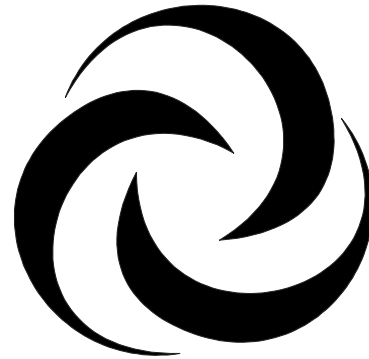


CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2022
(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.
5-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, 2022. During the period under review, your company has earned a pre-tax profit of Rs. 87.817 Million as compared to pre-tax profit of Rs. 232.633 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 3,138.628 Million, whereas, the turnover figures during the same period in year 2021 was Rs. 3,550.199 Million. The cost of sales in the period under review stood at 91.69% whereas up to December 31, 2021 it was around 87.08%.

Overview

First half of the financial year 2022-23 was very difficult for the textile sector due to global recession, skyrocketing raw material cost, high inflation and currency fluctuations. Big international brands cancelled or delayed orders which affected all segments of textile sector in the value chain. Massive floods during the monsoon season further increased the problems of the sector because major part of cotton crop has damaged that would reduce the local cotton supply. Although, cotton prices in international market have decreased but cost of importing has massively increased because of rapid depreciation of PKR against USD. High raw material cost in combination with already expensive energy has made Pakistani textile products less attractive as compared to products of regional competitors.

Financial year 2022-23 started with very high local raw cotton prices, on the contrary, international cotton prices went down due to expectation of recession around the world. Cotton prices in Pakistan further boosted as result of hasty buying by spinners to cover their annual requirements. The Company also started to buy Pakistani raw cotton as soon as it was available in the market to cover its yarn manufacturing requirements for financial year 2022-23. The Company also planned to import polyester/viscose to create an adequate mix. We expected that some demand will pick up in the first quarter of calendar year 2023 but the overhang of large inventories will continue to keep prices of the end products low. We are grateful to the Government in maintaining the regionally competitive tariff for electricity which will augur well for export led growth to occur. However, we do expect that inflation and currency depreciation will keep input prices very high thus affecting future profitability. All the textile producing countries are now facing the prospect of demand destruction and unless the world economies begin to recover, we see an extremely difficult year ahead. The Government has once again increased the rate of sales tax as well as prices of fuel, electricity and gas hence increasing the cost of doing business. We anticipate that due to these factors our earnings for the current year will be lower than last year.

The restriction on opening of letters of credit by State Bank of Pakistan has increased the prices of raw material i.e Cotton lint/polyester/viscous and oricell fibre to the competitive level. The announcement of regionally competitive rates of electricity from March 2023 is expected to play a very negative role in the profitability. The world markets are in grip of severe recession and the orders for value added textile industry are being fading. The increased rates of markup and high raw material prices are expected to increase the price of our raw material but lesser demand is expected to keep prices of end products at a lower level thus reducing profitability.

Acknowledgment

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 27, 2023

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2022 کو مختصر دوسری سہ ماہی اور پہلی ششماہی کے لیے مجید عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 232.633 ملین روپے کے مقابلہ میں 87.817 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت کی آمدنی 3,138.628 ملین روپے رہی جبکہ سال 2021ء میں اسی مدت کے دوران ٹران اور کے اعداد و شمار 3,550.199 ملین روپے تھے۔ زیر جائزہ مدت میں فروخت کی لاگت 91.69 فیصد رہی جبکہ 31 دسمبر 2021ء تک یہ 87.08 فیصد کے لگ بھگ تھی۔

جائزہ: مالی سال 2022-23 کے پہلی ششماہی عالمی کساد بازاری، خام مال کی آسمان سے بانی کرنی قیمتوں، بلند افراط زر اور کرنسی کے اتار چڑھاؤ کی وجہ سے ٹیکسٹائل سیکٹر کے لیے بہت مشکل تھی۔ بڑے بین الاقوامی برانڈز نے آرڈرز کو منسوخ یا موخر کیا جس سے ویلیو چین میں ٹیکسٹائل سیکٹر کے تمام طبقات متاثر ہوئے۔ مون سون کے موسم میں بڑے پیمانے پر سیلاب نے اس شعبے کی مشکلات میں مزید اضافہ کر دیا ہے کیونکہ کپاس کی فصل کے بڑے حصے کو نقصان پہنچا ہے جس سے مقامی کپاس کی سپلائی کم ہو جائے گی۔ اگرچہ بین الاقوامی منڈی میں کپاس کی قیمتوں میں کمی آئی ہے لیکن امریکی ڈالر کے مقابلے پاکستانی روپے کی تیزی سے گراؤت کی وجہ سے درآمدی لاگت میں بڑے پیمانے پر اضافہ ہوا ہے۔ خام مال کی بلند قیمتوں نے پہلے سے ہی تنگی تو انسانی سے مل کر پاکستانی ٹیکسٹائل مصنوعات کو علاقائی حربوں کی مصنوعات کے مقابلے میں کم پرنش بنادیا ہے۔

