

2023
NINE MONTHS ENDED
MARCH 31



| The Crescent Textile Mills Limited



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COMPANY INFORMATION

Board of Directors		Bankers
Mr. Khalid Bashir	Chairman	Allied Bank Limited
Mr. Muhammad Anwar	Chief Executive Officer	Askari Bank Limited
Mr. Ahmad Shafi	Director	Habib Bank Limited
Mr. Amjad Mehmood	Director	MCB Bank Limited
Mr. Khurram Mazhar Karim	Director	MCB Islamic Bank Limited
Mr. Amin Anjum Saleem	Independent Director	National Bank of Pakistan
Mrs. Nazia Maqbool	Independent Director	Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited
Audit Committee		
Mr. Amin Anjum Saleem	Chairman	
Mr. Khalid Bashir	Member	
Mr. Khurram Mazhar Karim	Member	
HR & R Committee		
Mrs. Nazia Maqbool	Chairperson	
Mr. Ahmad Shafi	Member	
Mr. Khurram Mazhar Karim	Member	
Chief Financial Officer		
Mr. Asim Siddique		
Company Secretary		Mills & Registered Office
Mr. Naseer Ahmad Chaudhary		Sargodha Road, Faisalabad, Pakistan
Head of Internal Audit		T: + 92-41-111-105-105
Mrs. Sabteela Tosheen		F: + 92-41-8786525
		E: crestex@cctm.com.pk
Auditors		
Riaz Ahmad and Company		
Chartered Accountants		
Legal Advisor		
Syed Masroor Ahmad		
Stock Exchange Listing		Share Registrar
The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.		CorpTec Associates (Private) Limited, 503 - E, Johar Town, Lahore, Pakistan
The Company's shares are quoted in leading dailies under textile composite sector.		T: +92-42-35170336-37
		F: +92-42-35170338
		E: info@corptec.com.pk
		www.crescenttextile.com

DIRECTORS' REPORT

for the nine months ended March 31, 2023

The Board of Directors is pleased to present a brief review of the operational and financial performance of the Company for the nine months period ended March 31, 2023.

Industry overview

Pakistan is facing serious economic challenges of current account deficit, depleting FX reserves, surge in inflation and interest rates on the back of rising commodity prices, and deceleration of GDP growth. These factors coupled with heightened local and geo-political uncertainty have impacted investors' confidence. Pakistan's overall exports decreased by 9.87 percent to \$21.046 billion in the nine months period of the current fiscal year. Meanwhile, the country's imports recorded 25.34 percent decline. Textile exports decreased by 12 percent to \$12.5 billion from \$14.2 billion in corresponding period.

Company's performance

Brief financial analysis of the Company for the nine months period is presented here under:

Rupees in million	31 Mar, 23	31 Mar, 22	Variance	%
Revenue	14,182	14,405	(223)	(2)
Gross profit	2,015	2,349	(333)	(14)
Operating cost	1,077	1,163	(86)	(7)
Finance cost	672	342	330	96
Other income	414	206	208	101
Taxation	174	280	(106)	(38)
Net profit after tax	507	770	(263)	(35)
Earning Rs. per share	5.07	7.83	(2.76)	(35)

Despite many operational challenges, your Company has managed to deliver profitable results through persistent and diligent efforts. Revenue of the Company decline by 2 percent. This decrease is mainly attributed to quantitative decrease in local sale. Local sale reduced by 19 percent while export sale increased by 15 percent in comparison to the corresponding period. Gross profit reduced by 14 percent due increase in raw material and energy prices. Finance cost almost increased by two times due very aggressive raise in policy rate by the central bank to contain the aggregate demand pressure and anchor inflationary expectations. Other income increased significantly mainly on account of exchange gain on export receivables due steep PKR depreciation. Tax provision decreased due reduction of turnover tax and deferred tax expense in corresponding period.

