


# 2022



**3rd QUARTER** |  
**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@ctm.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, 2022

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, 2022.

## Industry overview

Pakistan is facing serious economic challenges of rising inflation and current account deficit. The problem has been compounded by the unprecedented surge in global commodity prices that has significantly ballooned the import bill. We hope an earliest settlement of ongoing political turmoil will help to address these challenges.

Pakistan's overall exports increased by 24.9 percent to \$23.354 billion in the nine months period of the current fiscal year. Meanwhile, the country's imports recorded increase of 49.1 percent and swelled to \$58.877 billion. The country's trade deficit was recorded at \$35.523 billion during the reported period as compared to \$20.802 billion in the corresponding period. Textile exports increased by 25.4 percent to \$14.2 billion from \$11.4 billion in reported period. Bed wear exports increased by 19 percent in value and 15 percent in quantity. Knitwear exports increased by 34 percent in value and reduced by 5 percent in quantity. Garments exports increased by 26 percent in value and 34 percent in quantity.

## Company's performance

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

Rupees in million	31 Mar, 22	31 Mar, 21	Variance	%
Revenue	14,405	13,271	1,134	9
Gross Profit	2,349	1,863	485	26
Operating cost	1,163	993	170	17
Finance cost	342	342	-	-
Other income	206	97	109	112
Taxation	280	223	52	26
Net profit after tax	770	402	368	92
Earning Rs. per share	7.76	4.05	2.71	92

The Company, despite many operational challenges has been able to post marvelous improvement in profitability through persistent and diligent efforts. During the nine months period your Company earned a gross profit of Rs. 2,349 million on sales of Rs. 14,405 million compared to gross profit of Rs. 1,863 million on sales of Rs. 13,271 million for the corresponding period of previous financial year. During the period under review, your Company recorded a net profit of Rs. 770 million, compared to net profit of Rs. 402 million in the corresponding period. Sales have increased by 9 percent whereas gross profit margin has increased by 26 percent. The Company was able to reap benefits of higher profit margins mainly due to increased sale price. There was an increase in operating expenses by Rs. 170 million. Operating cost increased due to increase in distribution cost on account of high sea freight rates. Other Income improved by Rs 109 million due exchange gain on export receivable. Tax provision increased due increase in turnover tax and deferred tax expense due increase in profitability.

With the Grace of Almighty Allah, our stitching unit at FIEDMC, with all infrastructure and building work, completed and operational now. We have made ground breaking of weaving unit II at Hattar Industrial Estate and this project is expected to be completed by 2nd Quarter of next financial year.

## Acknowledgement

The Board records its profound appreciation for all our colleagues, customers, banks, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

For and on behalf of the Board of Directors

  
Muhammad Anwar  
Chief Executive Officer

  
Khalid Bashir  
Director

## ڈائریکٹرز کی رپورٹ

31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے

بورڈ آف ڈائریکٹرز کو 31 مارچ 2022 کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی آپریشنل اور مالی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے خوشی بوری ہے۔

### صنعت کا جائزہ

پاکستان کو بڑھتی ہوئی افراط زر اور کرنٹ اکاؤنٹ خسارے کے سنگین معاشی چیلنجوں کا سامنا ہے۔ عالمی اشیاء کی قیمتوں میں غیر معمولی اضافے سے یہ مسئلہ مزید بڑھ گیا ہے جس نے درآمدی مل کو نمایاں طور پر خرابے میں بل دیا ہے۔ ہمیں امید ہے کہ جاری سیاسی خلفشار کا جلد از جلد تصفیہ ان چیلنجوں سے ٹھنڈے میں مددگار ہوگا۔

رواں مالی سال کے نو ماہ کے دوران پاکستان کی مجموعی برآمدات 24.9 فیصد اضافے کے ساتھ 23.354 ارب ڈالر رہی۔ دریں اثناء ملکی درآمدات میں 49.1 فیصد اضافہ ریکارڈ کیا گیا اور یہ بڑھ کر 58.877 ارب ڈالر ہوئی۔ رپورٹ کردہ مدت کے دوران ملک کا تجارتی خسارہ 35.523 ارب ڈالر ریکارڈ کیا گیا جبکہ اسی عرصے میں گزشتہ سال یہ 20.802 ارب ڈالر تھا۔ ٹیکسٹائل کی برآمدات 25.4 فیصد اضافے کے ساتھ 14.2 ارب ڈالر ہوئیں جو رپورٹ کردہ مدت میں 11.4 ارب ڈالر تھیں۔ ہینڈ ویئر کی برآمدات کی ماییت میں 19 فیصد اور مقدار میں 15 فیصد اضافہ ہوا۔ وینٹری کی برآمدات کی ماییت میں 34 فیصد اضافہ ہوا اور مقدار میں 5 فیصد کمی ہوئی۔ کھارٹس کی برآمدات کی ماییت میں 26 فیصد اور مقدار میں 34 فیصد اضافہ ہوا۔