مالی سال 2022-23 کا آغاز مقامی خام کپاس کی بہت زیادہ قیمتوں کے ساتھ ہوا، اس کے برعکس دنیا بھر میں کساد بازاری کی توقع کے باعث بین الاقوامی کپاس کی قیمتیں گر گئیں۔ اسپنرز کی جانب سے اپنی سالانہ ضروریات پوری کرنے کے لیے خریداری میں جلد بازی کے نتیجے میں پاکستان میں کپاس کی قیمتوں میں مزید اضافہ ہوا۔ کمپنی نے بھی مالی سال 2022-23 کے لیے اپنی یارن مینوفیکچرنگ کی ضروریات کو پورا کرنے کے لیے مارکیٹ میں دستیاب ہوتے ہی پاکستانی خام کپاس کی خریداری شروع کر دی۔ کمپنی نے ایک مناسب مرکب بنانے کے لیے پالیسٹر/سکوس درآمد کرنے کا بھی منصوبہ بنایا۔ ہمیں توقع تھی کہ کیلینڈر سال 2023 کی پہلی سہ ماہی میں حتیٰ مصنوعات کی قیمتوں کو کم رکھنے کے لیے کچھ مٹنگ بڑھ جائے گی لیکن بڑی اونینریوں کی اور پیگ جاری رہے گی۔ ہم بجلی کے لیے علاقائی سطح پر مسابقتی ٹیرف کو برقرار رکھنے کے لیے حکومت کے شکر گزار ہیں جو برآمدات میں اضافے کے لیے اچھا ثابت ہوگا۔ تاہم، ہم توقع کرتے ہیں کہ افراط زر اور کرنسی کی قدر میں کمی ان پٹ کی قیمتوں کو بہت زیادہ رکھیں گے اس طرح مستقبل کے منافع پر اثر پڑے گا۔ تمام ٹیکسٹائل پیدا کرنے والے ممالک اب طلب کے خاتمے کے امکانات کا سامنا کر رہے ہیں اور جب تک عالمی معیشتیں بحال نہیں ہو جاتیں، ہمیں آنے والا ایک انتہائی مشکل سال نظر آتا ہے۔ حکومت نے ایک بار پھر سٹیل ٹیکس کی شرح کے ساتھ ساتھ ایندھن، بجلی اور ٹیکس کی قیمتوں میں اضافہ کر دیا ہے جس سے کاروبار کرنے کی لاگت میں اضافہ ہو گیا ہے۔ ہم توقع کرتے ہیں کہ ان عوامل کی وجہ سے موجودہ سال کے لیے ہماری آمدنی گزشتہ سال کے مقابلے کم ہوگی۔

اسٹیٹ بینک آف پاکستان کی جانب سے لیٹ آف کریڈٹ کھولنے پر پابندی نے خام مال یعنی کائونٹ/پالیسٹر/سکوس اور اورسٹیل فائبر کی قیمتوں کو مسابقتی سطح تک بڑھا دیا ہے۔ مارچ 2023 سے بجلی کے علاقائی طور پر مسابقتی نرخوں کے اعلان سے منافع میں انتہائی منفی کردار ادا کرنے کی توقع ہے۔ عالمی منڈیاں شدید کساد بازاری کی لپیٹ میں ہیں اور ویلیو ایڈڈ ٹیکسٹائل انڈسٹری کے آرڈرز معدوم ہوتے جا رہے ہیں۔ مارک اپ کی بڑھتی ہوئی شرحوں اور خام مال کی بلند قیمتوں سے ہمارے خام مال کی قیمتوں میں اضافہ متوقع ہے لیکن کم طلب سے حتیٰ مصنوعات کی قیمتیں کم سطح پر رہنے کی توقع ہے اس طرح منافع میں کمی آئے گی۔

اعتراف:

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

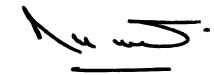
منجانب

بورڈ آف ڈائریکٹرز


نویڈ گلزار ڈائریکٹر

فیصل آباد

27 فروری 2023ء


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 2022 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 2022 and 31 December 2021 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 2022.

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.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
February 27, 2023
UDIN: RR202210158ns6IHIBEC