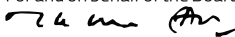
Future Outlook

Amidst uncertain domestic macro landscape, it will make local business environment more challenging and volatility is expected to continue until negotiations with IMF materialize. Looking ahead and keeping in view the macroeconomic indicators, the following quarter of ongoing fiscal year seem to be challenging ones. The Management is closely tracking the latest macro developments and taking proactive measures to keep the Company's capacity utilization at a satisfactory level.

Acknowledgement

The Board records its profound appreciation for all our stakeholders, customers, banks, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts.

For and on behalf of the Board of Directors



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹرز کی رپورٹ
برائے نو ماہی ختمہ 31 مارچ 2023ء

ڈائریکٹرز 31 مارچ 2023ء کو ختمہ نو ماہی کے لیے کپنی کی مالیاتی اور مالیاتی کارکردگی پر اپنا مختصر جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

پاکستان کو کرنٹ اکاؤنٹ خسارے، فاریکس کے ذخائر میں کمی، اجناس کی بڑھتی ہوئی قیمتوں کے پس پشت افراط زر اور شرح سود میں اضافے اور جی ڈی پی کی نمو میں کمی جیسے سنگین معاشی چیلنجوں کا سامنا ہے۔ ان عوامل کے ساتھ مل کر مقامی اور جغرافیائی سیاسی غیر یقینی صورتحال نے سرمایہ کاروں کے اعتماد کو متاثر کیا ہے۔ رواں مالی سال کے نو ماہ کی مدت میں پاکستان کی مجموعی برآمدات 9.87 فیصد کم ہو کر 21.046 بلین ڈالر رہ گئی ہیں۔ دریں اثنا، ملک کی درآمدات میں 25.34 فیصد کمی واقع ہوئی ہے۔ بیکسٹاں کی برآمدات اسی مدت میں 14.2 بلین ڈالر سے 12 فیصد کم ہو کر 12.5 بلین ڈالر رہ گئیں۔

کپنی کی کارکردگی:

نو ماہ کی مدت کے لیے کپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

لیٹن روپے	31 مارچ 2023ء	31 مارچ 2022ء	فرق	فرق فیصد
آمدن	14,182	14,405	(223)	(2)
مجموعی منافع	2,015	2,349	(333)	(14)
عملی اخراجات	1,077	1,163	(86)	(7)
مالیاتی اخراجات	672	342	330	96
دیگر آمدن	414	206	208	101
محصولات	174	280	(106)	(38)
خالص نفع بعد از محصولات	507	770	(263)	(35)
آمدن فی حصص	5.07	7.83	(2.76)	(35)

بہت سے آپریٹل چیلنجوں کے باوجود آپ کی کپنی مستقل اور مستعد کوششوں کے ذریعے منافع بخش نتائج فراہم کرنے میں کامیاب رہی ہے۔ کپنی کی آمدنی 2 فیصد کم ہوئی ہے۔ اس کی کو بنیادی طور پر مقامی فروخت میں مقدار میں کمی کی وجہ قرار دیا گیا ہے۔ مقامی فروخت میں 19 فیصد کمی واقع ہوئی ہے جبکہ اس مدت کے مقابلے میں برآمدی فروخت میں 15 فیصد اضافہ ہوا ہے۔ خام مال اور توانائی کی قیمتوں میں اضافے کی وجہ سے مجموعی منافع میں 14 فیصد کمی واقع ہوئی ہے۔ مرکزی بینک کی طرف سے مجموعی طلب کے دباؤ اور افراط زر کی توقعات کو مدنظر رکھنے کے لیے پالیسی ریٹ میں بہت چارجز اضافے کی وجہ سے مالیاتی لاگت میں تفریباً دو گنا اضافہ ہوا ہے۔ دیگر آمدنی میں بنیادی طور پر پاکستانی روپے کی قدر میں نامناسب کمی کی وجہ سے برآمدات وصولیوں پر تبادلہ کے حصول کی وجہ سے نمایاں طور پر اضافہ ہوا ہے۔ بزن اور ویکس میں کمی اور اسی مدت میں مڈ ویکس اخراجات کی وجہ سے ویکس فراہمی میں کمی ہوئی۔

