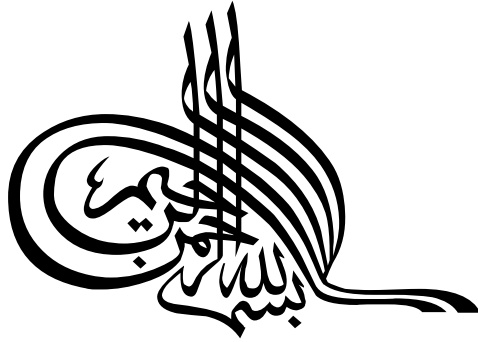


2022
1st QUARTER
SEPTEMBER 30



| The Crescent Textile Mills Limited



CONTENTS

Company Information	3
Directors' Report	4
Directors' Report (Urdu)	5
Condensed Interim Statement of Financial Position	6
Condensed Interim Statement of Profit or Loss	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Statement of Cash Flows	10
Selected Notes to the Condensed Interim Financial Statements	11

COMPANY INFORMATION

Board of Directors

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

Mr. Naseer Ahmad Chaudhary

Mills & Registered Office

Sargodha Road,
Faisalabad, Pakistan
T: + 92-41-111-105-105
F: + 92-41-8786525
E: crestex@ctm.com.pk

Head of Internal Audit

Mrs. Sabteela Tosheen

Auditors

Riaz Ahmad and Company
Chartered Accountants

Legal Advisor

Syed Masroor Ahmad

Stock Exchange Listing

The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.

Share Registrar

CorpTec Associates (Private) Limited,
503 - E, Johar Town,
Lahore, Pakistan
T: +92-42-35170336-37
F: +92-42-35170338
E: info@corptec.com.pk

The Company's shares are quoted in leading dailies under textile composite sector.

www.crescenttextile.com

DIRECTORS' REPORT

for the 1st Quarter Ended September 30, 2022

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the first quarter ended September 30, 2022.

Industry overview

Pakistan textile export during first quarter of FY 2023 increase to 4.583 billion USD and recorded growth of 3.68 percent in comparison to similar period of last year. Product wise break up reveal that bed wear export decreased by 2.9 percent in value and 20 percent in quantity, knitwear segment export increased by 15.4 percent in value and 65 percent in quantity and readymade garments segment increased by 5.85 percent in value and 40 percent in quantity.

Looking ahead, we acknowledge severe challenges facing the economy, further aggravated by floods. Not only it will sap the already feeble economic growth, it will also result in spiraling prices of food items due to supply disruptions. Consequently, inflation is likely to remain elevated throughout the year. Textile industry is expected to remain under stress due very slow product demand from both local and export customers and due all time high markup rates. However, provision of electricity at regionally competitive rates by government will be quite helpful in these challenging times.

Company's performance

Quarter wise brief financial analysis of the Company is presented here under:

Rupees in million	1st Qtr FY 23	1st Qtr FY 22	Variance	%
Revenue	4,902	4,713	189	4
Gross Profit	822	709	112	16
Operating cost	397	378	19	5
Finance cost	197	97	100	102
Other income	70	112	(42)	(37)
Taxation	96	100	(4)	(4)
Net profit after tax	202	245	(44)	(18)
Earning Rs. per share	2.02	2.5	(0.48)	(18)

Operational performance of the Company in the first quarter of this financial year remained good despite several challenges on macro-economic front. Revenue of the Company grew by 4 percent during first quarter. This increase is mainly attributed to increase in local sale that grew by 8 percent due increase in sale rates. Export sale increased by 1 percent in comparison to the corresponding period. Gross profit also improved in line with increase in sales. Operating cost increased by 5 percent. Finance cost increased significantly as average borrowing rates increased to record highest level due aggressive increase in policy rate by state bank. Other income decreased by Rs 42 million mainly on account of exchange gain due rupee depreciation in corresponding period.