UNCONSOLIDATED CONDENSED INTERIM STATEMENT

NOTE	UN-AUDITED	AUDITED
	31 December 2022	30 June 2022
	(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
	30 000 000 (30 June 2022: 30 000 000)	
	ordinary shares of Rupees 10 each	
	300,000	300,000
	226,601	226,601
Issued, subscribed and paid up share capital		
Reserves		
Capital reserves		
	Premium on issue of shares reserve	
	Plant modernization reserve	
	Fair value reserve of investments at FVTOCI	
	Surplus on revaluation of freehold land and investment properties	
	5,496	5,496
	12,000	12,000
	60,704	86,738
	4,283,308	4,283,308
	4,361,508	4,387,542
	794,131	759,843
	5,155,639	5,147,385
	Revenue reserves	
	Total reserves	
	5,382,240	5,373,986
TOTAL EQUITY		
LIABILITIES		
NON-CURRENT LIABILITIES		
	Long term financing	
	Employees' retirement benefit	
3	77,499	110,989
	170,753	160,669
	248,252	271,658
CURRENT LIABILITIES		
	Trade and other payables	
	Unclaimed dividend	
	Accrued mark-up	
	Short term borrowings	
	Current portion of non-current liabilities	
	Provision for taxation	
	862,625	803,446
	4,177	3,970
	23,995	20,236
	922,618	674,053
	70,399	153,927
	40,601	80,263
	1,924,415	1,735,895
	2,172,667	2,007,553
TOTAL LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
4	7,554,907	7,381,539
TOTAL EQUITY AND LIABILITIES		

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 2022

NOTE	UN-AUDITED	AUDITED
	31 December 2022	30 June 2022
	(RUPEES IN THOUSAND)	
ASSETS		
NON-CURRENT ASSETS		
	Property, plant and equipment	
5	5,016,350	5,052,394
	Investment properties	
	260,018	260,018
	Long term investments	
	9,734	9,326
	Long term deposits	
	3,383	3,383
	Long term advances	
	309	156
	Deferred income tax asset	
	55,518	44,667
	5,345,312	5,369,944
CURRENT ASSETS		
	Stores, spare parts and loose tools	
	64,822	74,982
	Stock-in-trade	
	802,171	657,889
	Trade debts	
	528,399	513,765
	Loans and advances	
	159,785	44,201
	Prepayments	
	8,442	1,891
	Other receivables	
	322,399	317,321
	Income tax	
	176,049	201,597
	Short term investments	
	123,501	156,312
	Cash and bank balances	
	24,027	43,637
	2,209,595	2,011,595
TOTAL ASSETS		
	7,554,907	7,381,539



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	3,138,628	3,550,199	1,591,183	1,896,614
COST OF SALES	(2,878,024)	(3,083,387)	(1,474,865)	(1,662,365)
GROSS PROFIT	260,604	466,812	116,318	234,249
DISTRIBUTION COST	(43,232)	(91,558)	(1,737)	(58,483)
ADMINISTRATIVE EXPENSES	(109,510)	(101,984)	(56,830)	(52,987)
OTHER EXPENSES	(8,244)	(28,556)	(7,203)	(20,825)
OTHER INCOME	44,106	27,479	34,651	18,478
FINANCE COST	(55,907)	(39,560)	(29,446)	(27,095)
PROFIT BEFORE TAXATION	87,817	232,633	55,753	93,337
TAXATION	(36,534)	(35,828)	(16,824)	(17,238)
PROFIT AFTER TAXATION	51,283	196,805	38,929	76,099
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	2.26	8.69	1.72	3.36

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 2022 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(RUPEES IN THOUSAND)			
PROFIT AFTER TAXATION	51,283	196,805	38,929	76,099
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss in subsequent periods:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(32,401)	(16,411)	(25,017)	(14,676)
Deferred income tax relating to investments at fair value through other comprehensive income	6,367	(1,645)	6,367	(1,645)
	(26,034)	(18,056)	(18,650)	(16,321)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period - net of tax	(26,034)	(18,056)	(18,650)	(16,321)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	25,249	178,749	20,279	59,778

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 2022 (UN-AUDITED)

	CAPITAL RESERVES					REVENUE RESERVES			(RUPEES IN THOUSAND)		
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value adjustments at FVOCI	Surplus on revaluation of investment properties	General reserve	unappropriated profit	Sub Total	TOTAL reserves	TOTAL EQUITY	
											Sub Total
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 investments at fair value through other comprehensive income	-	-	-	(1,735)	-	(1,735)	-	1,735	-	-	-
Profit for the period	-	-	-	(18,056)	-	(18,056)	-	196,805	196,805	196,805	196,805
Other comprehensive income for the period	-	-	-	(18,056)	-	(18,056)	-	196,805	-	(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
Profit for the period	-	-	-	(23,242)	-	(23,242)	-	52,199	52,199	52,199	52,199
Other comprehensive income for the period	-	-	-	(23,242)	146,597	123,355	-	(3,946)	(3,946)	119,409	119,409
Total comprehensive income for the period	-	-	-	(23,242)	146,597	123,355	-	48,253	48,253	171,608	171,608
Balance as at 30 June 2022 - (Audited)	226,601	5,496	12,000	86,738	4,283,308	4,387,542	100,988	658,855	759,843	5,147,385	5,373,986
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 0.75 per share	-	-	-	-	-	-	-	(16,995)	(16,995)	(16,995)	(16,995)
Profit for the period	-	-	-	(26,034)	-	(26,034)	-	51,283	51,283	51,283	51,283
Other comprehensive loss for the period	-	-	-	(26,034)	-	(26,034)	-	-	-	(26,034)	(26,034)
Total comprehensive income for the period	-	-	-	(26,034)	-	(26,034)	-	51,283	51,283	25,249	25,249
Balance as at 31 December 2022 - (Un-audited)	226,601	5,496	12,000	60,704	4,283,308	4,361,508	100,988	693,143	794,131	5,155,639	5,382,240