مستقبل کے امکانات:

غیر یقینی مقامی معیشت کے وسیع غیر یقینی مظنر نامے کے درمیان مقامی کاروباری ماحول مزید مشکل ہوگا اور اس وقت تک تاثر چڑھاؤ جاری رہنے کا امکان ہے جب تک کہ آئی ایم ایف کے ساتھ مذاکرات کے بارے میں بات چیت نہ ہو جائے۔ آگے دیکھتے ہوئے اور وسیع معاشی اشاروں کو مدنظر رکھتے ہوئے جاری معاشی سال کی آنے والی سرمایہ مشکل نظر آ رہی ہے۔ انتظامیہ تازہ ترین وسیع پیش رفتوں کو قریب سے دیکھ رہی ہے اور کپنی کی پیداواری صلاحیت کے استعمال کو اطمینان بخش سطح پر رکھنے کے لئے فعال اقدامات اٹھا رہی ہے۔

اعتراف خدشات:

بورڈ اپنے تمام شرکائے کار، صارفین، بیکنوں، انتظامیہ اور ٹیکسری عملے کو خراج تحسین پیش کرتا ہے جو اپنے کام کے لیے نہایت پر عزم ہیں جو کم از کم کپنی کی مالیاتی ان کی کوششوں کی مرہون منت ہے۔

مخائب: بورڈ آف ڈائریکٹرز



خالد شیر
ڈائریکٹر



محمد انور
چیف ایگزیکٹو آفیسر

THE CRESCENT TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	Un-audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022 (RUPEES IN THOUSAND)		NOTE	Un-audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital 200 000 000 (30 June 2022: 200 000 000) ordinary shares of Rupees 10 each		<u>2,000,000</u>	<u>2,000,000</u>	Property, plant and equipment	5	9,138,674	7,879,501
Issued, subscribed and paid up share capital		1,000,000	1,000,000	Intangible asset		895	5,770
Reserves				Long term investments		3,652,995	3,728,983
Capital reserves				Long term loans and advances		744	1,110
Premium on issue of right shares		391,559	391,559	Long term deposits and prepayments		<u>14,320</u>	<u>15,127</u>
Fair value reserve		413,374	596,014			12,807,628	11,630,491
Surplus on revaluation of operating fixed assets - net of deferred income tax		<u>4,160,167</u>	<u>4,160,313</u>				
		4,965,100	5,147,886				
Revenue reserves		<u>5,093,999</u>	<u>4,686,835</u>				
Total reserves		<u>10,059,099</u>	<u>9,834,721</u>				
TOTAL EQUITY		<u>11,059,099</u>	<u>10,834,721</u>				
LIABILITIES				CURRENT ASSETS			
NON-CURRENT LIABILITIES				Stores, spare parts and loose tools		429,193	348,363
Long term financing	3	1,235,803	843,847	Stock-in-trade		5,181,768	4,609,502
Deferred income tax liability		<u>99,220</u>	<u>149,444</u>	Trade debts		3,325,536	3,754,888
		1,335,023	993,291	Loans and advances		140,745	99,803
CURRENT LIABILITIES				Short term deposits and prepayments		140,509	126,866
Trade and other payables		2,695,488	2,341,793	Income tax		692,814	761,198
Unclaimed dividend		12,434	10,991	Other receivables		643,052	378,178
Accrued mark-up		190,940	124,228	Short term investments		302,990	445,732
Short term borrowings		7,372,034	6,892,369	Cash and bank balances		<u>9,593</u>	<u>145,601</u>
Current portion of long term financing		404,205	414,286			10,866,200	10,670,131
Current portion of deferred liabilities		325,977	344,983				
Provision for taxation		<u>278,628</u>	<u>343,960</u>				
		11,279,706	10,472,610				
TOTAL LIABILITIES		<u>12,614,729</u>	<u>11,465,901</u>				
CONTINGENCIES AND COMMITMENTS	4						
TOTAL EQUITY AND LIABILITIES		<u>23,673,828</u>	<u>22,300,622</u>	TOTAL ASSETS		<u>23,673,828</u>	<u>22,300,622</u>