### کمپنی کی کارکردگی

نو ماہ کی مدت کے لئے کمپنی کا مختصر مالی تجزیہ یہاں پیش کیا گیا ہے:

لینین روپے	نو ماہ مالی سال 2022	نو ماہ مالی سال 2021	اختلاف	%
آمدن	14,405	13,271	1,134	9
مجموعی منافع	2,349	1,863	485	26
آپریٹنگ لاگت	1,163	993	170	17
مالی لاگت	342	342	-	-
دیگر آمدنی	206	97	109	112
ٹیکس	280	223	52	26
ٹیکس کے بعد خالص منافع	770	402	368	92
فی شخص آمدن	7.76	4.05	2.71	92

کمپنی بہت سے آپریشنل چیلنجوں کے باوجود مستقل اور محتجی کوششوں کے ذریعے منافع میں جرت انگیز بہتری لانے میں کامیاب رہی ہے۔ نو ماہ کی مدت کے دوران آپ کی کمپنی نے 14,405 لینین روپے کی فروخت پر مجموعی منافع 2,349 لینین روپے کمایا جبکہ گزشتہ مالی سال کی اسی مدت کے دوران 13,271 لینین روپے کی فروخت پر مجموعی منافع 1,863 لینین روپے رابڑ نظر مدت کے دوران آپ کی کمپنی نے 770 لینین روپے کا خالص منافع ریکارڈ کیا جبکہ گزشتہ مالی سال اسی مدت میں خالص منافع 402 لینین روپے رابڑ فروخت میں 9 فیصد اضافہ ہوا ہے جبکہ مجموعی منافع کے مارجن میں 26 فیصد اضافہ ہوا ہے۔ کمپنی زیادہ منافع کے مارجن کے فوائد حاصل کرنے میں کامیاب رہی جس کی بنیادی وجہ فروخت کی قیمت میں اضافہ ہے۔ آپریٹنگ اخراجات میں 170 لینین روپے کا اضافہ ہوا۔ سمندر میں مال برداری کے اونچے نرخوں کی وجہ سے اور تقسیمی لاگت میں اضافے کی وجہ سے آپریٹنگ لاگت میں اضافہ ہوا۔ دیگر آمدنی میں 109 لینین روپے کی بہتری برآمدی قابل وصول رقم پر واجب الادا جلد کی وجہ سے ہوئی۔ ٹیکس کی فراہمی میں اضافہ ٹران اور ٹیکس اور برہتے ہوئے منافع پر واجب الادا اور ٹیکس اخراجات کی بدولت ہے۔

الذلتعالیٰ کے فضل سے، ایف آئی ڈی ایم سی (FIEDMC) میں ہمارا سائیڈ ہونٹ تمام بنیادی ڈھانچے اور تعمیراتی کام کے ساتھ اب مکمل طور پر پیش ہے۔ ہم نے جتا ر انڈسٹریل اسٹیٹ میں ویولنگ ہونٹ دوم کی گراؤنڈ بریکنگ کی ہے اور وقوع ہے کہ یہ منصوبہ اگلے مالی سال کی دوسری سہ ماہی تک مکمل ہو جائے گا۔

### اعتراف

بورڈ اپنے تمام ساتھیوں، مصارفین، بینکوں، انتظامیہ اور دیگر ذیلی عملے کے لئے اپنی گہری تعریف ریکارڈ کرتا ہے جو اپنے کام کے لئے پر عزم ہیں کیونکہ آپ کی کمپنی کی کامیابی ان کی کوششوں کے اور گروٹھیر کی گئی ہے۔ ہم اپنی کمپنی پر اعتماد کے لئے اپنے شیئرز، ہولڈرز کا بھی شکریہ ادا کرتے ہیں اور انہیں یقین دلاتے ہیں کہ ہم کمپنی میں ان کی سرمایہ کاری کے لئے بہترین احکامات کو یقینی بنانے کے لئے اپنی پوری کوشش کرنے کے لئے پر عزم ہیں۔