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. The Company acknowledges and thanks all stakeholders for the confidence reposed in it.

for and on behalf of the Board of Directors


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

ڈائریکٹرز کی رپورٹ

برائے عرصہ ختم 30 ستمبر 2022ء

بورڈ آف ڈائریکٹرز 30 ستمبر 2022ء کو جمعہ سے ماہی کے لیے مالی اور عملی کارکردگی پر اپنا مختصر جائزہ آپ کی خدمت میں پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

صنعت کا جائزہ:

مالی سال 23 کی پہلی سہ ماہی کے دوران پاکستان کی نیگنٹائل کی برآمدات 4.583 بلین امریکی ڈالر تک بڑھ گئیں اور گزشتہ سال کی اسی مدت کے مقابلے میں 3.68 فیصد اضافہ ریکارڈ کیا گیا۔ مصنوعات کے لحاظ سے درجہ بندی سے پتہ چلتا ہے کہ بیڈ ویئر کی برآمدات میں قدر کے لحاظ سے 2.9 فیصد جبکہ جم کے لحاظ سے 20 فیصد کمی واقع ہوئی ہے۔ نٹ ویئر برآمدات میں قدر کے لحاظ سے 4.15 فیصد جبکہ مقدار کے لحاظ سے 65 فیصد اضافہ ہوا ہے۔ اور ریڈی میڈ گارمنٹس کے شعبہ میں بلحاظ قدر 5.85 فیصد جبکہ بلحاظ مقدار 40 فیصد اضافہ دیکھا گیا ہے۔

چین، ہندی کے طور پر، ہم مصیبت کو درپیش شدہ چینلوں کو تسلیم کرتے ہیں، جو سیلاب کی وجہ سے مزید بڑھ گئے ہیں۔ اس سے نہ صرف پہلے سے کمزور معاشی ترقی میں کمی آئے گی بلکہ سیلابی میں رکاوٹ کی وجہ سے ایشیائی خورد و نوش کی قیمتوں میں بھی اضافہ ہوگا۔ نتیجتاً مہنگائی سال بھر بلند رہنے کا امکان ہے۔ مقامی اور برآمدی صارفین دونوں کی جانب سے مصنوعات کی بہت سی طلب اور مارک اپ کی ہمدردی بلندی شرح کی وجہ سے نیگنٹائل انڈسٹری دہائی میں رہنے کی توقع ہے۔ تاہم حکومت کی جانب سے علاقائی سطح پر مسابقتی زرخیز پالیسی کی فراہمی ان مشکل وقتوں میں کافی مددگار ثابت ہوگی۔

کمپنی کی کارکردگی:

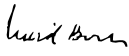
سہ ماہی کے لحاظ سے کمپنی کا مختصر مالیاتی تجزیہ درج ذیل میں پیش خدمت ہے:


ملین روپے	مالی سال 2023 پہلی سہ ماہی	مالی سال 2022 پہلی سہ ماہی	فرق	فرق فیصد
آمدن	4,902	4,713	189	4
مجموعی نفع	822	709	112	16
عملی اخراجات	397	378	19	5
مالیاتی اخراجات	197	97	100	102
دیگر آمدن	70	112	(42)	(37)
محصولات	96	100	(4)	(4)
خالص منافع بعد از محصولات	201	245	(44)	(18)
آمدن فی شیئر	2.02	2.50	(0.48)	(18)

بڑے معاشی چیلنجوں کے باوجود رواں مالی سال کی پہلی سہ ماہی میں کمپنی کی عملی کارکردگی بہتر رہی۔ پہلی سہ ماہی کے دوران کمپنی کی آمدنی میں 4 فیصد اضافہ ہوا۔ یہ اضافہ بنیادی طور پر مقامی فروخت میں اضافے کا مرہون منت ہے جس میں فروخت کی شرح میں اضافے کے 8 فیصد اضافہ ہوا ہے۔ برآمدی فروخت میں اسی مدت کے مقابلے میں 1 فیصد اضافہ ہوا۔ فروخت میں اضافے کے ساتھ مجموعی منافع میں بھی بہتری آئی۔ عملی لاگت میں 5 فیصد اضافہ ہوا۔ اسٹیٹ بینک کی جانب سے پالیسی ریت میں جارحانہ اضافے کی وجہ سے مالیاتی لاگت میں نمایاں اضافہ ہوا کیونکہ قرض لینے کی اوسط شرحیں ریکارڈ بلندی پر سطح پر پہنچ گئیں۔ دیگر آمدنی میں 42 بلین روپے کی کمی واقع ہوئی جس کی بنیادی وجہ اسی مدت میں روپے کی قدر میں کمی کی وجہ سے تبادلہ کا حصول تھا۔

