



**Crescent
Fibres**



**Quarterly Report
March 31, 2023**

COMPANY INFORMATION

Board of Directors	Nadeem Maqbool	(Chairman, Non-Executive Director)
	Inmran Maqbool	(Chief Executive Officer, Executive Director)
	Humayun Maqbool	(Executive Director)
	Naïla Humayur Maqbool	(Non-Executive Director)
	Mansoor Riaz	(Non-Executive Director)
	Syed Rizwan Husain	(Independent, Non-Executive Director)
	Sheikh Muhammad Ali Asif	(Independent, Non-Executive Director)
Chief Financial Officer	Kamran Rasheed	
Company Secretary	Javaid Hussain	
Audit Committee	Sheikh Muhammad Ali Asif	(Chairman)
	Nadeem Maqbool	(Member)
	Naïla Humayur Maqbool	(Member)
Human Resources & Remuneration Committee	Syed Rizwan Husain	(Chairman)
	Nadeem Maqbool	(Member)
	Naïla Humayur Maqbool	(Member)
Auditors	BDO Ebraïm & Company Chartered Accountants	
Legal Advisor	Mohsin Tayebally & Sons	
Share Registrar	Corplink (Pvt) Limited	
	Wings Arcade, 1-K, Commercial, Model Town, Lahore.	
	Tel: (042) 35916714, 35916719, 35839182	
	Email: shares@corplink.com.pk	
Registered Office	104-Shadman , Lahore-54000	
	Tel: (042) 35960871-4 Lines	
Head Office	7 th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi	
	Tel: (021) 35682073-74	
Project Locations		
Unit No. 1	Plot No. B/123, Road No. D-7, Industrial Area Noonabad, District Dadu, Sindh	
Unit No. 2	17-Km, Faisalabad Road, Bhikhi, District Sheikhupura, Punjab	
E-mail	lo@crescentfibres.com	
Website	www.crescentfibres.com	



MANAGEMENT REVIEW

The Company reported after tax loss of Rs. 141.0 million for the nine months ended March 31, 2023 as compared to a profit of Rs. 550.2 million for the nine months ended March 31, 2022. The loss per share for the period under review was Rs. 11.36 as compared to earnings per share of Rs. 44.3 in the previous period.

Overall, sales decreased by 13.2% as compared to the period ended March 2022. The reduced sales are due to wide spread demand destruction which has also compelled management to curtail production. The gross margin for the period was 3.5% as compared to 16.7% in the previous period. Distribution and administrative expenses at 3.0% were higher as compared to 1.9% in the previous period primarily attributable to the general inflationary trend and lower sales. The operating margin in the period under review was at 0.9% as compared to 14.2% for the nine months ended March 31, 2022. The financial charges were higher at 3.9% as compared to 1.5% for the corresponding period due to the increase in interest rates. Overall, the net margin for the quarter was negative 2.7% as compared to 9.1% for the previous nine months.

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

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

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

We expect the next year to be a very difficult one for the textile industry. Not only do manufacturers have to contend with low demand but also need to ensure raw material supply which is becoming increasingly difficult due to import curbs imposed by the Government.

In light of the negative outlook, the Management will continue to rely on sound, low risk decision making to protect the interests of the shareholders.

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


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director

April 29, 2023

کمپنی نظماً (ڈائریکٹران) کی رپورٹ

کمپنی کو 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے لیے ٹیکس ادا کیے کے بعد 141.0 ملین روپے کا نقصان ہوا جس کے مقابلے میں 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے منافع 550.2 ملین روپے تھا۔ زیر جائزہ مدت کے لیے فی شخص نقصان 11.36 روپے رہا جو کہ پچھلے مدت کے مقابلے میں فی شخص آمدنی 44.3 روپے تھی۔

مجموعی طور پر، مارچ 2022 کو ختم ہونے والی مدت کے مقابلے میں فروخت میں 13.2 فیصد کمی واقع ہوئی ہے۔ فروخت میں کمی کی وجہ سے پچھلے سال کے مقابلے میں کمپنی نے انتظامیہ کو پیداوار کو کم کرنے پر بھی مجبور کیا۔ اس مدت کے لیے مجموعی منافع گزشتہ مدت کے 16.7 فیصد کے مقابلے میں 3.5 فیصد تھا۔ تقسیم کار اور انتظامی اخراجات گزشتہ مدت کے 1.9 فیصد کے مقابلے میں 3.0 فیصد زیادہ تھے جو بنیادی طور پر عام اخراجات کے رجحان اور کم فروخت سے منسوب ہیں۔ زیر جائزہ مدت میں آپریٹنگ مارچ 31 2022 کو ختم ہونے والے نو ماہ کے 14.2 فیصد کے مقابلے میں 0.9 فیصد تھا۔ سوڈی شرح میں اضافہ کی وجہ سے مالیاتی اخراجات اسی مدت کے 1.5 فیصد کے مقابلے میں 3.9 فیصد زیادہ تھے۔ مجموعی طور پر، سماج کے لیے خالص منافع گزشتہ نو ماہ کے 9.1 فیصد کے مقابلے میں منفی 2.7 فیصد تھا۔