منجانب: بورڈ آف ڈائریکٹرز



خالد خان  
ڈائریکٹر



محمد انور  
چیف ایگزیکٹو آفیسر

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at March 31, 2022

(Rupees in '000')	Note	Un-Audited March 31, 2022	Audited June 30, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 200 000 000 (June 30, 2021: 100 000 000) ordinary shares of Rupees 10 each		2,000,000	1,000,000
Issued, subscribed and paid up share capital	3	1,000,000	800,000
Share deposit money		-	312,152
Reserves			
Capital reserves			
Premium on issue of right shares		391,559	200,169
Fair value reserve		951,728	1,079,509
Surplus on revaluation of operating fixed assets - net of deferred income tax		4,160,507	4,160,718
Revenue reserves		4,109,826	3,321,998
<b>Total reserves</b>		<b>9,613,620</b>	<b>8,762,394</b>
<b>TOTAL EQUITY</b>		<b>10,613,620</b>	<b>9,874,546</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	674,968	964,336
Deferred income tax liability		166,693	-
Deferred liabilities		-	46,144
		841,661	1,010,480
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,447,253	2,059,812
Unclaimed dividend		11,012	11,109
Accrued mark-up		88,705	79,606
Short term borrowings		6,496,455	6,127,540
Current portion of long term financing		423,034	479,090
Current portion of deferred liabilities		372,700	407,040
Provision for taxation		179,679	215,248
		10,018,838	9,379,445
<b>Total liabilities</b>		<b>10,860,499</b>	<b>10,389,925</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,474,119</b>	<b>20,264,471</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	7,533,159	7,376,131
Intangible asset		7,692	13,456
Long term investments		4,038,965	3,806,670
Long term loans and advances		1,171	307
Long term deposits and prepayments		15,383	15,208
Deferred income tax asset		-	1,362
		11,596,370	11,213,134
<b>Current assets</b>			
Stores, spare parts and loose tools		346,638	224,719
Stock-in-trade		5,084,533	3,711,478
Trade debts		2,736,437	2,694,954
Loans and advances		51,044	42,032
Short term deposits and prepayments		124,915	130,661
Income tax		682,126	737,009
Other receivables		353,579	381,037
Short term investments		479,611	791,517
Cash and bank balances		18,866	337,930
		9,877,749	9,051,337
<b>TOTAL ASSETS</b>		<b>21,474,119</b>	<b>20,264,471</b>

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

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000)	Note	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue		14,405,320	13,271,195	4,914,437	4,741,082
Cost of sales	7	(12,056,653)	(11,407,939)	(4,156,813)	(3,999,437)
Gross profit		2,348,667	1,863,256	757,624	741,645
Distribution cost		(638,528)	(536,782)	(181,875)	(184,233)
Administrative expenses		(360,953)	(330,649)	(123,572)	(116,835)
Other expenses		(163,232)	(125,367)	(22,641)	(68,721)
		(1,162,713)	(992,798)	(328,088)	(369,789)
		1,185,954	870,458	429,536	371,856
Other income		206,031	96,994	54,643	21,684
Profit from operations		1,391,985	967,452	484,179	393,540
Finance cost		(342,203)	(342,216)	(131,679)	(122,289)
Profit before taxation		1,049,782	625,236	352,500	271,251
Taxation		(279,657)	(222,759)	(86,275)	(88,756)
Profit after taxation		770,125	402,477	266,225	182,495
Earnings per share - basic and diluted (Rupees)		7.76	Restated 4.05	2.66	Restated 1.84

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

3rd QUARTER  
MARCH 31 | 2022



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000)	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Profit after taxation	770,125	402,477	266,225	182,495
Other comprehensive (loss) / income				
Items that will not be reclassified to profit or loss in subsequent periods:				
(deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(55,935)	190,997	(68,775)	(231,522)
Deferred income tax relating to investments at fair value through other comprehensive income	(54,254)	(21,302)	(96)	1,588
	(110,189)	169,695	(68,871)	(229,934)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(110,189)	169,695	(68,871)	(229,934)
<b>Total comprehensive income / (loss) for the period</b>	<b>659,936</b>	<b>572,172</b>	<b>197,354</b>	<b>(47,439)</b>

