,200,599	1,996,280,568	1,545,188,198	3,723,848,125
Total comprehensive income for the period					
Profit for the period	-	-	-	178,748,493	178,748,493
Other comprehensive income					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(1,134,686)	-	-	(1,134,686)
	-	(1,134,686)	-	178,748,493	177,613,807
Balance as at September 30, 2021	124,178,760	57,065,913	1,996,280,568	1,723,936,691	3,901,461,932
Balance as at July 1, 2022	124,178,760	37,512,861	1,986,280,568	2,181,283,944	4,339,256,233
Total comprehensive income for the period					
Profit for the period	-	-	-	8,050,187	8,050,187
Other comprehensive income					
Unrealised gain on revaluation of investments classified as 'fair value through other comprehensive income'	-	1,882,242	-	-	1,882,242
	-	1,882,242	-	8,050,187	9,932,429
Balance as at September 30, 2022	124,178,760	39,395,203	1,996,280,568	2,189,334,131	4,349,188,662

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Quarter Month Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
Profit for the period	8,050,187	178,748,493
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised gain / (loss) on revaluation of investments classified as 'fair value through other comprehensive income'	1,882,242	(1,134,686)
Total comprehensive income for the period	9,932,429	177,613,807

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



Quarterly Report

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 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 September 30, 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, 2022, 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, 2022, 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 three months ended September 30, 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, 2022.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

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, 2022. 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, 2022.

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
5 OPERATING FIXED ASSETS			
Fixed assets	5.1	1,274,681,903	1,191,448,926
Right-of-use assets	5.2	73,966,811	76,183,019
		<u>1,348,648,714</u>	<u>1,267,631,945</u>
5.1 Fixed assets			
Opening net book value (NBV)		1,191,448,926	1,275,574,440
Transfer (at cost) from capital work in progress during the period / year		-	30,244,459
Additions (at cost) during the period / year	5.1.1	106,699,540	54,442,199
		<u>1,298,148,466</u>	<u>1,360,261,098</u>
Disposals (at NBV) during the period / year		-	73,181,226
Depreciation charged during the period / year		23,466,563	95,630,946
		<u>23,466,563</u>	<u>168,812,172</u>
Closing net book value (NBV)		<u>1,274,681,903</u>	<u>1,191,448,926</u>
5.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Plant and machinery		98,747,050	3,809,999
Vehicles		7,952,490	50,632,200
		<u>106,699,540</u>	<u>54,442,199</u>
5.1.2 Details of disposals (at NBV) during the period / year are as follows:			
Owned			
Plant & Machinery		-	2,764,671
Vehicles		-	28,416,555
Freehold land		-	42,000,000
		<u>-</u>	<u>73,181,226</u>
5.2 Right-of-use assets			
Opening net book value (NBV)		76,183,019	73,575,382
Additions (at cost) during the period / year		-	10,862,000
Depreciation charged during the period / year		(2,216,208)	(8,254,363)
		<u>73,966,811</u>	<u>76,183,019</u>
6 CAPITAL WORK-IN-PROGRESS			
Extension in Blowroom building Unit-2		110,701,751	103,987,733
		<u>110,701,751</u>	<u>103,987,733</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