گذشتہ مالی سال کی پچھلی سہ ماہی میں ٹیکسٹائل کی طلب میں کمی آنا شروع ہوئی۔ یہ رجحان ایک کمزور عالمی معیشت، بڑھتی ہوئی شرح سود اور افراط زر اور مجموعی اجناس اور مالیاتی منڈی کے اتار چڑھاؤ اور ماٹنگ میں شدید کمی کی وجہ سے بدتر ہو گیا تھا۔ ملکی اور عالمی چیلنجوں کی روشنی میں ہمیں اندیشہ ہے کہ یہ منفی رجحان جاری رہے گا۔

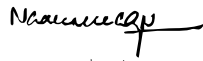
حالیہ عالمی واقعات کے ساتھ مل کر غلط معاشی پالیسیوں نے پاکستان کی معیشت کو خاص طور پر کمزور بنا دیا ہے، جس کی بنیادی وجہ ادا کیلیوں کے بلند توازن اور مالیاتی خسارے، گرتی ہوئی کرنسی، بڑھتی ہوئی افراط زر، شرح سود میں اضافہ، بلند بیرونی قرضہ جات اور توانائی کی قلت ہے۔ معاشی مسابقت کو فروغ دینے والی با معنی اصلاحات کے بغیر، برآمدات کو فروغ دینے والے پیداوار کی شعبوں میں براہ راست سرمایہ کاری اور ریکولیبیری دلدار کو ختم کرنے کے سلسلے ویشنوں کے بغیر پاکستان کی اقتصادی بحالی میں مسلسل کمی آئے گی۔

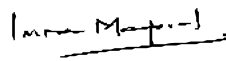
مالی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل انڈسٹری و دیگر چیلنجوں کا سامنا ہے جن میں کاروبار کرنے کی زیادہ لاگت، مالیاتی اضافہ، شرح مبادلہ اور اجناس کی منڈی میں اتار چڑھاؤ، ملکی کپاس کی پیداوار میں کمی اور معیار اور فراہمی کے سلسلے میں رکاوٹیں شامل ہیں۔ حکومت نے علاقائی سطح پر مسابقتی ترغیبات پر توجہ دینی کی فراہمی کا وعدہ کیا ہے، اور اس قابل عمل کو یقینی بنا دیا جائے، اس کے علاوہ حکومت کو ایک وسیع مالیاتی پالیسی اپنانی چاہیے، سیکڑ ٹیکس کے نظام کو حکومت کو فوری طور پر معطل کرنا چاہیے اور طویل عرصہ سے تاخیر کا شکار انکم ٹیکس اور دیگر چھوٹ جاری کر کے لیکویڈیٹی کو بہتر بنانا چاہیے۔

ہم توقع کرتے ہیں کہ اگلے سال ٹیکسٹائل انڈسٹری کے لئے بہت مشکل ہوگا۔ نہ صرف بین الاقوامی چیلجز کو کم ماٹنگ کا مقابلہ کرنا پڑتا ہے بلکہ خام مال کی فراہمی کو یقینی بنانے کی بھی ضرورت ہوتی ہے جو حکومت کی طرف سے عائد کردہ آمدنی پابندیوں کی وجہ سے مشکل تر ہوتا جا رہا ہے۔

منفی نقطہ نظر کی روشنی میں، اہل ذمہ میٹریٹرز، موڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر اصرار کرتی رہے گی۔

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


 Naamun
 ندریم مقبول
 ڈائریکٹر


 Imran Memon
 عمران مقبول
 چیف ایگزیکٹو آفیسر

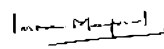
کراچی: تاریخ 29 اپریل 2023ء

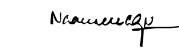
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	1,214,864,328	1,267,631,946
Capital work-in-progress	7	380,577,741	103,987,733
		1,595,442,069	1,371,619,679
Intangible asset	8	8,975,863	8,778,168
Investment property	9	1,756,577,720	1,756,577,720
Investment in equity accounted associate	10	-	-
Long term deposits		15,456,875	31,401,599
		3,376,452,527	3,168,377,166
CURRENT ASSETS			
Stores, spares and loose tools	11	120,957,997	106,245,383
Stock in trade	12	1,039,312,184	742,731,116
Trade debts	13	2,034,821,272	2,185,089,164
Loans and advances		13,079,970	97,520,894
Trade deposits and short term prepayments		17,027,949	9,241,112
Other receivables		7,729,856	3,370,315
Short term investments	14	56,492,493	74,251,580
Tax refunds due from Government	15	133,295,776	24,382,978
Taxation - net		25,328,731	-
Cash and bank balances	16	195,948,748	247,809,755
		3,643,994,976	3,490,642,297
		7,020,447,503	6,659,019,463
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2022: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 (June 30, 2022: 12,417,876) ordinary shares of Rs. 10/- each	17	124,178,760	124,178,760
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,996,280,568	1,996,280,568
Unrealised gain on investments at fair value through other comprehensive income		19,753,874	37,512,961
		2,016,034,442	2,033,793,529
Revenue reserves			
Unappropriated profit		2,040,253,963	2,181,283,944
		4,180,467,165	4,339,256,233
NON CURRENT LIABILITIES			
Long term financing	18	272,386,425	113,434,557
Lease liabilities	19	14,529,657	23,301,894
Deferred capital grant	20	-	-
GIDC payable		20,365,662	46,486,767
Deferred taxation		123,368,293	123,368,293
		430,650,037	306,591,511
CURRENT LIABILITIES			
Trade and other payables	21	1,529,327,371	1,212,793,507
Unclaimed dividend		3,038,460	3,040,376
Interest and mark-up accrued		39,660,028	21,049,553
Short term borrowings	22	787,723,802	595,571,495
Taxation - net		-	79,815,472
Current portion of long term liabilities		49,580,640	99,866,896
Current portion of deferred capital grant	20	-	1,034,420
		2,409,330,301	2,013,171,719
		7,020,447,503	6,659,019,463
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer

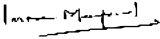

NADEEM MAQBOOL
Director

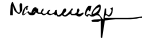

KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months ended		Quarter ended		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	Note	Rupees	Rupees	Rupees	
Sales - net		5,247,846,702	6,042,856,807	1,691,784,972	2,076,168,804
Cost of sales	24	(5,063,585,922)	(5,030,780,389)	(1,715,604,324)	(1,742,684,149)
Gross profit		184,260,780	1,012,076,418	(23,819,352)	333,484,655
General and administrative expenses		(159,516,408)	(113,732,241)	(42,937,834)	(37,501,112)
Distribution cost		(16,122,003)	(15,047,881)	(6,194,000)	(1,874,944)
Other operating income		40,327,379	38,701,733	14,166,383	9,697,526
Other operating expenses		(504,375)	(61,692,865)	-	(18,647,340)
		(136,115,407)	(151,771,254)	(34,965,451)	(51,325,870)
Operating profit		48,145,373	860,305,164	(58,784,803)	282,158,785
Financial charges		(203,477,200)	(92,791,227)	(71,907,001)	(36,160,021)
Share of loss from associate		-	(25,000)	-	(9,400)
		(203,477,200)	(92,816,227)	(71,907,001)	(36,169,421)
(Loss) / profit before taxation		(155,331,827)	767,488,937	(130,891,804)	245,989,364
Taxation	25	14,301,846	(217,331,210)	(17,192,724)	(104,285,314)
Profit for the period		(141,029,981)	550,157,727	(147,884,528)	141,704,050
Earnings per share - basic and diluted	26	(11.36)	44.30	(11.91)	11.41

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

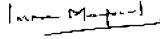


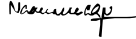
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	27 76,935,341	107,662,139
Financial charges paid	(184,866,725)	(82,695,837)
Taxes paid	(90,842,357)	(80,344,931)
Net cash used in operating activities	(198,773,741)	(55,378,629)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in capital expenditure	(169,236,484)	(121,093,589)
Addition in intangible	(1,667,071)	-
Proceeds from disposal of operating fixed assets	9,827,799	57,259,270
Long term deposits	15,944,724	10,781,392
Net cash used in investing activities	(145,131,032)	(53,052,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long term financing	(66,604,611)	(130,764,791)
Proceeds from long term financing	181,221,756	28,750,000
Principal paid on lease liabilities	(14,723,770)	(6,855,925)
Dividend paid	(1,916)	(17,826,024)
Short term borrowings - net	192,152,307	205,512,605
Net generated from financing activities	292,043,766	78,815,865
Net (decrease) / increase in cash and cash equivalents	(51,861,007)	(29,615,691)
Cash and cash equivalents at the beginning of the period	247,809,755	221,423,239
Cash and cash equivalents at the end of the period	195,948,748	191,807,548

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

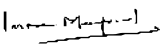
	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves	Total
		Unrealised gain on investments at fair value through other comprehensive income	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
Balance as at July 1, 2021 (audited)	124,178,760	58,200,569	1,996,280,568	1,545,188,768	3,723,848,665
Total comprehensive income for the period					
Profit for the period	-	-	-	550,157,727	550,157,727
Other comprehensive income:					
Unrealised loss on revaluation of investments classified as fair value through other comprehensive income*	-	(13,061,781)	-	-	(13,061,781)
Transfer to unappropriated profit in respect of disposal of revalued property, plant and equipment:	-	-	(1,500,000)	1,500,000	-
	-	(13,061,781)	(1,500,000)	551,657,727	537,095,946
Transactions with shareholder					
Interim cash dividend @ Rs. 15 per share for the year ended June 30, 2022	-	-	-	(18,626,814)	(18,626,814)
Balance as at March 31, 2022 (audited)	124,178,760	45,138,818	1,994,780,568	2,078,219,111	4,242,317,257
Balance as at July 1, 2022 (audited)	124,178,760	37,512,961	1,996,280,568	2,181,283,944	4,339,256,233
Total comprehensive income for the period					
Profit for the period	-	-	-	(141,029,981)	(141,029,981)
Other comprehensive income:					
Unrealised loss on revaluation of investments classified as fair value through other comprehensive income*	-	(17,759,087)	-	-	(17,759,087)
	-	(17,759,087)	-	(141,029,981)	(158,789,068)
Balance as at March 31, 2023 (audited)	124,178,760	19,753,874	1,996,280,569	2,040,253,963	4,180,467,166