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

THE CRESCENT TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

	NOTE	Nine months ended		Quarter ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
------(RUPEES IN THOUSAND)-----					
REVENUE		14,182,309	14,405,320	5,074,264	4,914,437
COST OF SALES	6	(12,167,092)	(12,056,653)	(4,368,750)	(4,156,813)
GROSS PROFIT		2,015,217	2,348,667	705,514	757,624
DISTRIBUTION COST		(624,781)	(638,528)	(207,350)	(181,875)
ADMINISTRATIVE EXPENSES		(396,116)	(360,953)	(125,318)	(123,572)
OTHER EXPENSES		(56,110)	(163,232)	(20,855)	(22,641)
		(1,077,007)	(1,162,713)	(353,523)	(328,088)
		938,210	1,185,954	351,991	429,536
OTHER INCOME		414,340	206,031	183,080	54,643
PROFIT FROM OPERATIONS		1,352,550	1,391,985	535,071	484,179
FINANCE COST		(671,582)	(342,203)	(264,481)	(131,679)
PROFIT BEFORE TAXATION		680,968	1,049,782	270,590	352,500
TAXATION		(173,913)	(279,657)	(65,734)	(86,275)
PROFIT AFTER TAXATION		507,055	770,125	204,856	266,225
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		5.07	7.83	2.05	2.66

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

THE CRESCENT TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	------(RUPEES IN THOUSAND)-----			
PROFIT AFTER TAXATION	507,055	770,125	204,856	266,225
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	(218,730)	(55,935)	(88,425)	(68,775)
Deferred income tax relating to investments at fair value through other comprehensive income	36,090	(54,254)	14,590	(96)
	(182,640)	(110,189)	(73,835)	(68,871)
Items that may be reclassified to profit or loss in subsequent periods				
	-	-	-	-
Other comprehensive loss for the period - net of tax	(182,640)	(110,189)	(73,835)	(68,871)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>324,415</u>	<u>659,936</u>	<u>131,021</u>	<u>197,354</u>

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

THE CRESCENT TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES						TOTAL	TOTAL EQUITY	
			CAPITAL RESERVES			REVENUE RESERVES					
			Premium on issue of right shares	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General reserve	Unappropriated profit			Sub total
------(RUPEES IN THOUSAND)-----											
Balance as at 30 June 2021 - (Audited)	800,000	312,152	200,169	1,079,509	4,160,718	5,440,396	1,803,643	1,518,355	3,321,998	8,762,394	9,874,546
Transactions with owners:											
Share deposit money received during the period against right shares at the rate of Rupees 20 per share	-	87,848	-	-	-	-	-	-	-	-	87,848
Issue of right shares during the period at the premium of Rupees 10 per share	200,000	(400,000)	200,000	-	-	200,000	-	-	-	200,000	-
Share issuance costs	-	-	(8,610)	-	-	(8,610)	-	-	-	(8,610)	(8,610)
	200,000	(312,152)	191,390	-	-	191,390	-	-	-	191,390	79,238
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(111)	(111)	-	111	111	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(100)	(100)	-	-	-	(100)	(100)
Gain realized on disposal of equity investment at fair value through other comprehensive	-	-	-	(17,592)	-	(17,592)	-	17,592	17,592	-	-
Profit for the period	-	-	-	-	-	-	-	770,125	770,125	770,125	770,125
Other comprehensive loss for the period	-	-	-	(110,189)	-	(110,189)	-	-	-	(110,189)	(110,189)
Total comprehensive income for the period	-	-	-	(110,189)	-	(110,189)	-	770,125	770,125	659,936	659,936
Balance as at 31 March 2022 - (Un-audited)	1,000,000	-	391,559	951,728	4,160,507	5,503,794	1,803,643	2,306,183	4,109,826	9,613,620	10,613,620
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(35)	(35)	-	35	35	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(159)	(159)	-	-	-	(159)	(159)
Profit for the period	-	-	-	-	-	-	-	576,974	576,974	576,974	576,974
Other comprehensive loss for the period	-	-	-	(355,714)	-	(355,714)	-	-	-	(355,714)	(355,714)
Total comprehensive income for the period	-	-	-	(355,714)	-	(355,714)	-	576,974	576,974	221,260	221,260
Balance as at 30 June 2022 - (Audited)	1,000,000	-	391,559	596,014	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 1 per share	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(109)	(109)	-	109	109	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(37)	(37)	-	-	-	(37)	(37)
Profit for the period	-	-	-	-	-	-	-	507,055	507,055	507,055	507,055
Other comprehensive loss for the period	-	-	-	(182,640)	-	(182,640)	-	-	-	(182,640)	(182,640)
Total comprehensive income for the period	-	-	-	(182,640)	-	(182,640)	-	507,055	507,055	324,415	324,415
Balance as at 31 March 2023 - (Un-audited)	1,000,000	-	391,559	413,374	4,160,167	4,965,100	1,803,643	3,290,356	5,093,999	10,059,099	11,059,099