The annexed notes 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 2022 (UN-AUDITED)

	NOTE	31 December 2022	31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES (RUPEES IN THOUSAND)			
Cash used in operations	7	(67,837)	(557,598)
Finance cost paid		(51,792)	(39,197)
Employees' retirement benefit paid		(16,613)	(18,270)
Income tax paid		(55,132)	(32,989)
Decrease in long term deposits		-	736
Net increase in long term advances		(153)	(133)
Net cash used in operating activities		(191,527)	(647,451)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,789)	(40,354)
Proceeds from sale of property, plant and equipment		-	2,872
Investment made		-	(16,399)
Proceeds from sale of investments		-	3,081
Net cash used in investing activities		(4,789)	(50,800)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(55,071)	(58,489)
Proceeds from long term financing		-	9,743
Short term borrowings - net		248,565	687,356
Dividend paid		(16,788)	-
Net cash from financing activities		176,706	638,610
NET DECREASE IN CASH AND CASH EQUIVALENTS		(19,610)	(59,641)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		43,637	142,717
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		24,027	83,076

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 2022 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

1.1 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 is 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, home textile and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups. The Company also operates an embroidery unit.

1.2 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary company has been accounted for at cost less accumulated impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 as required for unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

2.2 Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, assumptions and judgments.

The significant judgements and estimates made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same on those that applied to the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

UN-AUDITED	AUDITED
31 December 2022	30 June 2022

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING

Financing from banking company - secured

Opening balance	202,671	307,047
Add:		
Obtained during the period / year	-	9,742
Amortization during the period / year	298	2,861
	202,969	319,650
Less: Repaid during the period / year	55,071	116,979
	147,898	202,671
Less: Current portion shown under current liabilities	70,399	91,682
	77,499	110,989

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

i) There are no significant changes in the status of other contingencies as disclosed in Note 14(a) to the unconsolidated annual financial statements of the Company for the year ended 30 June 2022, except as disclosed below:

ii) Guarantees of Rupees 62.738 million (30 June 2022: Rupees 74.998 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.

iii) Assistant Commissioner Inland Revenue issued notice to the Company on 10 February 2023, subsequent to the reporting date, to deposit 50 percent of super tax liability for the tax year 2022 under section 4C of the Income Tax Ordinance, 2001 amounting to Rupees 0.953 million, while the total amount payable is Rupees 1.905 million. The Company is planning to file appeal against the said demand and is hopeful that no liability can be arisen.

b) Commitments:

i) There was no commitment in respect of capital expenditure as at 31 December 2022 (30 June 2022: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees 102.078 million (30 June 2022: Rupees 133.276 million).

UN-AUDITED	AUDITED
31 December	30 June
2022	2022

(RUPEES IN THOUSAND)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	5,016,350	5,051,753
Capital work-in-progress	-	641
	<u>5,016,350</u>	<u>5,052,394</u>

5.1 Operating fixed assets

Opening book value	5,051,753	4,871,119
Add:		
Cost of additions during the period / year (Note 5.1.1)	4,789	121,709
Effects of surplus on revaluation during the period / year	-	146,597
	<u>5,056,542</u>	<u>5,139,425</u>

Less: Book value of deletions during the period / year	-	2,633
	<u>5,056,542</u>	<u>5,136,792</u>

Less: Depreciation charged during the period / year	40,192	85,039
	<u>5,016,350</u>	<u>5,051,753</u>

5.1.1 Cost of additions during the period / year

Plant and machinery	-	48,361
Stand-by equipment	-	68,940
Electric installations	-	691
Furniture and fixtures	-	1,348
Vehicles	4,789	2,369
	<u>4,789</u>	<u>121,709</u>

(Un-audited)

Half year ended		Quarter ended	
31 December	31 December	31 December	31 December
2022	2021	2022	2021

(RUPEES IN THOUSAND)

6. COST OF SALES

Raw materials consumed	2,102,053	2,197,877	1,066,185	1,243,138
Cost of raw materials sold	38,970	-	38,970	-
Salaries, wages and other benefits	185,858	227,341	105,548	110,715
Stores, spare parts and loose tools consumed	111,488	98,020	49,065	51,781
Fuel and power	546,587	418,775	285,455	213,514
Outside weaving / processing / stitching charges	31,089	168,544	22,835	109,233
Other manufacturing overheads	14,261	36,956	6,715	20,553
Insurance	5,788	5,173	2,893	2,875
Repair and maintenance	2,059	3,013	946	1,553
Depreciation	38,809	40,142	19,404	20,884

	<u>3,076,962</u>	<u>3,195,841</u>	<u>1,598,016</u>	<u>1,774,246</u>
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Work-in-process