اعتراف خدمات:

بورڈ اپنے تمام شرکاء کار، صارفین، بینکوں، انتظامیہ اور نیگنٹائل اسٹاف کو واہگاف الفاظ میں خراج تحسین پیش کرتا ہے جو اپنے کام کے لیے پرعزم ہیں کیونکہ آپ کی کمپنی کی کامیابی ان کی کوششوں کی مرہون منت ہے۔ کمپنی اس اعتماد پر اپنے تمام متعلقین کی سپاس گزار اور شکر گزار ہے۔


خالد شیر
ڈائریکٹر

منجانب: بورڈ آف ڈائریکٹرز

محمد انور
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at September 30, 2022

(Rupees in '000')	Note	Un-Audited September 30, 2022	Audited June 30, 2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (June 30, 2022: 200 000 000) ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,000,000	1,000,000
Reserves			
Capital reserves			
Premium on issue of right shares		391,559	391,559
Fair value reserve		577,077	596,014
Surplus on revaluation of operating fixed assets - net of deferred income tax		4,160,239	4,160,313
		5,128,875	5,147,886
Revenue reserves		4,888,425	4,686,835
Total reserves		10,017,300	9,834,721
TOTAL EQUITY		11,017,300	10,834,721
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	1,459,204	843,847
Deferred income tax liability		168,363	149,444
		1,627,567	993,291
CURRENT LIABILITIES			
Trade and other payables		2,295,486	2,341,793
Unclaimed dividend		10,613	10,991
Accrued mark-up		106,905	124,228
Short term borrowings		6,129,390	6,892,369
Current portion of long term financing		388,800	414,286
Current portion of deferred liabilities		325,977	344,983
Provision for taxation		418,742	343,960
		9,675,913	10,472,610
Total liabilities		11,303,480	11,465,901
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		22,320,780	22,300,622
Assets			
Non-current assets			
Property, plant and equipment	5	8,779,807	7,879,501
Intangible asset		3,849	5,770
Long term investments		3,765,058	3,728,983
Long term loans and advances		1,468	1,110
Long term deposits and prepayments		14,846	15,127
		12,565,028	11,630,491
Current assets			
Stores, spare parts and loose tools		368,409	348,363
Stock-in-trade		5,010,848	4,609,502
Trade debts		2,371,492	3,754,888
Loans and advances		14,743	99,803
Short term deposits and prepayments		127,546	126,866
Income tax		833,995	761,198
Other receivables		635,215	378,178
Short term investment		388,181	445,732
Cash and bank balances		5,323	145,601
		9,755,752	10,670,131
TOTAL ASSETS		22,320,780	22,300,622

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 1st Quarter Ended September 30, 2022

(Rupees in '000')	Note	September 30, 2022	September 30, 2021
Revenue		4,902,208	4,712,766
Cost of sales	6	(4,080,553)	(4,003,336)
Gross profit		821,655	709,430
Distribution cost		(231,787)	(244,343)
Administrative expenses		(142,218)	(114,429)
Other expenses		(22,817)	(19,320)
		(396,822)	(378,092)
		424,833	331,338
Other income		70,087	111,721
Profit from operations		494,920	443,059
Finance cost		(197,164)	(97,479)
Profit before taxation		297,756	345,580
Taxation		(96,203)	(100,297)
Profit after taxation		201,553	245,283
Earnings per share - basic and diluted (Rupees)		2.02	2.50

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

2022
1st QUARTER
SEPTEMBER 30

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

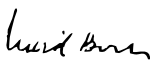
for the 1st Quarter Ended September 30, 2022

(Rupees in '000')	September 30, 2022	September 30, 2021
Profit after taxation	201,553	245,283
Other comprehensive loss		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(21,476)	(153,601)
Deferred income tax relating to investments at fair value through other comprehensive income	2,539	(2,486)
	(18,937)	(156,087)
Items that may be reclassified to statement of profit or loss in subsequent periods:	-	-
Other comprehensive loss for the period - net of tax	(18,937)	(156,087)
Total comprehensive income for the period	182,616	89,196