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

THE CRESCENT TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

	NOTE	31 March 2023 (RUPEES IN THOUSAND)	31 March 2022
Cash flows from operating activities			
Cash generated from operations	7	1,391,661	535,469
Finance cost paid		(595,367)	(330,967)
Income tax paid - net		(185,032)	(146,642)
Gas Infrastructure Development Cess (GIDC) paid		(18,567)	(83,549)
Dividend paid		(98,557)	(97)
Workers' profit participation fund paid		(1,863)	(26,612)
Net decrease / (increase) in long term loans and advances		295	(1,320)
Net decrease / (increase) in long term deposits and prepayments		807	(175)
Net cash generated from / (used in) operating activities		493,377	(53,893)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(1,507,037)	(409,066)
Proceeds from sale of property, plant and equipment		16,816	25,453
Proceeds from sale of investment		-	23,676
Net cash used in investing activities		(1,490,221)	(359,937)
Cash flows from financing activities			
Proceeds from long term financing		744,983	38,542
Share deposit money received - net		-	79,238
Repayment of long term financing		(363,812)	(391,929)
Short term borrowings - net		479,665	368,915
Net cash from financing activities		860,836	94,766
Net decrease in cash and cash equivalents		(136,008)	(319,064)
Cash and cash equivalents at the beginning of the period		145,601	337,930
Cash and cash equivalents at the end of the period		9,593	18,866

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

THE CRESCENT TEXTILE MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2023

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except for the weaving unit which is situated at Industrial Estate, Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa, stitching units which are situated at Lahore Road, Jaranwala, Punjab and at Faisalabad Industrial Estate Development and Management Company (FIEDMC) site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab, and liaison office situated at 8th Floor, Sidco Avenue Centre, 264-R.A. Lines, Stretchen Road, Karachi, Sindh.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

- i) These 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 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; and

- Provisions of and directives issued under the Companies Act, 2017.

Where 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 condensed interim financial statements do not include all the information and disclosures as required for annual audited financial statements, and should be read in conjunction with 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 computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2022.

2.2 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical exposure and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates, assumptions and judgments.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the annual audited financial statements of the Company for the year ended 30 June 2022.