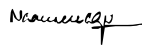
The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit for the period	(141,029,981)	550,157,727	(147,884,528)	141,704,050
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised loss on revaluation of investments classified as fair value through other comprehensive income*	(17,759,087)	(13,061,781)	(8,522,537)	(194,742)
Total comprehensive income for the period	(158,789,068)	537,095,946	(156,407,065)	141,509,308

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

- 1 STATUS AND NATURE OF BUSINESS**
Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (now the Companies Act, 2017) as a public limited company. The Company's shares are listed on the Pakistan Stock Exchange. The principal business of the Company is manufacture and sale of yarn.
- 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS**
The registered office of the Company is situated at 104 Shadman 1, Lahore. The Company's manufacturing facilities are located at Plot No. B/123, Road No. D-7, Industrial Area Nooriabad, District Dadu, in the Province of Sindh and at 17-KM, Faisalabad Road, Bhikki, District Sheikhupura in the Province of Punjab. The other offices of the Company is located at the 7th Floor, Lakson Square Building No.3 Karachi, Pakistan.
- 3 BASIS OF PREPARATION**
- 3.1 Statement of compliance**
These condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.
- These condensed interim financial statements of the Company for the nine months ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017; and
 - Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by The Institute of Chartered Accountants of Pakistan.
- Where the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 have been followed.
- 3.2** These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2022, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the nine months ended March 31, 2023.
- 3.3 Basis of measurement**
These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.
- 3.4 Functional and presentation currency**
These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.
- 4 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN**
The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2022.
- 4.1 Initial application of standards, amendments or an interpretation to existing standards**
- a) **Standards, amendments and interpretations to accounting standards that are effective in the current period**
Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.
- b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**
There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
6 OPERATING FIXED ASSETS			
Operating fixed assets	6.1 & 6.1.3	1,145,329,933	1,191,448,927
Right-of-use assets	6.2	69,534,395	76,183,019
		<u>1,214,864,328</u>	<u>1,267,631,946</u>
6.1 Fixed assets			
Opening net book value (NBV)		1,191,448,927	1,275,574,440
Transfer (at cost) from capital work in progress during the period / year		-	30,244,458
Additions (at cost) during the period / year	6.1.1	30,198,154	54,442,201
		<u>1,221,647,081</u>	<u>1,360,261,099</u>
Disposals (at NBV) during the period / year	6.1.2	(7,541,309)	(73,181,226)
Depreciation charged during the period / year		<u>(68,775,839)</u>	<u>(95,630,946)</u>
		<u>(76,317,148)</u>	<u>(168,812,172)</u>
Closing net book value (NBV)		<u>1,145,329,933</u>	<u>1,191,448,927</u>
6.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Plant and machinery		11,391,934	3,810,001
Vehicles		15,963,620	50,632,200
Electric installation		2,842,600	-
		<u>30,198,154</u>	<u>54,442,201</u>
6.1.2 Details of deletion (NBV) during the period / year are as follows:			
Owned			
Plant and machinery		-	2,764,671
Vehicles		7,541,309	28,416,555
Freehold land		-	42,000,000
		<u>7,541,309</u>	<u>73,181,226</u>

6.1.3 Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable input used in the valuation.

Valuation techniques used to derive level 2 fair values

Fair value of freehold was derived using sale comparison approach, standard appraisal procedures and physical site inspection. Sale prices of comparable land in close proximity is adjusted for differences in key attributes such as location and size of the land. Moreover, value of land also depends upon the area and location. The most significant input in this valuation approach is price / rate per kanal / acre in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

6.2 Right-of-use assets

Opening net book value (NBV)	76,183,019	73,575,382
Additions (at cost) during the period / year	-	10,862,000
Depreciation charged during the period / year	<u>(6,648,624)</u>	<u>(8,254,363)</u>
	<u>69,534,395</u>	<u>76,183,019</u>

7 CAPITAL WORK-IN-PROGRESS

Building	71,367,887	74,579,256
Civil works	36,220,709	29,408,477
Plant and machinery	272,989,145	-
	<u>380,577,741</u>	<u>103,987,733</u>

7.1 Movement in Capital Work In progress

Description	Cost			
	As at July 01, 2022	Additions during the year	Transferred to operating fixed assets	As at March 31, 2023
Enhancement in Unit 2	103,987,733	295,076,856	-	399,064,589
Total - June 30, 2022	<u>8,872,286</u>	<u>125,359,905</u>	<u>30,244,458</u>	<u>103,987,733</u>