		September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
7	STORES, SPARES AND LOOSE TOOLS		
	Stores & Spares	122,328,026	117,075,243
	Less: Provision for slow moving items	<u>(10,829,860)</u>	<u>(10,829,860)</u>
		<u>111,498,166</u>	<u>106,245,383</u>
8	STOCK IN TRADE		
	Raw material in hand	587,014,795	418,646,065
	Work-in-process	153,639,223	120,809,946
	Finished goods	<u>329,810,762</u>	<u>203,275,105</u>
		<u>1,070,464,780</u>	<u>742,731,116</u>
9	SHORT TERM INVESTMENTS		
	At fair value through other comprehensive income	9.1 74,933,822	73,051,580
	Term Deposit		
	At amortised cost	9.2 1,200,000	1,200,000
		<u>76,133,822</u>	<u>74,251,580</u>
9.1	Fair value through other comprehensive income		
	Cost	48,187,534	48,187,534
	Unrealized gain on revaluation of investments	39,395,203	37,512,961
	Impairment loss	<u>(12,648,915)</u>	<u>(12,648,915)</u>
		<u>74,933,822</u>	<u>73,051,580</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 5.50% to 12.25% per annum (June 30, 2022: 5.50% to 12.25% per annum).		
10	CASH AND BANK BALANCES		
	Cash in hand	2,428,585	853,236
	Cash with banks		
	In current accounts	77,550,176	133,737,887
	In savings accounts	10.1 149,918,794	111,686,857
		<u>227,468,969</u>	<u>245,424,744</u>
	Islamic current accounts	25,531,775	1,531,775
		<u>255,429,310</u>	<u>247,809,755</u>
10.1	The balance in savings accounts carry mark-up at the rates ranging from 9.00% to 12.25% per annum (June 30, 2022: 5.00% to 12.25% per annum).		
11	LONG TERM FINANCING		
	From banking companies - secured		
	Conventional mode		
	United Bank Limited -Term finance - 1	-	5,222,224
	MCB Bank Limited - Term finance - 2	22,105,000	22,105,000
	MCB Bank Limited - Term finance - 3	10,006,000	10,006,000
	MCB Bank Limited - Term finance - 4	8,780,445	8,780,445
	MCB Bank Limited - Term finance - 5	31,998,000	31,998,000
	MCB Bank Limited - Term finance - 6	21,000,000	22,500,000
	Bank Of Punjab -Term finance - 7	25,692,366	45,307,276
	MCB Bank Limited - Term finance - 8	28,750,000	28,750,000
	MCB Bank Limited - Term finance - 9	18,442,000	18,442,000
	MCB Bank Limited - Term finance - 10	11.1 75,768,000	-
		<u>242,541,811</u>	<u>193,110,945</u>
	Less: Current portion shown under current liabilities	<u>(56,339,255)</u>	<u>(79,676,388)</u>
		<u>186,202,556</u>	<u>113,434,557</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

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 Bikki-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, 2022: 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, 2022: Rs. 190 million).

	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
11.2 CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing	56,339,255	174,181,723
Lease liabilities	21,030,236	16,166,070
Deferred capital grant BOP	3,357,372	5,955,037
	<u>80,726,863</u>	<u>196,302,830</u>

12 LEASE LIABILITIES

Lease liabilities	38,748,941	43,492,402
Less: Current portion	(21,030,236)	(20,190,508)
	<u>17,718,705</u>	<u>23,301,894</u>
Maturity analysis-contractual discounted cashflow:		
Less than one year	21,030,236	-
One to five years	17,718,705	23,301,905
Total discounted lease liability	<u>38,748,941</u>	<u>23,301,905</u>

12.1 When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 14.43% to 21.01% per annum (June 30, 2021: 8.15% to 15.86% per annum).

13 TRADE AND OTHER PAYABLES

Creditors	13.1	596,498,511	418,245,322
Accrued liabilities	13.2	699,021,370	653,594,134
Contractual liability		11,261,471	15,620,243
Payable to Provident Fund		3,827,922	5,054,015
Workers' Profit Participation Fund		48,987,182	47,119,445
Due to related party	13.3	23,542,860	23,821,190
Withholding tax payable		3,075,584	2,882,130
Workers' Welfare Fund		39,785,566	39,075,826
Other liabilities		7,805,411	7,381,202
		<u>1,433,805,878</u>	<u>1,212,793,507</u>

13.1 This includes balance amounting to Rs. 20.866 million (June 30, 2022: Rs. 3.273 million) due to an associated company.

13.2 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.

13.3 This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 5.133 million (June 30, 2022: Rs. 5.170 million), Rs. 1.210 million (June 30, 2022: Rs.1.210 million) and Rs. 17.199 million (June 30, 2022: Rs.17.300 million) respectively. These balances do not carry any interest and are repayable on demand.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
14 SHORT TERM BORROWINGS		
From banking companies - secured		
Running / cash finance		
Islamic mode	225,534,919	218,572,406
Conventional mode	636,886,207	376,999,089
	<u>862,421,126</u>	<u>595,571,495</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 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, 2022 : 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.
- 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.

15.2 Commitments

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

- a) Letters of credit against import of raw cotton and spare parts amounting to Rs. 417.380 million (2022: Rs. 452.673 million) and 484.162 million (2022: Rs. 437.045 million).