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 1st Quarter Ended September 30, 2022

(Rupees in '000)	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES							TOTAL EQUITY		
			CAPITAL RESERVES			REVENUE RESERVES						
			Premium on issue of right shares	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Unappropriated profit	Sub total		TOTAL	
Balance as at June 30, 2021 - (Audited)	800,000	312,152	200,169	1,079,509	4,160,718	5,440,396	1,803,643	1,518,355	3,321,998	8,762,394	9,874,546	
Transactions with owners:												
Share deposit money received during the period against right shares at the rate of Rupees 20 per share	-	87,848	-	-	-	-	-	-	-	-	-	87,848
Issuance of right shares during the period	200,000	(400,000)	200,000	-	-	200,000	-	-	-	-	200,000	-
Cost incurred on issuance of right shares	-	-	(9,610)	-	-	(9,610)	-	-	-	-	(9,610)	(9,610)
	200,000	(312,152)	190,390	-	-	190,390	-	-	-	-	190,390	78,238
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	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	245,283	245,283	245,283	245,283	245,283
Other comprehensive loss for the period	-	-	-	(156,087)	-	(156,087)	-	-	-	(156,087)	(156,087)	(156,087)
Total comprehensive income for the period	-	-	-	(156,087)	-	(156,087)	-	245,283	245,283	89,196	89,196	89,196
Balance as at September 30, 2021 - (Un-audited)	1,000,000	-	390,559	923,422	4,160,681	5,474,662	1,803,643	1,763,675	3,567,318	9,041,980	10,041,980	
Transactions with owners:												
Share deposit money received during the year against right shares at the rate of Rupees 20 per share	-	-	-	-	-	-	-	-	-	-	-	-
Issue of right shares during the year at the premium of Rupees 10 per share	-	-	-	-	-	-	-	-	-	-	-	-
Share issuance costs	-	-	1,000	-	-	1,000	-	-	-	-	1,000	1,000
	-	-	1,000	-	-	1,000	-	-	-	1,000	1,000	1,000
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(109)	(109)	-	109	109	-	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(259)	(259)	-	-	-	(259)	(259)	(259)
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	-	-	-	-	-	-	-	1,101,816	1,101,816	1,101,816	1,101,816	1,101,816
Other comprehensive loss for the period	-	-	-	(309,816)	-	(309,816)	-	-	-	(309,816)	(309,816)	(309,816)
Total comprehensive income for the period	-	-	-	(309,816)	-	(309,816)	-	1,101,816	1,101,816	792,000	792,000	792,000
Balance as at June 30, 2022 - (Audited)	1,000,000	-	391,559	596,074	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721	
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	-	-	-	-	(37)	(37)	-	-	-	(37)	(37)	(37)
Profit for the period	-	-	-	-	-	-	-	201,553	201,553	201,553	201,553	201,553
Other comprehensive loss for the period	-	-	-	(18,937)	-	(18,937)	-	-	-	(18,937)	(18,937)	(18,937)
Total comprehensive income for the period	-	-	-	(18,937)	-	(18,937)	-	201,553	201,553	182,616	182,616	182,616
Balance as at September 30, 2022 - (Un-audited)	1,000,000	-	391,559	577,077	4,160,239	5,128,875	1,803,643	3,084,782	4,888,425	10,017,300	10,017,300	

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

2022
1st QUARTER
SEPTEMBER 30

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

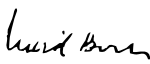
for the 1st Quarter Ended September 30, 2022

(Rupees in '000')	Note	September 30, 2022	September 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	7	1,317,033	(215,586)
Finance cost paid		(211,285)	(114,770)
Net income tax paid		(72,797)	(49,323)
Gas Infrastructure Development Cess (GIDC) paid		(18,567)	(27,847)
Dividend paid		(378)	(37)
Workers' profit participation fund paid		(722)	(923)
Net increase in long term loans and advances		(262)	(1,135)
Net decrease in long term deposits and prepayments		281	307
Net cash from / (used in) operating activities		1,013,303	(409,314)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(979,769)	(118,580)
Proceeds from sale of property, plant and equipment		-	4,110
Net cash used in investing activities		(979,769)	(114,470)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		724,275	-
Share deposit money received - net		-	78,238
Repayment of long term financing		(135,108)	(137,727)
Short term borrowings - net		(762,979)	270,727
Net cash (used in) / from financing activities		(173,812)	211,238
Net decrease in cash and cash equivalents		(140,278)	(312,546)
Cash and cash equivalents at the beginning of the period		145,601	337,930
Cash and cash equivalents at the end of the period		5,323	25,384