7.2 This represents enhancement of Yarn winding facility and installation of autocone machine at Unit 2.

Quarterly Report

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
8	INTANGIBLE ASSETS		
	Computer software	8,975,863	8,778,168
	Movement in intangible assets		
	Opening net book value	8,778,168	-
	Additions (at cost)	1,667,071	9,240,176
	Amortisation charged	<u>(1,469,376)</u>	<u>(462,008)</u>
	Closing net book value	<u>8,975,863</u>	<u>8,778,168</u>
9	INVESTMENT PROPERTY		
	Opening balance	1,756,577,720	1,752,738,250
	Fair value adjustment	9.1 -	3,839,470
		<u>1,756,577,720</u>	<u>1,756,577,720</u>
9.1	Valuation techniques used to derive level 2 fair values - Investment property		
	Fair value of investment was derived using sale comparison approach, standard appraisal procedures and physical site inspection. Sale prices of comparable land in close proximity is adjusted for differences in key attributes such as location and size of the land. Moreover, value of land also depends upon the area and location. The most significant input in this valuation approach is price / rate per kanal / acre in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.		
10	INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE		
	Investment in equity accounted associate	10.1 -	-
10.1	Investment in equity accounted associate		
	Premier Insurance Limited		
	69,621 shares of Rs. 10 each (June 30, 2022 : 69,621 shares of Rs.10/- each)		
	Cost of investment	930	930
	Accumulated share of post acquisition profit - net of dividend received	88,077	284,140
	Accumulated impairment	(89,007)	(89,007)
	Share of loss for the year	-	(196,063)
		<u>(930)</u>	<u>(930)</u>
		<u>-</u>	<u>-</u>
	Market value of investment in equity accounted associate was Rs. 0.411 million (June 30, 2022: Rs. 0.302 million).		
11	STORES, SPARES AND LOOSE TOOLS		
	Stores	131,787,857	117,075,243
	Less: provision for slow moving items	<u>(10,829,860)</u>	<u>(10,829,860)</u>
		<u>120,957,997</u>	<u>106,245,383</u>
12	STOCK IN TRADE		
	Raw material in hand	781,514,704	418,646,065
	Work-in-process	140,191,228	120,809,946
	Finished goods	<u>117,606,252</u>	<u>203,275,105</u>
		<u>1,039,312,184</u>	<u>742,731,116</u>
13	TRADE DEBTS		
	Unsecured - considered good		
	Due from associated companies	4,177,050	9,963,174
	Others	<u>2,030,644,222</u>	<u>2,175,125,990</u>
		<u>2,034,821,272</u>	<u>2,185,089,164</u>
	Considered doubtful	87,238,999	63,414,906
		<u>2,122,060,271</u>	<u>2,248,504,070</u>
	Loss: Allowance for expected credit loss	<u>(87,238,999)</u>	<u>(63,414,906)</u>
		<u>2,034,821,272</u>	<u>2,185,089,164</u>
13.1	This represents due from Suraj Cotton Mills Limited, an associated company.		
13.2	Allowance for expected credit loss		
	Opening balance	63,414,906	57,836,742
	Writon-off during the year	-	(4,475,899)
	Allowance recognized during the year	<u>23,824,093</u>	<u>10,054,063</u>
	Closing balance	<u>87,238,999</u>	<u>63,414,906</u>
14	SHORT TERM INVESTMENTS		
	At fair value through other comprehensive income	14.1 55,292,493	73,051,580
	At amortised cost	14.2 1,200,000	1,200,000
		<u>56,492,493</u>	<u>74,251,580</u>
14.1	Fair value through other comprehensive income		
	Listed Equity Securities		
	Cost	48,187,534	48,187,534
	Unrealized gain on revaluation of investments	19,753,874	37,512,961
	Impairment loss	<u>(12,648,915)</u>	<u>(12,648,915)</u>
		<u>55,292,493</u>	<u>73,051,580</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
14.2 Amortised cost			
Term deposit certificates	14.2.1	<u>1,200,000</u>	<u>1,200,000</u>
14.2.1 These term deposit certificates carry mark-up at rates ranging from 5.0% to 5.5% per annum (June 30, 2022: 5.50% to 12.25% per annum).			
15 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		<u>133,295,776</u>	<u>24,382,978</u>
16 CASH AND BANK BALANCES			
Cash in hand		3,018,106	853,236
Cash with banks			
Current accounts		92,748,696	133,737,887
PLS saving accounts	16.1	<u>98,045,066</u>	<u>111,686,857</u>
		190,793,762	245,424,744
Islamic current accounts		2,136,880	1,531,775
		<u>195,948,748</u>	<u>247,809,755</u>
16.1 The balance in savings accounts carry mark-up at the rates ranging from 9.00% to 12.25% per annum (June 30, 2022: 5.00% to 12.25% per annum).			
17 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
Number of ordinary shares of Rs. 10/- each			
March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
9,128,510	9,128,510	91,285,100	91,285,100
535,533	535,533	-	-
2,753,833	2,753,833	5,355,330	5,355,330
<u>12,417,876</u>	<u>12,417,876</u>	<u>27,538,330</u>	<u>27,538,330</u>
57,825	57,825	578,250	578,250
		307,728,090	193,110,945
17.1 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.			
18 LONG TERM FINANCING			
From banking companies - secured			
Conventional mode			
United Bank Limited - Term finance - 4	18.1	-	5,222,224
MCB Bank Limited - Term finance - 5	18.2	19,894,000	22,105,000
MCB Bank Limited - Term finance - 6	18.3	6,671,000	10,006,000
MCB Bank Limited - Term finance - 7	18.4	8,585,334	8,780,445
MCB Bank Limited - Term finance - 8	18.5	26,664,000	31,998,000
MCB Bank Limited - Term finance - 9	18.6	19,500,000	22,500,000
Bank Of Punjab - Term finance - 10	18.7	-	45,307,276
MCB Bank Limited - Term finance - 11	18.8	28,750,000	28,750,000
MCB Bank Limited - Term finance - 12	18.9	18,442,000	18,442,000
MCB Bank Limited - Term finance - 13	18.10	75,768,000	-
MCB Bank Limited - Term finance - 14	18.10	26,831,000	-
United Bank Limited - Term finance - 15	18.11	<u>78,622,756</u>	-
		307,728,090	193,110,945
Less: Current portion shown under current liabilities		<u>(35,341,665)</u>	<u>(79,676,388)</u>
		<u>272,386,425</u>	<u>113,434,557</u>
18.1 This facility has been obtained from United Bank Limited to import of plant and machinery. The rate of mark-up is 4.50% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 4.5 years after a grace period of 18 months with installments starting from August 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million (June 30, 2022: Rs. 400 million).			
18.2 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 10 years after a grace period of 18 months with installments starting from November 2018. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 41 million (June 30, 2022: Rs. 41 million).			
18.3 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 8 years after a grace period of 18 months with installments starting from October 2018. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 32 million (June 30, 2022: Rs. 32 million).			