16 COST OF SALES

	Quarter ended	
	September 30, 2022 (Un-audited) Rupees	September 30, 2021
Materials consumed	1,601,505,513	1,254,075,422
Stores, spares and loose tools consumed	30,259,374	31,259,047
Packing material consumed	25,000,301	23,069,451
Salaries, wages and other benefits	145,649,645	124,349,549
Fuel and power	227,246,858	143,608,762
Insurance	5,688,964	3,468,854
Repairs and maintenance	4,713,740	1,462,574
Depreciation	22,481,136	23,046,676
Other manufacturing overheads	9,953,960	7,328,975
	<u>2,072,499,490</u>	<u>1,611,669,310</u>
Opening work in process	120,809,946	72,961,942
Closing work in process	(153,639,223)	(101,037,955)
	<u>(32,829,277)</u>	<u>(28,076,013)</u>
Cost of goods manufactured	<u>2,039,670,213</u>	<u>1,583,593,297</u>
Opening stock of finished goods	203,275,105	81,427,265
Closing stock of finished goods	(329,810,762)	(83,342,051)
	<u>(126,535,657)</u>	<u>(1,914,786)</u>
	<u>1,913,134,556</u>	<u>1,581,678,511</u>

Quarterly Report

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

	September 30, 2022 (Un-audited) Rupees	September 30, 2021 (Un-audited) Rupees
17 TAXATION		
Current	25,870,567	64,787,392
Deferred	1,756,500	(17,005,220)
	<u>27,627,067</u>	<u>47,782,172</u>

18 EARNINGS PER SHARE - BASIC AND DILUTED

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

	September 30, 2022 (Un-audited) Rupees	September 30, 2021 (Un-audited) Rupees
Profit for the period (Rupees)	8,050,187	178,748,493
Weighted average number of ordinary shares	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	0.65	14.39

	September 30, 2022 (Un-audited) Rupees	September 30, 2021 (Un-audited) Rupees
19 CASH GENERATED FROM OPERATIONS		
Profit before taxation	35,677,254	226,530,665
Adjustment for non-cash charges and other items:		
Depreciation	25,682,771	25,080,996
Deferred income	(686,991)	(1,970,953)
Gain on disposal of operating fixed assets	-	(1,533,514)
Share of loss from associate	-	10,500
Financial charges	53,459,005	23,679,025
	<u>78,916,794</u>	<u>45,266,054</u>
Profit before working capital changes	114,594,048	271,796,718
Working capital changes	19.1 (234,339,345)	(532,687,119)
	<u>(119,745,296)</u>	<u>(260,890,401)</u>

19.1 Working capital changes

Decrease / (increase) in current assets:		
Stores, spares and loose tools	(5,252,783)	(5,852,521)
Stock in trade	(327,733,664)	(378,289,630)
Trade debts	(48,867,053)	(107,427,494)
Loans and advances	50,287,535	(62,367,802)
Trade deposits and short term prepayments	(22,042,583)	(16,969,945)
Other receivables	(2,615,966)	16,345
Tax refunds due from the Government	(88,805,002)	(71,358,548)
	<u>(445,029,516)</u>	<u>(642,249,595)</u>
Trade and other payables	210,690,172	109,562,476
	<u>(234,339,345)</u>	<u>(532,687,119)</u>

20 TRANSACTIONS WITH RELATED PARTIES

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

Relation with the company	Nature of transaction	Name of the related party	Quarter ended	
			September 30, 2022	September 30, 2021
			(Un-audited) Rupees	
Associated Companies	Sales of goods and services	Surej Cotton Mills Limited	84,107,799	60,924,240
	Insurance premium	Premier Insurance Limited	30,530,166	22,899,383
	Rent received	Anil Exports (Private) Limited	214,170	194,700
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	5,441,883	4,651,171
	Rent paid	Mr. Imran Maqbool	225,000	225,000
Others	Rent paid	Mr. Humayun Maqbool	225,000	225,000
	Rent paid	Mrs. Khawar Maqbool	645,000	645,000
Chief Executive	Remuneration and benefits	Mr. Imran Maqbool	3,389,039	2,885,113
Director	Remuneration and benefits	Mr. Humayun Maqbool	3,418,058	2,886,379
Key management personnel	Remuneration and benefits	Key management personnel	7,209,986	6,337,871

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
20.1 Period / year end balances		
Receivable from associated company - Suraj Cotton Mills Limited	56,580,666	9,963,174
Payable to associated company - Premier Insurance Limited	20,866,389	3,273,442
Payable to provident fund	3,827,922	5,054,015
Due to Chief Executive and Directors	23,542,860	23,262,445

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

21 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

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

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

As at September 30, 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	74,933,822	-	-	74,933,822
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As at June 30, 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	74,251,580	-	-	74,251,580
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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.

22 NUMBER OF EMPLOYEES

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
a) Number of employees as at	1063	1058
Average number of employees	1057	1055

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

23 DATE OF AUTHORIZATION FOR ISSUE

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

24 CORRESPONDING FIGURES

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

25 GENERAL

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


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



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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