Opening stock	77,012	30,777	66,386	115,750
Closing stock	(57,208)	(118,154)	(57,208)	(118,154)
	<u>19,804</u>	<u>(87,377)</u>	<u>9,178</u>	<u>(2,404)</u>

Cost of goods manufactured	3,096,766	3,108,464	1,607,194	1,771,842
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Finished goods

Opening stock	264,109	161,872	350,522	157,625
Closing stock	(482,851)	(267,102)	(482,851)	(267,102)
	<u>(218,742)</u>	<u>(105,230)</u>	<u>(132,329)</u>	<u>(109,477)</u>
	<u>2,878,024</u>	<u>3,003,234</u>	<u>1,474,865</u>	<u>1,662,365</u>

Cost of goods purchased for resale	-	80,153	-	-
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	<u>2,878,024</u>	<u>3,083,387</u>	<u>1,474,865</u>	<u>1,662,365</u>
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8.2 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

Textiles		Trading		TOTAL-Company	
(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
31 December	30 June	31 December	30 June	31 December	30 June
2022	2022	2022	2022	2022	2022

Total assets for reportable segments 7,497,440 7,286,647 1,949 50,225 7,499,389 7,336,872

Unallocated asset:

Deferred income tax asset 55,518 44,667

Total assets as per unconsolidated condensed interim statement of financial position 7,554,907 7,381,539

Total liabilities for reportable segments 2,109,206 1,921,616 5,523 5,674 2,114,729 1,927,290

Unallocated liabilities:

Workers' profit participation fund 3,864 -

Workers' welfare fund 13,473 -

Provision for taxation 40,601 80,263

Total liabilities as per unconsolidated condensed interim statement of financial position 2,172,667 2,007,553

8.3 Geographical information:

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

(UN-AUDITED)

Textiles		Trading		TOTAL-Company	
Half Year Ended		Half Year Ended		Half Year Ended	
31 December	31 December	31 December	31 December	31 December	31 December
2022	2021	2022	2021	2022	2021

(RUPEES IN THOUSAND)

Africa 47,830 - - 233,898 47,830 233,898

Europe 135,009 369,370 - - 135,009 369,370

South America 9,408 5,563 - - 9,408 5,563

North America 69,861 66,230 - - 69,861 66,230

Pakistan 2,876,520 2,852,283 - 22,855 2,876,520 2,875,138

3,138,628 3,293,446 - 256,753 3,138,628 3,550,199

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

(UN-AUDITED)

Textiles		Trading		TOTAL-Company	
Half Year Ended		Half Year Ended		Half Year Ended	
31 December	31 December	31 December	31 December	31 December	31 December
2022	2021	2022	2021	2022	2021

(RUPEES IN THOUSAND)

Major products/service lines

Yarn / others 2,851,778 2,836,045 - 22,855 2,851,778 2,858,900

Cloth - - - 233,898 - 233,898

Hosiery 72,954 66,230 - - 72,954 66,230

Made-ups 195,926 374,933 - - 195,926 374,933

Waste 17,970 16,238 - - 17,970 16,238

3,138,628 3,293,446 - 256,753 3,138,628 3,550,199

9. TRANSACTIONS WITH RELATED PARTIES

The related parties include subsidiary company, associated companies, other related parties and key management personnel. Detail of transactions and balances with related parties is as follows:

(Un-audited)

Half year ended		Quarter ended	
31 December	31 December	31 December	31 December
2022	2021	2022	2021

(RUPEES IN THOUSAND)

i) Transactions
Subsidiary company

Purchase of goods 99,152 27,904 53,457 27,904
Expenses paid on behalf of subsidiary company 6 18 - 13

Associated companies

Insurance premium 15,280 12,723 10,429 1,028
Expenses paid on behalf of associated company 449 - 447 -
Dividend paid 159 - 159 -

Other related parties

Loans received / (repaid to) from Chief Executive Officer, directors and executives - net 10,976 (6,477) 4,426 (7,574)
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives 32,921 27,960 16,420 13,980
Dividend paid to Chief Executive Officer, directors, spouses and executives 7,252 - 7,252 -

(Un-audited)	(Audited)
31 December	30 June
2022	2022

(RUPEES IN THOUSAND)

ii) Period end balances
Subsidiary company

Trade and other payables 9,950 1,095

Associated companies

Trade and other payables 5,572 570

Other related parties

Short term borrowings 292,733 281,757
Loans and advances 358 -

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

10.1 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 2022 - (Un-audited)				
At fair value through other comprehensive income	130,735	-	2,500	133,235
Total financial assets	130,735	-	2,500	133,235
At 30 June 2022 - (Audited)				
At fair value through other comprehensive income	163,138	-	2,500	165,638
Total financial assets	163,138	-	2,500	165,638

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 equity securities) is based on quoted market prices at the end of the reporting period.

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.

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.