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

- 18.4 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from August 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 20 million (June 30, 2022: Rs. 20 million).
- 18.5 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 1 located at Nooriabad. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years inclusive of 18 months grace period. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 48 million (June 30, 2022: Rs. 48 million).
- 18.6 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years inclusive of 18 months grace period. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 27 million (June 30, 2022: Rs. 27 million).
- 18.7 This term finance facility is obtained from Bank of Punjab for payment of wages and salaries to the workers and employees of business concerns' introduced by the State Bank of Pakistan and is payable quarterly over a period of 2 years, after a grace period of 6 months. The rate of mark-up is 2% per annum. This term finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company and current assets aggregating to Rs. 213.334 million. The sanctioned limit of the facility is Rs. 160 million (June 30, 2022: Rs. 160 million).
- 18.8 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from December 2024. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 190 million (June 30, 2022: 190 million).
- 18.9 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from May 2025. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 190 million (June 30, 2022: 190 million).
- 18.10 This facility has been obtained from MCB Bank Limited for the import of machinery for planned BMR activity in existing units located at Bikhi-Punjab and Dadu-Sindh. The rate of mark-up is 6 months KIBOR + 1.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million and exclusive charge on plant and machinery of Rs. 271.43 million. The sanctioned limit of the facility is Rs. 190 million (June 30, 2022: Nil).
- 18.11 This facility has been obtained from UBL Bank Limited for the import of machinery for planned BMR activity in existing units located at Bikhi-Punjab. The rate of mark-up is 1 month KIBOR + 3.50% and is payable semi-annually over a period of 10 years after a grace period of 2 years. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over present and future fixed assets at Nooriabad unit and pari passu equitable mortgage on land and building of the Company located in Faisalabad and Lahore aggregating to Rs. 400 million with 25% margin and exclusive charge on plant and machinery of Rs. 134 million. The sanctioned limit of the facility is Rs. 250 million (June 30, 2022: Nil).

	Note	March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
19 LEASE LIABILITIES			
Lease liabilities		28,768,632	43,492,402
Less: current portion		(14,238,975)	(20,190,508)
		<u>14,529,657</u>	<u>23,301,894</u>
Maturity analysis-contractual discounted cash flow:			
Less than one year		14,238,975	20,190,508
One to five years		<u>14,529,657</u>	<u>23,301,894</u>
Total discounted lease liability		<u>28,768,632</u>	<u>43,492,402</u>

- 19.1 When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 18.80% to 21.01% per annum (June 30, 2022: 14.43% to 19.31% per annum).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
20 DEFERRED CAPITAL GRANT			
Capital grant		-	1,034,420
Current portion shown under current liability		-	(1,034,420)
		<u>-</u>	<u>-</u>
20.1 Following is the movement in capital grant during the period / year:			
Opening balance		1,034,420	3,357,372
Addition during the period		-	-
Amortised during the period		(1,034,420)	(2,322,952)
Closing balance		<u>-</u>	<u>1,034,420</u>
21 TRADE AND OTHER PAYABLES			
Creditors	21.1	734,008,607	418,245,322
Accrued liabilities	21.2	719,245,473	653,594,134
Advance from customers		-	15,620,243
Payable to Provident Fund		4,064,118	5,054,015
Workers' Profit Participation Fund		-	47,119,445
Due to related party	21.3	23,379,715	23,821,190
Withholding tax payable		2,534,873	2,882,130
Workers' Welfare Fund		39,075,826	39,075,826
Other liabilities		7,018,759	7,381,202
		<u>1,529,327,371</u>	<u>1,212,793,507</u>

21.1 This includes balance amounting to Rs. 13.736 million (June 30, 2022: Rs. 3.273 million) due to an associated company.