	Un-audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	1,258,133	1,443,426
Add: Obtained during the period / year	744,983	293,798
Add: Amortized during the period / year	704	9,320
Less: Repaid during the period / year	363,812	488,411
	1,640,008	1,258,133
Less: Current portion shown under current liabilities	404,205	414,286
	1,235,803	843,847
4. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees of Rupees 254.499 million (30 June 2022: Rupees 251.834 million) are given by the banks of the Company to Collector of Customs against import of certain items, Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.		
ii) Post dated cheques of Rupees 500.701 million (30 June 2022: Rupees 455.323 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and security cheques covering full amount plus profit for three months against diminishing musharika to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.		
iii) There has been no change in the status of other contingent liabilities as disclosed in Note 13(a) to the annual financial statements of the Company for the year ended 30 June 2022.		
b) Commitments		
i) Contracts for capital expenditure are of Rupees 223.860 million (30 June 2022: Rupees 947.550 million).		
ii) Letters of credit other than for capital expenditure are of Rupees 1,065.513 million (30 June 2022: Rupees 686.586 million).		
iii) Ijarah commitments are of Rupees 34.999 million (30 June 2022: Rupees 54.270 million).		
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	7,242,671	7,395,579
Capital work-in-progress (Note 5.2)	1,896,003	483,922
	9,138,674	7,879,501
5.1 Operating fixed assets		
Opening book value	7,395,579	7,188,601
Add: Cost of additions during the period / year (Note 5.1.1)	94,956	549,157
Less: Book value of deletions during the period / year	7,009	13,903
	7,483,526	7,723,855
Less: Depreciation charged for the period / year	240,855	328,276
	7,242,671	7,395,579

**Un-audited
31 March
2023
(RUPEES IN THOUSAND)**

**Audited
30 June
2022**

5.1.1 Cost of additions during the period / year

Land - Freehold	-	91,900
Buildings on freehold land	13,463	218,639
Plant and machinery	57,313	149,961
Stand-by equipment	1,937	-
Factory tools and equipment	294	511
Gas and electric installations	10,212	7,698
Vehicles	7,774	74,470
Office equipment	3,963	5,978
	94,956	549,157

5.1.2 Book value of deletions during the period / year

Plant and machinery	4,149	1,670
Vehicles	2,860	12,233
	7,009	13,903

5.2 Capital work-in-progress

Buildings on freehold land	23,665	17,645
Buildings on leasehold land	371,636	20,901
Plant and machinery	1,274,553	272,162
Advance against office equipment	-	166
Advance against gas and electric installations	35,128	17,308
Advance against purchase of land	191,021	155,740
	1,896,003	483,922

(Un-audited)			
Nine months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
------(RUPEES IN THOUSAND)-----			

6. COST OF SALES

Raw materials consumed	5,993,319	5,089,653	2,005,861	1,864,548
Cost of raw materials sold	59,945	-	54,510	-
Cloth and yarn purchased	1,142,115	2,656,357	417,820	907,371
Stores, spare parts and loose tools consumed	884,299	942,660	303,282	375,308
Packing materials consumed	473,474	576,279	155,000	164,129
Processing and weaving charges	617,554	624,013	214,520	214,796
Salaries, wages and other benefits	1,219,334	1,087,331	394,334	353,850
Fuel and power	1,828,894	1,343,657	634,346	502,590
Repair and maintenance	41,430	41,410	14,501	13,349
Insurance	18,751	13,668	7,322	4,368
Depreciation	216,109	216,852	72,738	74,068
Other factory overheads	63,629	61,849	19,403	15,845
	12,558,853	12,653,729	4,293,637	4,490,222
Work-in-process				
Opening stock	271,467	196,289	256,881	235,347
Closing stock	(352,813)	(248,997)	(352,813)	(248,997)
	(81,346)	(52,708)	(95,932)	(13,650)
Cost of goods manufactured	12,477,507	12,601,021	4,197,705	4,476,572
Finished goods				
Opening stock	2,356,948	2,118,777	2,838,408	2,343,386
Closing stock	(2,667,363)	(2,663,145)	(2,667,363)	(2,663,145)
	(310,415)	(544,368)	171,045	(319,759)
	12,167,092	12,056,653	4,368,750	4,156,813