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 1st Quarter Ended September 30, 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 units which are situated at Lahore Road, Jaranwala, Punjab and at Faisalabad Industrial Estate Development and Management Company (FIEDMC) site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab, and liaison office situated at 8th Floor, Sidco Avenue Centre, 264-R.A. Lines, Stretchen Road, Karachi, Sindh.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

i) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

ii) These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

b) Accounting policies and computation methods

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding annual audited published financial statements of the Company for the year ended June 30, 2022.

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

for the 1st Quarter Ended September 30, 2022

2.2 Accounting estimates, judgments and financial risk management

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of 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 preceding audited annual published financial statements of the Company for the year ended June 30, 2022.

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

(Rupees in '000')	Un-Audited September 30, 2022	Audited June 30, 2022
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	1,258,133	1,443,426
Add: Obtained during the period / year	724,275	293,798
Less: Repaid during the period / year	(135,108)	(488,411)
Add: Amortization of deferred Government grant during the period / year	704	9,320
	1,848,004	1,258,133
Less: Current portion shown under current liabilities	388,800	414,286
	1,459,204	843,847

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 252.324 million (June 30, 2022: Rupees 251.834 million) are given by the banks of the Company to Collector of Customs against import of certain items, SNGPL against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections.
- ii) Post dated cheques of Rupees 450.746 million (June 30, 2022: Rupees 455.323 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and security cheques covering full amount plus profit for three months against diminishing musharika to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.

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

for the 1st Quarter Ended September 30, 2022

- 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 (June 30, 2022: 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.
- v) 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.
- b) Commitments
- i) Contracts for capital expenditure are of Rupees 239.724 million (June 30, 2022: Rupees 947.550 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 434.381 million (June 30, 2022: Rupees 686.586 million).
- iii) Ijarah commitments are of Rupees 47.850 million (June 30, 2022: Rupees 54.270 million).

(Rupees in '000')	Un-Audited September 30, 2022	Audited June 30, 2022
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - Owned (Note 5.1)	7,322,831	7,395,579
Capital work-in-progress (Note 5.2)	1,456,976	483,922
	8,779,807	7,879,501
5.1 Operating fixed assets - Owned		
Opening book value	7,395,579	7,188,601
Add: Cost of additions during the period / year (Note 5.1.1)	6,715	549,157
	7,402,294	7,737,758
Less:		
Book value of deletions during the period / year (Note 5.1.2)	-	13,903
Depreciation charged for the period / year	79,463	328,276
	79,463	342,179
Book value at the end of the period / year	7,322,831	7,395,579

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

for the 1st Quarter Ended September 30, 2022

(Rupees in '000')	Un-Audited	Audited
	September 30, 2022	June 30, 2022
5.1.1 Cost of additions during the period / year		
Land -Freehold	-	91,900
Buildings on freehold land	-	218,639
Plant and machinery	5,225	149,961
Factory tools and equipment	294	511
Gas and electric installations	564	7,698
Vehicles	22	74,470
Office equipment	610	5,978
	6,715	549,157
5.1.2 Book value of deletions during the period / year		
Plant and machinery	-	1,670
Vehicles	-	12,233
	-	13,903
5.2 Capital work-in-progress		
Buildings on freehold land	27,578	17,645
Buildings on leasehold land	150,045	20,901
Plant and machinery	1,096,931	272,162
Advance against furniture and fixture	920	-
Advance against office equipment	-	166
Advance against gas and electric installations	14,002	17,308
Advance against purchase of land	167,500	155,740
	1,456,976	483,922
	Un-Audited Quarter ended	
	September 30, 2022	September 30, 2021
(Rupees in '000')		
6. COST OF SALES		
Raw materials consumed	1,966,812	1,513,420
Cloth and yarn purchased	468,127	738,779
Stores, spare parts and loose tools consumed	272,445	272,742
Packing material consumed	164,920	224,600
Processing and weaving charges	164,051	220,169
Salaries, wages and other benefits	422,940	380,965
Fuel and power	673,344	396,520
Repair and maintenance	10,754	18,156
Insurance	5,521	5,053
Depreciation	71,442	70,717
Other factory overheads	24,600	26,811
	4,244,956	3,867,932