21.2 This includes the amount payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. In November 2020, the Supreme Court dismissed the review petition seeking review of its order issued in favor of recovery for GIDC arrears. Accordingly, the Company is paying GIDC installments as per monthly billing by Sui Northern Gas Pipeline Limited (SNGPL); however, the matter with respect to GIDC billing by Sui Southern Gas Company (SSGC) is under litigation in High Court of Sindh. The liability is recognized as per the guidelines issued by Institute of Chartered Accountants of Pakistan dated January 21, 2021.

21.3 This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 18.801 million (June 30, 2022: Rs.17.300 million), Rs. 3.368 million (June 30, 2022: Rs. 5.170), Rs. 1.210 million (June 30, 2022: Rs.1.210 million) and respectively. These balances do not carry any interest and are repayable on demand.

		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
22 SHORT TERM BORROWINGS			
From banking companies - secured			
Running / cash finance			
Islamic mode		218,962,730	218,572,406
Conventional mode		570,761,072	376,999,089
		<u>787,723,802</u>	<u>595,571,495</u>

22.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs.2,411 million (June 30, 2022: Rs. 740 million). The rate of mark up on these finance facilities ranges between 1 month to 6 months KIBOR plus 1.25% to 2.5% per annum (June 30, 2022: 1 month to 6 months KIBOR plus 1.25% to 2% per annum) and is payable quarterly.

The Company has a facility for opening letters of credit under mark-up arrangements amounting to Rs.2.7 million (June 30, 2022: Rs. 200 million) from a commercial bank. The unutilized balance at the end of the year was Rs. 197.3 million (June 30, 2022: Nil).

These financing facilities are secured by way of pledge and floating charge over the current assets and personal guarantee of Directors and lien on import documents.

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

a) Crescent Cotton Mills Limited formerly (Crescent Sugar Mills and Distillery Limited) has filed a case against the Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has a recorded liability of Rs. 17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company, management is confident that the balance amount shall not be payable.

b) The Company has filed a Constitutional Petition No. D-8408 along with other companies, dated December 12, 2017, in the High Court of Sindh challenging the levy of the Infrastructure Cess introduced through Sindh Finance Act 1994 and various amendments introduced through Sindh Finance (Amendment) Act 2008, Sindh Finance (Amendment) Act 2009, inter alia, seeking declaration that Sindh Development and Maintenance of Infrastructure Cess Act 2017 and the rule made thereunder through which a customs duty in the guise of infrastructure fee / cess has been imposed is unconstitutional. Based on legal advice dated September 17, 2020 on aforementioned litigation, the Company has good arguable grounds and there is no likelihood of unfavorable outcome against the Company.

23.2 Commitments

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

a) Guarantees have been issued by banking companies in normal course of business amounting to Rs. 95.285 million (June 30, 2022 : Rs. 95.285 million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

- b) Letters of credit against import of raw cotton, spare parts and machinery amounting to Rs. Nil million (June 30, 2022: Rs. 452.673 million) Rs. Nil (June 30, 2022: 437.045 million) and Rs. 306.447 million (June 30, 2022: nil).

24 COST OF SALES

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Un-audited)			
	Rupees			
Materials consumed	3,216,531,565	2,580,000,724	1,265,033,907	1,325,925,302
Spare parts and loose tools consumed	14,642,811	15,112,915	34,559,112	33,383,928
Packing material consumed	61,300,250	45,787,282	19,727,351	22,717,813
Salaries, wages and other benefits	379,764,347	298,389,235	118,690,407	134,039,086
Fuel and power	525,307,221	324,177,897	164,501,421	190,585,135
Insurance	7,784,424	7,151,267	5,744,730	3,887,467
Repairs and maintenance	2,650,576	9,675,592	2,574,019	8,313,918
Depreciation	65,042,908	48,892,325	21,689,532	23,845,652
Provision for slow moving stores, spares and loose tools	-	-	-	-
Other manufacturing overheads	23,471,041	13,535,246	7,685,389	6,206,277
	4,997,298,351	3,350,703,440	1,640,185,848	1,739,034,130
Opening work in process	120,899,976	72,961,912	142,952,312	101,037,955
Closing work in process	(140,191,228)	(121,415,622)	(143,191,228)	(121,475,622)
	(19,381,282)	(48,453,800)	2,761,114	(20,377,667)
Cost of goods manufactured	4,977,917,069	3,302,249,760	1,642,946,962	1,718,656,463
Cost of goods purchased for trading	-	-	-	-
Opening stock of finished goods	203,275,105	61,427,265	190,283,614	83,342,051
Closing stock of finished goods	(117,608,252)	(95,500,765)	(117,808,252)	(95,560,785)
	85,666,853	(11,153,520)	72,475,362	(12,218,734)
	5,083,585,922	3,286,096,240	1,715,634,324	1,706,437,729

	March 31, 2023	March 31, 2022
	(Un-audited)	
	Rupees	
25 TAXATION		
Current	66,504,657	204,346,451
Prior	(80,806,503)	3,624,557
	(14,301,846)	207,971,008
Deferred	-	9,360,202
	(14,301,846)	217,331,210

- 25.1 The Government has levied a special tax for tax year 2022 as per section 4C of the Income Tax Ordinance 2001. This new tax will be applicable on all persons at the rate of 10% on textile if earnings exceed more than 300 million and Company has accounted for provision in June 30, 2022. The Company has filed a Petition No. 82805/2022 against section 4C, with Honorable Lahore High Court. On December 27, 2022, Honorable Lahore High Court granted stay order to the Company in respect of this matter on the submission of postdated cheque. Subsequently on February 10, 2023 Honorable Lahore High Court directed the company to pay 50 percent tax liability i.e. 32.375 million and company has adjusted the amount of super tax from "Income tax refundable".