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

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000)	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				TOTAL
			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	Unappropriated profit	Sub total		
Balance as at June 30, 2020 - (Audited)	800,000	-	200,169	673,438	4,160,766	5,034,373	1,803,643	1,001,688	2,805,331	7,699,704	8,639,704
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(112)	(112)	-	112	112	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	135	135	-	-	-	135	135
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(863)	-	(863)	-	863	863	-	-
Profit for the period	-	-	-	-	-	-	-	402,477	402,477	402,477	402,477
Other comprehensive income for the period	-	-	-	169,695	-	169,695	-	-	-	169,695	169,695
<b>Total comprehensive income for the period</b>	-	-	-	169,695	-	169,695	-	402,477	402,477	572,172	572,172
Balance as at March 31, 2021 - (Un-audited)	800,000	-	200,169	842,270	4,160,789	5,203,228	1,803,643	1,405,140	3,208,789	8,412,011	9,212,011
Transaction with owners - Share deposit money received during the period against right shares at the rate of Rupees 20 per share	-	312,152	-	-	-	-	-	-	-	-	312,152
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(37)	(37)	-	37	37	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(34)	(34)	-	-	-	(34)	(34)
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(6)	-	(6)	-	5	5	-	-
Profit for the period	-	-	-	-	-	-	-	113,173	113,173	113,173	113,173
Other comprehensive income for the period	-	-	-	237,244	-	237,244	-	-	-	237,244	237,244
<b>Total comprehensive income for the period</b>	-	-	-	237,244	-	237,244	-	113,173	113,173	350,417	350,417
Balance as at 30 June 2021 - (audited)	800,000	312,152	200,169	1,079,509	4,160,718	5,440,296	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 income	-	-	-	(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)
<b>Total comprehensive income for the period</b>	-	-	-	(110,189)	-	(110,189)	-	770,125	770,125	659,936	659,936
Balance as at March 31, 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

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

3rd QUARTER  
MARCH 31 | 2022

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

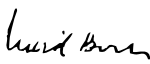
for the Nine Months Ended March 31, 2022

(Rupees in '000')	Note	March 31, 2022	March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	8	451,920	9,906
Finance cost paid		(330,967)	(345,675)
Income tax paid - net		(146,642)	(89,969)
Dividend paid		(97)	(123)
Workers' profit participation fund paid		(26,612)	-
Net (increase) / decrease in long term loans and advances		(1,320)	762
Net (increase) / decrease in long term deposits and prepayments		(175)	19,561
Net cash used in operating activities		(53,893)	(405,538)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant, equipment and intangible assets		(409,066)	(238,588)
Proceeds from sale of property, plant and equipment		25,453	375
Proceeds from sale of investment		23,676	1,382
Net cash used in investing activities		(359,937)	(236,831)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		38,542	414,686
Share deposit money received - net		79,238	-
Repayment of long term financing		(391,929)	(38,983)
Short term borrowings - net		368,915	243,754
Net cash from financing activities		94,766	619,457
Net decrease in cash and cash equivalents		(319,064)	(22,912)
Cash and cash equivalents at the beginning of the period		337,930	38,985
Cash and cash equivalents at the end of the period		18,866	16,073

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

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### 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 unit which is situated at Lahore Road, Jaranwala, 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 as applicable in Pakistan for interim financial reporting comprise of:

-International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed."

- ii) These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021.

##### b) Accounting policies

The accounting policies and methods of computations used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2021.

#### 2.2 Critical accounting estimates, judgments and financial risk management

In preparing these condensed interim financial statements, management has made judgements and

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

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 audited annual financial statements of the Company for the year ended 30 June 2021.