Un-audited	
(Nine months ended)	
31 March 2023	31 March 2022

(RUPEES IN THOUSAND)

7. CASH GENERATED FROM / (USED IN) OPERATIONS

Profit before taxation	680,968	1,049,782
Adjustments for non-cash charges and other items:		
Depreciation	240,855	240,716
Amortization	4,875	5,764
Provision for workers' profit participation fund	32,097	51,674
Unwinding of discount on GIDC payable	265	11,028
Gain on sale of property, plant and equipment	(9,807)	(14,131)
Reversal of allowance for expected credit losses	-	(500)
Allowance for expected credit losses	-	100,000
Finance cost	671,582	342,203
Working capital changes (Note 7.1)	(229,174)	(1,251,067)
	<u>1,391,661</u>	<u>535,469</u>

7.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(80,830)	(121,919)
Stock-in-trade	(572,266)	(1,373,055)
Trade debts	429,352	(140,983)
Loans and advances	(40,871)	(8,556)
Short term deposits and prepayments	(13,643)	5,746
Other receivables	(264,874)	27,458
	(543,132)	(1,611,309)

(Decrease) / increase in trade and other payables

	313,958	360,242
	<u>(229,174)</u>	<u>(1,251,067)</u>

8. 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 is as follows:

(Un-audited)			
Nine months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

------(RUPEES IN THOUSAND)-----

i) Transactions

Associated companies

Purchase of goods	12,925	35,858	-	30,722
Services provided	474	526	163	173
Sale of goods	28,017	63,654	20,116	57,966
Plant and machinery purchased	-	2,600	-	-
Insurance premium paid	30,659	29,804	11,336	12,534
Insurance claim received	306	5,693	-	646
Dividend income	-	1,624	-	-
Dividend paid	3,012	-	-	-

(Un-audited)			
Nine months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

-----**(RUPEES IN THOUSAND)**-----

Other related parties

Company's contribution to Employees' Provident Fund Trust	36,400	30,915	11,734	10,206
Dividend paid to Employees' Provident Fund Trust	3,064	-	3,064	-
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	203,085	185,805	63,471	64,648
Dividend paid to Chief Executive Officer, directors, spouses and executives	26,168	-	26,168	-

Un-audited 31 March 2023	Audited 30 June 2022
(RUPEES IN THOUSAND)	

ii) Period end balances

Associated companies

Trade and other payables	1,170	4,447
Trade debts	6,717	-
Other receivables	281	115

Other related parties

Trade and other payables	8,195	7,279
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9. SEGMENT INFORMATION

	Spinning		Weaving		Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
------(RUPEES IN THOUSAND)-----												
Revenue												
External	4,470,257	6,262,060	1,077,893	794,254	8,634,159	7,349,006	-	-	-	-	14,182,309	14,405,320
Intersegment	3,818,892	1,877,265	4,976,009	6,017,491	-	-	1,374,757	1,103,851	(10,169,658)	(8,998,607)	-	-
	8,289,149	8,139,325	6,053,902	6,811,745	8,634,159	7,349,006	1,374,757	1,103,851	(10,169,658)	(8,998,607)	14,182,309	14,405,320
Cost of sales	(8,193,128)	(6,961,728)	(5,990,105)	(6,663,820)	(6,808,924)	(6,350,729)	(1,344,593)	(1,078,983)	10,169,658	8,998,607	(12,167,092)	(12,056,653)
Gross profit	96,021	1,177,597	63,797	147,925	1,825,235	998,277	30,164	24,868	-	-	2,015,217	2,348,667
Distribution cost	(64,011)	(71,068)	(20,582)	(15,467)	(535,986)	(547,887)	(4,202)	(4,106)	-	-	(624,781)	(638,528)
Administrative expenses	(129,695)	(104,278)	(39,478)	(32,533)	(208,067)	(205,820)	(18,876)	(18,322)	-	-	(396,116)	(360,953)
	(193,706)	(175,346)	(60,060)	(48,000)	(744,053)	(753,707)	(23,078)	(22,428)	-	-	(1,020,897)	(999,481)
(Loss) / profit before taxation and unallocated income and expenses	(97,685)	1,002,251	3,737	99,925	1,081,182	244,570	7,086	2,440	-	-	994,320	1,349,186
Unallocated income and expenses:												
Other expenses											(56,110)	(163,232)
Other income											414,340	206,031
Finance cost											(671,582)	(342,203)
Taxation											(173,913)	(279,657)
Profit after taxation											507,055	770,125