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

for the 1st Quarter Ended September 30, 2022

(Rupees in '000')	Un-Audited Quarter ended	
	September 30, 2022	September 30, 2021
Work-in-process:		
Opening stock	271,467	196,289
Closing stock	(272,110)	(238,264)
	(643)	(41,975)
Cost of goods manufactured	4,244,313	3,825,957
Finished goods:		
Opening stock	2,356,948	2,118,777
Closing stock	(2,520,708)	(1,941,398)
	(163,760)	177,379
	4,080,553	4,003,336
7. CASH USED IN OPERATIONS		
Profit before taxation	297,756	345,580
Adjustments for non-cash charges and other items:		
Depreciation	79,463	77,132
Amortization	1,921	1,922
Mark-up on workers' profit participation fund	3,202	585
Provision for workers' profit participation fund	11,342	17,145
Unwinding of discount on GIDC payable	265	4,830
Gain on disposal of operating fixed assets	-	(2,294)
Finance cost	193,962	96,894
Working capital changes (Note 7.1)	729,122	(757,380)
	1,317,033	(215,586)
7.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	(20,046)	(39,841)
Stock-in-trade	(401,346)	(444,595)
Trade debts	1,383,396	(119,561)
Loans and advances	84,964	(1,870)
Short term deposits and prepayments	(680)	(15,471)
Other receivables	(257,037)	(167,024)
	789,251	(788,362)
Increase in trade and other payables	(60,129)	30,982
	729,122	(757,380)

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

for the 1st Quarter Ended September 30, 2022

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties is as follows:

(Rupees in '000')		Un-Audited Quarter ended	
		September 30, 2022	September 30, 2021
i) Transactions			
Particulars	Nature of transaction		
Associated companies	Services provided	129	186
	Sales of goods	-	6,655
	Purchase of goods	12,925	-
	Fixed assets purchased	-	3,042
	Insurance premium	9,845	12,306
	Insurance claim received	28	-
Employees' Provident Fund Trust	Contribution paid	12,795	10,441
Key management personnel	Remuneration paid to chief executive, directors and executives	71,137	61,183
(Rupees in '000)		Un-Audited September 30, 2022	Audited June 30, 2022
ii) Period end balances			
Associated companies and other related parties			
	Trade and other payables	14,965	4,447
	Other receivables	67	115

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

for the 1st Quarter Ended September 30, 2022

9. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Quarter ended	
	September 30,2022	September 30,2021
Revenue		
External	1,670,479	1,661,415
Intersegment	1,046,105	695,377
	2,716,584	2,356,792
Cost of sales	(2,570,993)	(1,963,686)
Gross profit	145,591	393,106
Distribution cost	(23,118)	(19,136)
Administrative expenses	(41,096)	(33,058)
	(64,214)	(52,194)
Profit / (loss) before taxation and unallocated income and expenses	81,377	340,912
Unallocated income and expenses		
Other expenses		
Other income		
Finance cost		
Taxation		
Profit after taxation		

9.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning	
	(Un-Audited)	(Audited)
	September 30,2022	June 30,2022
Total assets for reportable segments	4,520,520	4,373,669
Unallocated assets		
Total assets as per 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	3,095,094	3,756,611
Unallocated liabilities		
Total liabilities as per 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 1st Quarter Ended September 30, 2022