26 EARNINGS PER SHARE - BASIC AND DILUTED

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

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Un-audited)			
	Rupees			
Profit for the period (Rupees)	(14,129,981)	60,575,221	(14,886,528)	141,024,000
Weighted average number of ordinary shares	12,17,876	12,17,876	12,17,876	12,117,876
Earnings per share - basic and diluted (Rupees)	(1.16)	4.98	(1.22)	11.63

	March 31, 2023	March 31, 2022
	(Un-audited)	
	Rupees	
27 CASH GENERATED FROM OPERATIONS		
Profit before taxation	(155,331,827)	767,488,937
Adjustment for non-cash charges and other items:		
Depreciation	(62,127,215)	77,111,224
Amortization	1,469,376	-
Deferred income	(1,034,420)	(3,632,085)
Gain on disposal of operating fixed assets	(2,286,490)	(5,034,912)
Share of loss from associate	-	25,000
Financial charges	203,477,200	92,791,227
Allowance for expected credit loss	23,824,093	4,000,000
	183,322,544	165,260,454
Profit before working capital changes	7,990,717	932,749,391
Working capital changes	27.1	(825,087,252)
	76,935,341	107,662,139

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	March 31, 2023 (Un-audited) Rupees	March 31, 2022 (Un-audited) Rupees
27.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(14,712,614)	(14,380,611)
Stock in trade	(296,581,068)	(257,977,096)
Trade debts	126,443,799	(554,252,727)
Loans and advances	84,440,924	(186,936,612)
Trade deposits and short term prepayments	(7,786,837)	(6,262,846)
Other receivables	(4,359,541)	804,313
Tax refunds due from the Government	(108,912,798)	14,701,466
	<u>(221,468,135)</u>	<u>(1,004,304,113)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	290,412,759	179,216,861
	<u>68,944,624</u>	<u>(825,087,252)</u>

28 TRANSACTIONS WITH RELATED PARTIES

Related parties of the company comprise the subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of directors of the company. Detail of transactions with related parties during the year, other than disclosed elsewhere in the unconsolidated financial statements, are as follows:

Relation with the company	Nature of transaction	Name of the related party	Nine months ended		Quarter ended	
			March 31, 2023	March 31, 2022 (Un-audited)	March 31, 2023	March 31, 2022
----- Rupees -----						
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	14,769,250	239,949,333	7,247,560	103,424,607
	Insurance premium	Premier Insurance Limited	31,344,531	25,276,867	332,746	1,388,354
	Rent received	Avril Exports (Private) Limited	642,510	584,100	214,170	194,700
Retirement benefits	Contribution to staff retirement benefit plans	Provident Fund	15,509,438	14,115,547	4,916,846	4,772,109
	Rent paid	Mr. Murran Machool	875,000	875,000	225,000	225,000
Others	Rent paid	Mr. Murran Machool	875,000	875,000	225,000	225,000
	Rent paid	Ms. Kfarar Machool	1,935,000	1,935,000	645,000	345,000
Chief executive	Remuneration and benefits	Mr. Murran Machool	10,191,822	8,655,340	3,367,267	2,885,113
Director	Remuneration and benefits	Mr. Murran Machool	10,263,023	8,658,138	3,427,667	2,883,379
Key management personnel	Remuneration and benefits	Key management personnel	21,627,256	18,013,974	7,229,089	6,337,971
			March 31, 2023 (Un-audited) Rupees		June 30, 2022 (Audited) Rupees	

28.1 Period / year end balances

Receivable from associated company - Suraj Cotton Mills Limited	4,177,050	9,963,174
Payable to associated company - Premier Insurance Limited	13,735,943	3,273,442
Payable to provident fund	4,064,118	5,054,015
Due to Chief Executive, Directors and close relative	117,270	23,262,445

29 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2022.

30 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

As at March 31, 2023, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	Rupees			
At fair value through other comprehensive income				
Short term investments	55,292,493	-	-	55,292,493

As at June 30, 2022, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	(Audited)			
	Rupees			
At fair value through other comprehensive income				
Short term investments	73,051,580	-	-	73,051,580

Valuation techniques

For Level 3 fair value through other comprehensive income investments, the Company values the investment at lower of carrying value and breakup value.

Transfers between the levels of fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Transfers during the period

During the period ended March 31, 2023, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
31 NUMBER OF EMPLOYEES		
a) Number of employees as at March 31	991	1058
Average number of employees	980	1055

32 CORRESPONDING FIGURES

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

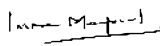
33 GENERAL

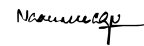
Figures have been rounded off to the nearest of rupees unless otherwise stated.

34 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on April 29, 2023 by the Board of Directors of the Company.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



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