### 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-Audited March 31, 2022 (Number of Shares)	Audited June 30, 2021		Un-Audited March 31, 2022 (Rupees in '000')	Audited June 30, 2021 (Rupees in '000')
70 571 213	50 571 213	Ordinary shares of Rupees 10 each fully paid in cash (Note 3.1)	705,712	505,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
100 000 000	80 000 000		1,000,000	800,000

#### 3.1 Movement during the period / year

50 571 213	50 571 213	Opening balance	505,712	505,712
20 000 000	-	Ordinary shares of Rupees 10 each issued as fully paid right shares	200,000	-
70 571 213	50 571 213	Closing balance	705,712	505,712

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000')	Un-Audited March 31, 2022	Audited June 30, 2021
<b>4. LONG TERM FINANCING</b>		
Financing from banking companies - secured		
Opening balance	1,443,426	1,154,940
Add:		
Obtained during the period / year	38,542	414,686
Amortized during the period / year	7,963	14,687
	1,489,931	1,584,313
Less:		
Repaid during the period / year	391,929	116,176
Deferred income recognized during the period / year	-	24,711
	391,929	140,887
	1,098,002	1,443,426
Less: Current portion shown under current liabilities	423,034	479,090
Closing balance	674,968	964,336

### 5. CONTINGENCIES AND COMMITMENTS

#### a. Contingencies

- i) Guarantees of Rupees 251.834 million (30 June 2021: Rupees 248.691 million) are given by the banks of the Company to Collector of Customs against import of certain items, Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections.
- ii) Post dated cheques of Rupees 469.669 million (30 June 2021: Rupees 536.370 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 musharkah to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.
- iii) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) Lahore, for the collection of PRA withholding tax amounting to Rupees 23.348 million (30 June 2021: Rupees 23.348 million). Appeal is pending for adjudication. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.
- iv) The Company filed a petition in the Honorable Lahore High Court, Lahore on 24 March 2021 pertaining to the oppression of the Company as shareholder by Crescent Bahuman Limited. Any outcome of this petition will not have any financial impact on the Company. Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favorable decision.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### b) Commitments

- i) Contracts for capital expenditure are of Rupees 1,153.829 million (30 June 2021: Rupees 250.660 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 1,163.875 million (30 June 2021: Rupees 426.643 million).
- iii) Ijarah commitments are of Rupees 66.197 million (30 June 2021: Rupees 68.847 million).

(Rupees in '000')	Un-Audited March 31, 2022	Audited June 30, 2021
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 6.1)	7,308,850	7,188,601
Capital work-in-progress (Note 6.2)	224,309	187,530
	<b>7,533,159</b>	<b>7,376,131</b>
<b>6.1 Operating fixed assets</b>		
Opening book value	7,188,601	7,328,499
Add: Cost of additions during the period / year (Note 6.1.1)	372,287	194,877
	<b>7,560,888</b>	<b>7,523,376</b>
Less: Book value of deletions during the period / year (Note 6.1.2)	11,322	1,262
	<b>7,549,566</b>	<b>7,522,114</b>
Less: Depreciation charged during the period / year	240,716	333,513
	<b>7,308,850</b>	<b>7,188,601</b>
<b>6.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	166,354	-
Plant and machinery	128,666	165,798
Factory tools and equipment	511	2,516
Gas and electric installations	3,859	1,553
Vehicles	69,327	16,047
Furniture and fixtures	-	169
Office equipment	3,570	8,794
	<b>372,287</b>	<b>194,877</b>
<b>6.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	1,665	1,245
Office equipment	-	17
Vehicles	9,657	-
	<b>11,322</b>	<b>1,262</b>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000')	Un-Audited March 31, 2022	Audited June 30, 2021
6.2 Capital work-in-progress		
Buildings on freehold land	18,506	41,260
Buildings on leasehold land	39,866	-
Plant and machinery	-	24,546
Advance against purchase of vehicles	4,810	13,026
Advance against gas and electric installations	17,148	-
Advance against purchase of land	143,979	108,698
	224,309	187,530

(Rupees in '000')	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
7. COST OF SALES				
Raw materials consumed	5,089,653	3,790,298	1,864,548	1,263,257
Cloth and yarn purchased	2,656,357	2,723,289	907,371	1,010,806
Stores, spare parts and loose tools consumed	942,660	964,310	375,308	322,977
Packing materials consumed	576,279	746,758	164,129	263,515
Processing and weaving charges	624,013	803,914	214,796	300,188
Salaries, wages and other benefits	1,087,331	971,116	353,850	333,908
Fuel and power	1,343,657	1,139,777	502,590	378,408
Repair and maintenance	41,410	36,630	13,349	13,317
Insurance	13,668	8,598	4,368	2,645
Depreciation	216,852	229,171	74,068	77,305
Other factory overheads	61,849	54,009	15,845	17,817
	12,653,729	11,467,870	4,490,222	3,984,143
Work-in-process				
Opening stock	196,289	227,357	235,347	213,166
Closing stock	(248,997)	(216,917)	(248,997)	(216,917)
	(52,708)	10,440	(13,650)	(3,751)
Cost of goods manufactured	12,601,021	11,478,310	4,476,572	3,980,392
Finished goods				
Opening stock	2,118,777	2,082,927	2,343,386	2,172,343
Closing stock	(2,663,145)	(2,153,298)	(2,663,145)	(2,153,298)
	(544,368)	(70,371)	(319,759)	19,045
	12,056,653	11,407,939	4,156,813	3,999,437