11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

UN-AUDITED	
31 December 2022	31 December 2021
(RUPEES IN THOUSAND)	

Shariah compliant bank deposits and bank balances

Bank balances 5,488 2,150

Loans / advances obtained as per Islamic mode

Contract liabilities - unsecured 153,277 135,636
Short term borrowings 292,733 345,830

UN-AUDITED	
31 December 2022	31 December 2021

(RUPEES IN THOUSAND)

Revenue earned from shariah compliant business	3,138,628	3,550,199
Exchange gain	21,330	7,403
Loss or dividend earned from shariah compliant investments		
Dividend income	-	107
Unrealized loss on remeasurement of investments measured at FVTOCI	(119)	(6,100)
Profits earned / interest paid on any conventional loan / advance		
Mark-up on long term financing	12,155	11,485
Mark-up on short term borrowings	40,610	18,606

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 balances
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.

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

13. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on February 27, 2023.

14. 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.

15. 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

NOTE	UN-AUDITED	AUDITED
	31 December 2022	30 June 2022
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2022: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
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Issued, subscribed and paid up share capital
Reserves

226,601	226,601
5,652,456	5,642,701

Total equity

5,879,057	5,869,302
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

77,499	110,989
173,587	162,319
251,086	273,308

CURRENT LIABILITIES

Trade and other payables
Unclaimed dividend
Accrued markup
Short term borrowings
Current portion of long term financing
Provision for taxation

859,938	804,733
4,177	3,970
38,197	34,438
927,618	679,053
70,399	153,927
51,644	88,675
1,951,973	1,764,796

TOTAL LIABILITIES

2,203,059	2,038,104
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

8,082,116	7,907,406
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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 2022

NOTE	UN-AUDITED	AUDITED
	31 December 2022	30 June 2022
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	5,025,743	5,071,774
Investment properties		496,171	496,171
Long term investments	7	123,830	88,531
Long term deposits		4,453	4,185
Long term advances		309	189
Deferred income tax - asset		55,518	40,302
		5,706,024	5,701,152

CURRENT ASSETS

Stores, spare parts and loose tools		76,080	74,982
Stock in trade		802,171	695,647
Trade debts		528,399	513,765
Loans and advances		178,709	50,060
Deposits, prepayments and other receivables		336,092	332,936
Income tax		188,100	210,696
Short term investments	8	123,501	165,444
Cash and bank balances		143,040	162,724
		2,376,092	2,206,254

TOTAL ASSETS

8,082,116	7,907,406
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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 2022 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(RUPEES IN THOUSAND)			
REVENUE FROM				
CONTRACTS WITH CUSTOMERS 9	3,233,137	3,633,032	1,633,117	1,979,447
COST OF SALES	(2,978,528)	(3,160,226)	(1,519,637)	(1,775,863)
GROSS PROFIT	254,609	472,806	113,480	203,584
DISTRIBUTION COST	(43,484)	(91,769)	(1,850)	(58,678)
ADMINISTRATIVE EXPENSES	(125,248)	(110,117)	(64,214)	(57,303)
OTHER OPERATING EXPENSES	(8,244)	(28,556)	(7,203)	(20,825)
	(176,976)	(230,442)	(73,267)	(136,806)
	77,633	242,364	40,213	66,778
OTHER OPERATING INCOME	53,056	41,871	39,643	27,665
(LOSS)/PROFIT FROM OPERATIONS	130,689	284,235	79,856	94,443
FINANCE COST	(56,848)	(39,699)	(29,760)	(27,135)
	73,841	244,536	50,096	67,308
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES	294	(299)	-	(393)
PROFIT/(LOSS) BEFORE TAXATION	74,135	244,237	50,096	66,915
TAXATION	(39,165)	(37,987)	(18,423)	(18,616)
PROFIT / (LOSS) AFTER TAXATION	34,970	206,250	31,673	48,299
EARNINGS PER SHARE - BASIC AND DILUTED	1.54	9.10	1.40	2.13

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 2022 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(RUPEES IN THOUSAND)			
PROFIT/(LOSS) AFTER TAXATION	34,970	206,250	31,673	48,299
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	(14,586)	(20,519)	(7,209)	(19,603)
Other comprehensive income / (loss) for the period	(14,586)	(22,254)	(7,209)	(19,603)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	20,384	185,731	24,464	28,696

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 CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