Weaving		Processing & Home Textile		Power Generation		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
September 30,2022	September 30,2021	September 30,2022	September 30,2021	September 30,2022	September 30,2021	September 30,2022	September 30,2021	September 30,2022	September 30,2021
285,965	187,317	2,945,764	2,864,034	-	-	-	-	4,902,208	4,712,766
1,519,629	2,045,535	-	-	535,954	327,335	(3,101,688)	(3,068,247)	-	-
1,805,594	2,232,852	2,945,764	2,864,034	535,954	327,335	(3,101,688)	(3,068,247)	4,902,208	4,712,766
(1,778,220)	(2,152,835)	(2,307,360)	(2,635,682)	(525,668)	(319,380)	3,101,688	3,068,247	(4,080,553)	(4,003,336)
27,374	80,017	638,404	228,352	10,286	7,955	-	-	821,655	709,430
(5,642)	(4,116)	(201,453)	(219,701)	(1,574)	(1,390)	-	-	(231,787)	(244,343)
(12,822)	(10,313)	(81,080)	(65,251)	(7,220)	(5,807)	-	-	(142,218)	(114,429)
(18,464)	(14,429)	(282,533)	(284,952)	(8,794)	(7,197)	-	-	(374,005)	(358,772)
8,910	65,588	355,871	(56,600)	1,492	758	-	-	447,650	350,658
								(22,817)	(19,320)
								70,087	111,721
								(197,164)	(97,479)
								(96,203)	(100,297)
								201,553	245,283

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
September 30,2022	June 30,2022	September 30,2022	June 30,2022	September 30,2022	June 30,2022	September 30,2022	June 30,2022
2,985,574	2,176,975	3,860,110	4,747,271	369,902	336,166	11,736,106	11,634,081
						10,584,674	10,666,541
						22,320,780	22,300,622
1,775,609	975,599	3,132,855	3,445,151	42,199	58,827	8,045,757	8,236,188
						3,257,723	3,229,713
						11,303,480	11,465,901

and tax liabilities.

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

for the 1st Quarter Ended September 30, 2022

9.2 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

9.3 Geographical Information

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

	Spinning		Weaving		Processing & Home Textile		Total Company	
	September 30,2022	September 30,2021	September 30,2022	September 30,2021	September 30,2022	September 30,2021	September 30,2022	September 30,2021
Europe	-	-	8,439	12,721	2,151,919	2,265,946	2,160,358	2,278,667
America	-	-	-	-	420,306	329,368	420,306	329,368
Asia, Africa and Australia	-	-	-	-	271,188	221,629	271,188	221,629
Pakistan	1,670,479	1,661,415	277,526	174,596	102,351	47,091	2,050,356	1,883,102
	1,670,479	1,661,415	285,965	187,317	2,945,764	2,864,034	4,902,208	4,712,766

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

Yarn	1,562,943	1,582,982	-	403	-	-	1,562,943	1,583,385
Fabric	-	-	284,204	184,364	551,945	606,723	836,149	791,087
Made ups	-	-	-	-	2,361,469	2,246,678	2,361,469	2,246,678
Processing income	-	-	-	1,112	32,350	10,500	32,350	11,612
Raw material	8,853	-	-	-	-	-	8,853	-
Waste	98,683	78,433	1,761	1,438	-	133	100,444	80,004
	1,670,479	1,661,415	285,965	187,317	2,945,764	2,864,034	4,902,208	4,712,766

10. FINANCIAL RISK MANAGEMENT

10.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

10.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Compared to the year end June 30, 2022, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

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

for the 1st Quarter Ended September 30, 2022

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Judgments 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:

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 maximize 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.

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. There were no transfers between levels 1 and 2 for recurring fair value measurements since the year end. Further, there was no transfer in and out of level 3 measurements.

11.1 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 multiples under market approach method for most of the unlisted securities.

The management updates the assessment of the fair value of non-financial assets, taking into account the most recent independent valuations. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

12. DATE OF AUTHORIZATION FOR ISSUE

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

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual 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.

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

for the 1st Quarter Ended September 30, 2022

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

14. GENERAL

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

2022
1st QUARTER
SEPTEMBER 30

Mills & Registered Office

Sargodha Road,
Faisalabad, Pakistan
T: +92-41-111-105-105
F: +92-41-8786525
E: crestex@ctm.com.pk

Share Register

CorpTec Associates (Pvt)Limited,
503-E, Johar Town,
Lahore, Pakistan
T: +92-42-35170336-7
F: +92-42-35170338
E: info@corptec.com.pk

www.ctm.com.pk