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000')	Un-Audited	
	March 31, 2022	March 31, 2021
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,049,782	625,236
Adjustments for non-cash charges and other items:		
Depreciation	240,716	248,456
Amortization	5,764	5,732
Provision for workers' profit participation fund	51,674	25,799
(Gain) / loss on sale of property, plant and equipment	(14,131)	887
Reversal of allowance for expected credit losses	(500)	(846)
Allowance for expected credit losses	100,000	-
Gain on remeasurement of deferred liability	-	(38,032)
Finance cost	342,203	342,216
Working capital changes (Note 8.1)	(1,323,588)	(1,199,542)
	451,920	9,906
<b>8.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(121,919)	(18,464)
Stock-in-trade	(1,373,055)	(775,235)
Trade debts	(140,983)	(406,234)
Loans and advances	(8,556)	6,482
Short term deposits and prepayments	5,746	(39,615)
Other receivables	27,458	(93,378)
	(1,611,309)	(1,326,444)
Increase in trade and other payables	287,721	126,902
	(1,323,588)	(1,199,542)

### 9. 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:

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000')	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i) Transactions				
Associated companies				
Purchase of goods	35,858	26,827	30,722	2,193
Services provided	526	547	173	180
Sale of goods	63,654	-	57,966	-
Plant and machinery purchased	2,600	-	-	-
Insurance premium charged	29,804	15,440	12,534	4,765
Insurance claim received	5,693	-	646	-
Dividend income	1,624	-	-	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	30,915	25,270	10,206	8,943
Remuneration paid to Chief Executive Officer, directors and executives	185,805	166,914	64,648	54,997

(Rupees in '000')	Un-audited March 31, 2022	Audited June 30, 2021
ii) Period end balances		
Associated companies		
Trade and other payables	1,934	5,567
Trade debts	47,705	17,145
Other receivables	173	31
Other related parties		
Trade and other payables	8,006	6,116

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### 10. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Nine months ended	
	March 31, 2022	March 31, 2021
Revenue		
External	6,262,060	4,669,985
Intersegment	1,877,265	1,959,297
	8,139,325	6,629,282
Cost of sales	(6,961,728)	(5,764,564)
Gross profit	1,177,597	864,718
Distribution cost	(71,068)	(47,704)
Administrative expenses	(104,278)	(95,485)
	(175,346)	(143,189)
Profit before taxation and unallocated income and expenses	1,002,251	721,529
Unallocated income and expenses:		
Other expenses		
Other income		
Finance cost		
Taxation		
Profit after taxation		

#### 10.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning	
	(Un-Audited)	(Audited)
	March 31, 2022	June 30, 2021
Total assets for reportable segments	4,313,460	3,605,880
Unallocated assets		
Total assets as per condensed interim statement of financial position		
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.		
Total liabilities for reportable segments	3,676,587	3,483,617
Unallocated liabilities		
Total liabilities as per condensed interim statement of financial position		

All segment liabilities are allocated to reportable segments other than major portion of trade and other payables,