	SHARE CAPITAL		Premium on issue of shares		Plant Modernisation	CAPITAL RESERVES		Surplus on revaluation of land		Sub Total		REVENUE RESERVES		TOTAL EQUITY	
	2021	2022	2021	2022	2021	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Balance as at 30 June 2021 - Audited	226,601	226,601	5,496	5,496	12,000	60,924	4,136,711	4,136,711	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 investments at fair value through other comprehensive income	-	-	-	-	-	(1,735)	-	-	-	(1,735)	-	-	1,735	1,735	-
Profit 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)
Total comprehensive income for the half year ended 31 December 2021	-	-	-	-	-	(20,519)	-	-	-	(20,519)	-	2,470	-	2,470	188,201
Balance as at 31 December 2021 - Unaudited	226,601	226,601	5,496	5,496	12,000	38,670	4,136,711	4,136,711	4,192,877	48,975	7,448	1,216,911	1,273,334	5,692,812	
Loss for the next half year ended 30 June 2022	-	-	-	-	-	-	-	-	-	-	-	-	55,124	55,124	55,124
Other comprehensive income for the next half year ended 30 June 2022	-	-	-	-	-	(22,909)	-	-	-	(22,909)	-	(2,322)	-	(2,322)	121,366
Total comprehensive income for the next half year ended 30 June 2022	-	-	-	-	-	(22,909)	-	-	-	(22,909)	-	(2,322)	-	(2,322)	176,490
Balance as at 30 June 2022 - Audited	226,601	226,601	5,496	5,496	12,000	15,761	4,136,711	4,301,979	4,316,565	48,975	5,126	1,272,035	1,326,136	5,869,302	

Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupees 0.75 per share

Loss for the half year ended 31 December 2022

Other comprehensive income for the half year ended 31 December 2022

Total comprehensive income for the half year ended 30 June 2022

Balance as at 31 December 2022 - Unaudited

Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupees 0.75 per share

Loss for the half year ended 31 December 2022

Other comprehensive income for the half year ended 31 December 2022

Total comprehensive income for the half year ended 30 June 2022

Balance as at 31 December 2022 - Unaudited

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

		31 December 2022	31 December 2021
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	(73,683)	(614,977)
Finance cost paid		(53,089)	(33,377)
Staff retirement gratuity paid		(16,613)	(18,270)
Income tax paid		(58,084)	(36,177)
Long term deposits		(268)	-
Long term advances		(120)	-
		(128,174)	(87,824)
Net cash (utilized in) / generated from operating activities		(201,857)	(702,801)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,789)	(40,429)
Proceeds from sale of property, plant and equipment		10,256	2,872
Proceeds from sale of investments		-	3,081
Net cash from investing activities		5,467	(34,476)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(55,071)	(58,489)
Proceeds from long term financing		-	9,743
Short term borrowings - net		248,565	687,356
Dividend paid		(16,788)	-
Net cash (used in) / from financing activities		176,706	638,610
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(19,684)	(98,667)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		162,724	639,180
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		143,040	540,513

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (UN-AUDITED)**

1. THE GROUPS AND ITS OPERATIONS

The Group consist of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

crecscot 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 and made-ups. The Company also operates an embroidery unit. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

Creescot Mills Limited

Creescot 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 disposed of entire plant and machinery and investment properties. However, the management of CML decided to start its business and also started investing in real estate activities.

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 2022.

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 2022

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 2022.

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 2022: Rupees 5.635 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 2022: 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 62.738 million (30 June 2022: Rupees 74.998 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.

Assistant Commissioner Inland revenue issued notice to the Company on 10 February 2023, subsequent to the reporting date, to deposit 50 percent of super tax liability for the tax year 2022 under section 4C of the Income Tax Ordinance, 2001 amounting to Rupees 0.953 million, while the total amount payable is Rupees 1.905 million. The Company is planning to file appeal against the said demand and is hopeful that no liability can be arisen.

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 2022 : 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 2022: 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 2022 (30 June 2022 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 102.078 Mln (30 June 2022: Rupees 133.276 million).

UN-AUDITED	AUDITED
31 December	30 June
2022	2022

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	5,025,743	5,071,133
Capital work-in-progress	-	641
	5,025,743	5,071,774

6.1 Operating fixed assets

Opening book value	5,071,133	4,873,696
Add : Effects on surplus on revaluation	-	146,597
Add : Cost of additions during the period / year (Note 6.1.1)	4,789	139,624
	5,075,922	5,159,917

Less:

Book value of deletions during the period / year (Note 6.1.2)	9,043	2,633
Depreciation charged during the period / year	41,136	86,151
Transferred to investment property	-	-
	50,179	88,784
Book value at the end of the period / year	5,025,743	5,071,133

UN-AUDITED	AUDITED
31 December	30 June
2022	2022

(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

Plant and machinery	-	48,361
Stand-by equipment	-	69,167
Electric installations	-	691
Furniture and fixtures	-	1,369
Vehicles	4,789	19,881
Office equipment	-	155
	4,789	139,624

6.1.2 Book value of deletions during the period / year

Vehicles	9,043	2,633
	9,043	2,633

7. LONG TERM INVESTMENTS

In associates:

Cost	502	502
Share of post acquisition profit:		
At the beginning of the period / year	3,098	3,039
Share of profit/(loss) during the period / year	294	(89)
Adjustment of carrying amount	36,611	148
	40,003	3,098
	40,505	3,600

Available for sale:

Quoted - Others	616	616
Unquoted - Others	1,158	1,158
	1,774	1,774
Add :- Deposit for shares	81,396	80,000
Add: Fair value adjustment	155	3,157
	83,325	84,931
	123,830	88,531