9.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Processing & Home Textile		Power Generation		Total - Company	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March 2023	30 June 2022	31 March 2023	30 June 2022	31 March 2023	30 June 2022	31 March 2023	30 June 2022	31 March 2023	30 June 2022
	------(RUPEES IN THOUSAND)-----									
Total assets for reportable segments	4,483,368	4,373,669	4,223,453	2,176,975	4,080,319	4,747,271	379,124	336,166	13,166,264	11,634,081
Unallocated assets									10,507,564	10,666,541
Total assets as per condensed interim statement of financial position									23,673,828	22,300,622
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.										
Total liabilities for reportable segments	3,411,383	3,756,611	2,461,450	975,599	3,209,209	3,445,151	85,666	58,827	9,167,708	8,236,188
Unallocated liabilities									3,447,021	3,229,713
Total liabilities as per condensed interim statement of financial position									12,614,729	11,465,901
All segment liabilities are allocated to reportable segments other than major portion of trade and other payables, current and deferred liabilities.										

9.2 Geographical Information

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

	Spinning		Weaving		Processing & Home Textile		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (RUPEES IN THOUSAND) -----							
America	-	-	-	-	1,244,735	1,004,072	1,244,735	1,004,072
Asia	-	-	-	-	65,381	59,191	65,381	59,191
Africa	-	-	-	-	284,793	146,204	284,793	146,204
Australia	-	-	-	-	558,421	427,044	558,421	427,044
Europe	-	-	114,337	93,244	6,109,914	5,528,455	6,224,251	5,621,699
Pakistan	4,470,257	6,262,060	963,556	701,010	370,915	184,040	5,804,728	7,147,110
	<u>4,470,257</u>	<u>6,262,060</u>	<u>1,077,893</u>	<u>794,254</u>	<u>8,634,159</u>	<u>7,349,006</u>	<u>14,182,309</u>	<u>14,405,320</u>

9.3 The Company's revenue from external customers in respect of products is detailed below:

Yarn	3,982,617	5,919,538	1,560	974	-	-	3,984,177	5,920,512
Fabric	-	-	1,070,337	775,714	1,913,012	1,617,601	2,983,349	2,393,315
Made ups	-	-	-	-	6,607,356	5,647,658	6,607,356	5,647,658
Processing income	-	-	-	11,179	113,791	83,392	113,791	94,571
Raw material	90,517	-	-	-	-	-	90,517	-
Waste	397,123	342,522	5,996	6,387	-	355	403,119	349,264
	<u>4,470,257</u>	<u>6,262,060</u>	<u>1,077,893</u>	<u>794,254</u>	<u>8,634,159</u>	<u>7,349,006</u>	<u>14,182,309</u>	<u>14,405,320</u>

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these 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
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----- (RUPEES IN THOUSAND) -----

Financial assets - recurring fair value measurement

At 31 March 2023 - (Un-audited)

At fair value through other comprehensive income	692,508	-	3,263,477	3,955,985
Total financial assets	692,508	-	3,263,477	3,955,985

At 30 June 2022 - (Audited)

At fair value through other comprehensive income	911,238	-	3,263,477	4,174,715
Total financial assets	911,238	-	3,263,477	4,174,715

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. FINANCIAL RISK MANAGEMENT

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

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on April 28, 2023.

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and 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.

14. GENERAL

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

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