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

Weaving		Processing & Home Textile		Power Generation		Elimination of Inter - Segment transactions		Total - Company	
(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	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
794,254	197,072	7,349,006	8,404,138	-	-	-	-	14,405,320	13,271,195
6,017,491	6,303,945	-	-	1,103,851	891,065	(8,998,607)	(9,154,307)	-	-
6,811,745	6,501,017	7,349,006	8,404,138	1,103,851	891,065	(8,998,607)	(9,154,307)	14,405,320	13,271,195
(6,663,820)	(6,372,055)	(6,350,729)	(7,558,094)	(1,078,983)	(867,533)	8,998,607	9,154,307	(12,056,653)	(11,407,939)
147,925	128,962	998,277	846,044	24,868	23,532	-	-	2,348,667	1,863,256
(15,467)	(9,579)	(547,887)	(476,339)	(4,106)	(3,160)	-	-	(638,528)	(536,782)
(32,533)	(29,789)	(205,820)	(188,601)	(18,322)	(16,774)	-	-	(360,953)	(330,649)
(48,000)	(39,368)	(753,707)	(664,940)	(22,428)	(19,934)	-	-	(999,481)	(867,431)
99,925	89,594	244,570	181,104	2,440	3,598	-	-	1,349,186	995,825
								(163,232)	(125,367)
								206,031	96,994
								(342,203)	(342,216)
								(279,657)	(222,759)
								770,125	402,477

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2021
2,071,698	1,410,306	4,112,708	3,884,270	350,313	358,657	10,849,179	9,259,113
						10,624,940	11,005,358
						21,474,119	20,264,471
612,930	608,144	3,293,966	3,496,886	61,138	61,925	7,644,621	7,650,572
						3,215,878	2,739,353
						10,860,499	10,389,925

current and deferred tax liabilities.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### 10.2 Geographical Information

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

	Spinning		Weaving		Processing & Home Textile		Total Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
America	-	-	-	-	1,004,072	699,575	1,004,072	699,575
Asia, Africa and Australia	-	-	-	-	632,439	574,952	632,439	574,952
Europe	-	-	93,244	38,150	5,528,455	7,009,145	5,621,699	7,047,295
Pakistan	6,262,060	4,669,985	701,010	158,922	184,040	120,466	7,147,110	4,949,373
	6,262,060	4,669,985	794,254	197,072	7,349,006	8,404,138	14,405,320	13,271,195

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

Yarn	5,919,538	4,460,589	974	41,839	-	-	5,920,512	4,502,428
Fabric	-	-	775,714	151,239	1,617,601	1,310,140	2,393,315	1,461,379
Made ups	-	-	-	-	5,647,658	7,088,147	5,647,658	7,088,147
Processing income	-	-	11,179	-	83,392	5,482	94,571	5,482
Waste	342,522	209,396	6,387	3,994	355	369	349,264	213,759
	6,262,060	4,669,985	794,254	197,072	7,349,006	8,404,138	14,405,320	13,271,195

## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) 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:

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 31 March 2022 - (Un-audited)				
At fair value through other comprehensive income	991,804	-	3,526,772	4,518,576
	991,804	-	3,526,772	4,518,576
At 30 June 2021 - (Audited)				
At fair value through other comprehensive income	1,357,077	-	3,241,110	4,598,187
	1,357,077	-	3,241,110	4,598,187

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 publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices for listed securities and comparable company valuation multiple technique method for most of the unlisted securities.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### (iii) Fair value measurement using significant unobservable input (level 3)

Following table presents the changes in level 3 items for the period ended 31 March 2022:

(Rupees in '000)	Unlisted equity securities
Balance as on 30 June 2020 - Audited	3,162,849
Add: Surplus recognized in other comprehensive income	78,261
Balance as on 31 March 2021 - Unaudited	3,241,110
Add: Surplus recognized in other comprehensive income	-
Balance as on 30 June 2021 - Audited	3,241,110
Add: Surplus recognized in other comprehensive income	285,662
Balance as on 31 March 2022 - Unaudited	3,526,772

### (iv) Valuation input and relationship to fair value

Following table summarizes the quantitative information about the significant unobservable input used in level 3 fair value measurement of unquoted investments in Crescent Bahuman Limited.

Description	Fair value at		Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	31 March 2022	30 June 2021			
(Rupees in '000')	Un-audited	Audited		31 March 2022	
At fair value through other comprehensive income					
Crescent Bahuman Limited	3,526,272	3,241,036	Market multiple	12.15	Increase / decrease in market multiple factor by 0.50% would increase / decrease fair value by Rupees 23.734 million.

There was no significant inter-relationship between unobservable input that materially affect fair value.

## 12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

## 13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 28, 2022.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2022

### 14. 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 audited 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.

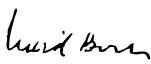
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made except for 'Accrued Interest' which has been included in 'Other Receivables' instead of separately showing on the face of statement of financial position.

### 15. GENERAL

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



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director



Asim Siddique  
Chief Financial Officer



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