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	30 June
2022	2022

(RUPEES IN THOUSAND)

8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others	138,243	138,243
Add: At fair value through profit or loss	-	9,132
Add/(Less): Fair value adjustment	(14,742)	18,069
	123,501	165,444

(Un-audited)

Half year ended		Quarter ended	
31 December	31 December	31 December	31 December
2022	2021	2022	2021

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	2,102,053	2,169,974	950,942	1,178,576
Cost of raw material sold	38,970	-	38,970	-
Salaries, wages and other benefits	185,858	227,341	105,548	110,715
Stores, spare parts and loose tools consumed	111,488	98,020	49,065	51,781
Fuel and power	546,587	418,775	285,455	213,514
Outside weaving charges	31,089	168,544	22,835	109,233
Other manufacturing overheads	14,261	36,956	6,715	20,553
Insurance	5,788	5,173	2,893	2,875
Repair and maintenance	2,059	3,013	946	1,553
Depreciation	38,809	40,142	19,404	20,884
	3,076,962	3,167,938	1,482,773	1,709,684
Work-in-process:				
Opening stock	77,012	30,777	66,386	115,750
Closing stock	(57,208)	(118,154)	(57,208)	(118,154)
	19,804	(87,377)	9,178	(2,404)
Cost of goods manufactured	3,096,766	3,080,561	1,491,951	1,707,280
Finished goods:				
Opening stock	264,109	161,872	350,522	157,625
Closing stock	(482,851)	(267,102)	(482,851)	(267,102)
	(218,742)	(105,230)	(72,818)	(72,818)
	2,878,024	2,975,331	1,419,133	1,634,462
Cost of goods purchased	100,504	184,895	100,504	104,742
	2,978,528	3,160,226	1,519,637	1,739,204

UN-AUDITED	
31 December	31 December
2022	2021

(RUPEES IN THOUSAND)

10. CASH UTILIZED IN OPERATIONS

Profit before taxation	74,135	244,180
Adjustments for non-cash charges and other items:		
Depreciation	41,136	42,022
Provision for staff retirement gratuity	27,881	18,468
Gain on sale of property, plant and equipment	(1,213)	(1,985)
Share of (profit) / loss from associated companies	(36,611)	31,275
Finance cost	56,848	39,699
Working capital changes (Note 10.1)	(235,859)	(988,636)
	(73,683)	(614,977)

10.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(1,098)	(20,500)
Stock in trade	(106,524)	(976,781)
Trade debts	(14,634)	(74,779)
Loans and advances	(128,649)	(61,177)
Deposits, prepayments and other receivables	(25,752)	(169,982)
	(276,657)	(1,303,219)
(Decrease) / increase in trade and other payables	40,798	314,583
	(235,859)	(988,636)

11. SEGMENT INFORMATION - Consolidated

	Textiles		Trading		Elimination of Inter-segment transactions		(UN-AUDITED) Consolidated	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
(RUPEES IN THOUSAND)								
CONTINUING OPERATIONS								
Sales	3,233,137	3,503,991	-	256,753	-	(127,712)	3,233,137	3,633,032
Cost of sales	(2,978,528)	(3,062,022)	-	(225,916)	-	127,712	(2,978,528)	(3,160,226)
Gross profit	254,609	441,969	-	30,837	-	-	254,609	472,806
Distribution cost	(43,484)	(79,700)	-	(12,069)	-	-	(43,484)	(91,769)
Administrative expenses	(125,248)	(109,690)	-	(427)	-	-	(125,248)	(110,117)
Other operating expenses	(8,244)	(28,556)	-	-	-	-	(8,244)	(28,556)
	(176,976)	(217,946)	-	(12,496)	-	-	(176,976)	(230,442)
	77,633	224,023	-	18,341	-	-	77,633	242,364
Other operating income	53,056	41,456	-	415	-	-	53,056	41,871
Profit from operations	130,689	265,479	-	18,756	-	-	130,689	284,235
Finance cost	(56,848)	(39,235)	-	(464)	-	-	(56,848)	(39,699)
Profit/(loss) before taxation and unallocated income and expenses	73,841	226,244	-	18,292	-	-	73,841	244,536
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							294	(299)
Taxation							(39,165)	(37,987)
Profit/(loss) after taxation							34,970	206,250

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, 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 are as follows:

Description	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021

(RUPEES IN THOUSAND)

i) Transactions

Associated companies

Insurance premium	15,280	12,723	10,429	1,028
Expenses paid on behalf of associated company	449	-	447	-
Dividend paid	159	-	159	-

Other related parties

Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors - Net	10,976	(6,477)	4,426	(7,574)
Remuneration paid to Chief Executive Officer, Directors, and Executives	32,921	27,960	16,420	13,980
Dividend paid to Chief Executive Officer, Directors, and Executives	7,252	-	7,252	-

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 2022.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on February 27, 2023 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.


ABID MEHMOOD
 CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
 DIRECTOR


SAMI ULLAH CH.
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