



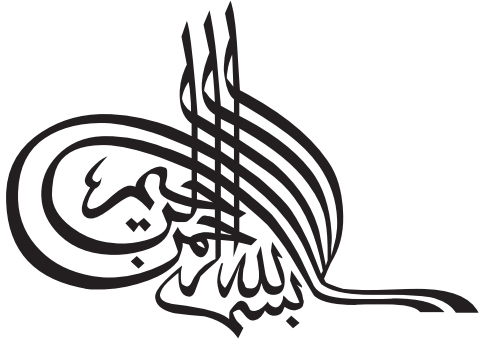
2023



1st QUARTER
SEPTEMBER 30



| The Crescent Textile Mills Limited



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COMPANY INFORMATION

Board of Directors		Bankers
Mr. Khalid Bashir	Chairman	Allied Bank Limited
Mr. Ahmad Shafi	Chief Executive Officer	Askari Bank Limited
Mr. Muhammad Anwar	Director	Habib Bank Limited
Mr. Imran Maqbool	Director	MCB Bank Limited
Mr. Aurangzeb Shafi	Director	MCB Islamic Bank Limited
Mr. Amin Anjum Saleem	Independent Director	National Bank of Pakistan
Mrs. Nazia Maqbool	Independent Director	Pak Libya Holding Company (Private) Limited
		Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited
Audit Committee		
Mr. Amin Anjum Saleem	Chairman	
Mr. Khalid Bashir	Member	
Mr. Imran Maqbool	Member	
HR & R Committee		
Mrs. Nazia Maqbool	Chairperson	
Mr. Ahmad Shafi	Member	
Mr. Imran Maqbool	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		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 1st Quarter Ended September 30, 2023

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, 2023.

Industry overview

Pakistan textile export during first quarter of FY 24 decrease to 4.128 billion USD and recorded decline of 9.95 percent in comparison to similar period of last year. Product wise break up reveal that bed wear export decreased by 10 percent in value and increased by 1.4 percent in quantity, knitwear segment export decreased by 15.8 percent in value and increased by 34 percent in quantity and readymade garments segment decreased by 11.2 percent in value and increased by 8.2 percent in quantity.

Company's performance

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

Rupees in million	1st Qtr FY 24	1st Qtr FY 23	Variance	%
Revenue	5,596	4,902	694	14
Gross Profit	574	822	(248)	(30)
Operating cost	343	396	(53)	(13)
Finance cost	388	197	191	97
Other income	15	70	(55)	(79)
Taxation	72	96	(24)	(25)
Net (loss) / profit after tax	(214)	202	(416)	(206)
(Loss) earnings Rs. per share	(2.14)	2.02	(4.16)	(206)

During first quarter of this financial year, the Company's performance remained under pressure due to high raw materials prices and borrowing cost. Revenue of the company increased to Rs. 5.5 billion from Rs. 4.9 billion of corresponding period. This increase is mainly attributed to increase in export sale that grew by 22 percent due increase in sale volume. Local sale increased by 4 percent in comparison to the corresponding period. The spinning segment suffered a notable financial setback despite witnessing growth in sales. The sale price variance has been favorable as compared to the corresponding period. However, this was not sufficient to cover the immense increase in cotton rate, energy rate and payroll costs. Finance cost increased significantly as average borrowing rates increased to record highest level due aggressive increase in policy rate by the state bank. Other income decreased mainly on account of exchange gain due rupee depreciation in corresponding period.

Future Outlook

In the current global macro-economic situation, Pakistan's textile industry is facing adverse effects in terms of rising inflation. In addition to this, unprecedented increase in finance cost, removal of subsidies on energy and imposition of super tax has substantially raised the cost of doing business in the country. The Management is closely tracking the latest macro developments and taking proactive measures to keep the Company's capacity utilization at a satisfactory level.

Acknowledgement

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

for and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹرز کی رپورٹ

برائے عرصہ ختم شدہ 30 ستمبر 2023

بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو مختصر سرمایہ کے لیے مالی اور عملی کارکردگی پر اپنا مختصر جائزہ آپ کی خدمت میں پیش کرتے ہوئے خوش محسوس کرتا ہے۔

صنعت کا جائزہ:

مالی سال 24 کی پہلی سرمایہ کے دوران پاکستان کی ٹیکسٹائل کی برآمدات 4.128 بلین امریکی ڈالر تک کم ہوئیں اور گزشتہ سال کی اسی مدت کے مقابلے میں 9.95 فیصد تک کمی ریکارڈ کی گئی۔ مصنوعات کے لحاظ سے وجہ بندی سے پتہ چلتا ہے کہ بیڈ ٹیئر کی برآمدات میں قدر کے لحاظ سے 10 فیصد کمی جبکہ حجم کے لحاظ سے 1.4 فیصد اضافہ ہوا ہے۔ نٹ ویئر برآمدات میں قدر کے لحاظ سے 15.8 فیصد کمی جبکہ مقدار کے لحاظ سے 34 فیصد اضافہ ہوا ہے۔ اور بیڈ ٹیئر کا گرنٹس کے شعبہ میں بلحاظ قدر 11.2 فیصد کمی جبکہ بلحاظ مقدار 8.2 فیصد اضافہ دیکھا گیا ہے۔

کمپنی کی کارکردگی:

سرمایہ کے لحاظ سے کمپنی کا مختصر مالیاتی تجزیہ ذیل میں پیش خدمت ہے:

فرق فیصد	فرق	مالی سال 2023 پہلی سرمایہ	مالی سال 2024 پہلی سرمایہ	ملین روپے
14	694	4,902	5,596	آمدن
(30)	(248)	822	574	جموئی نفع
(13)	(53)	396	343	عملی اخراجات
97	191	197	388	مالیاتی اخراجات
(79)	(55)	70	15	دیگر آمدن
(25)	(24)	96	72	محصولات
(206)	(416)	202	(214)	خالص (نقصان) / منافع بعد از محصولات
(206)	(4.16)	2.02	(2.14)	(نقصان) / آمدن فی شیئر

موجودہ مالی سال کی پہلی سرمایہ کے دوران، کمپنی کی کارکردگی خام مال کی بڑھتی قیمتوں اور قرض لینے کی لاگت کی وجہ سے دباؤ میں رہی۔ کمپنی کی آمدنی گزشتہ سال کی اسی مدت کے 4.9 بلین روپے سے بڑھ کر 5.5 بلین روپے ہو گئی۔ یہ اضافہ بنیادی طور پر برآمدی فروخت میں اضافے کا مرہون منت ہے جس میں فروخت کے حجم میں اضافے کے باعث 22 فیصد اضافہ ہوا ہے۔ مقامی فروخت میں اسی مدت کے مقابلے میں 4 فیصد اضافہ ہوا۔ فروخت میں اضافے کے باوجود اسپینگ کے شعبہ کو قابل ذکر مالیاتی دھچکا لگا۔ اسی مدت کے مقابلے میں فروخت کی قیمت کا فرق ساڈا گر رہا ہے۔ تاہم، یہ یکپاس کی قیمت، توانائی کی قیمت اور ادائیگیوں کے اخراجات میں بے تحاشہ اضافے کو پورا کرنے کے لیے کافی نہیں تھا۔ 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 بلند ترین سطح پر پہنچ گئیں۔ بنیادی طور پر روپے کی قدر میں کمی کی وجہ سے زربادلہ میں کمی کے باعث اسی مدت میں دیگر آمدنی میں کمی واقع ہوئی۔

مستقبل کا نقطہ نظر:

موجودہ عالمی ٹیکسٹائل سیکٹور میں پاکستان کی ٹیکسٹائل انڈسٹری کو بڑھتی ہوئی مہنگائی کے منفی اثرات کا سامنا ہے۔ اس کے علاوہ مالیاتی لاگت میں بے مثال اضافہ توانائی پر سبسڈی ختم کرنے اور پھر ٹیکس کے نفاذ سے ملک میں کاروبار کرنے کی لاگت میں خاطر خواہ اضافہ کیا ہے۔ انتظامیہ تازہ ترین سیکورڈ پیش رفت پر گہری نظر رکھے ہوئے ہے اور کمپنی کی صلاحیت کے استعمال کو عملی بخشنے پر کھٹے کے لیے فعال اقدامات کر رہی ہے۔

اعتراف خدمات:

بورڈ اپنے تمام شرکاء کار، صارفین، بینکوں، انتظامیہ اور ٹیکسٹائل انڈسٹری کو واہگاف الفاظ میں خراج تحسین پیش کرتا ہے جو اپنے کام کے لیے پر عزم ہیں کیونکہ آپ کی کمپنی کی کامیابی ان کی کوششوں کی مرہون منت ہے۔

محمد شفیق

خالد شیر
ڈائریکٹر

منجانب: بورڈ آف ڈائریکٹرز

محمد شفیق

چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at September 30, 2023

(Rupees in '000')	Note	Un-Audited September 30, 2023	Audited June 30, 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (June 30, 2023: 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		17,770	29,456
Surplus on revaluation of operating fixed assets - net of deferred income tax		5,928,112	5,928,182
		6,337,441	6,349,197
Revenue reserves		4,933,895	5,147,791
Total reserves		11,271,336	11,496,988
TOTAL EQUITY		12,271,336	12,496,988
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	1,016,764	1,142,121
Deferred income tax liability		8,918	15,317
		1,025,682	1,157,438
CURRENT LIABILITIES			
Trade and other payables		3,367,908	3,087,580
Unclaimed dividend		12,457	12,472
Accrued mark-up		269,626	360,235
Short term borrowings		7,655,767	7,248,114
Current portion of long term financing		442,067	428,001
Current portion of deferred liabilities		325,977	325,977
Provision for taxation		449,572	377,269
		12,523,374	11,839,648
Total liabilities		13,549,056	12,997,086
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	4	25,820,392	25,494,074
Assets			
Non-current assets			
Property, plant and equipment	5	11,107,755	10,897,732
Intangible asset		-	32
Long term investments		3,215,715	3,277,915
Long term loans and advances		1,835	1,289
Long term deposits and prepayments		7,682	8,067
		14,332,987	14,185,035
Current assets			
Stores, spare parts and loose tools		440,000	379,511
Stock-in-trade		6,290,350	4,952,860
Trade debts		2,701,575	3,834,785
Loans and advances		37,131	98,464
Short term deposits and prepayments		17,190	31,317
Income tax		842,719	770,645
Other receivables		620,606	735,616
Short term investment		299,477	255,051
Cash and bank balances		168,962	181,395
		11,418,010	11,239,644
Non-current assets held for sale		69,395	69,395
		11,487,405	11,309,039
Total assets		25,820,392	25,494,074

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



Ahmad Shafi
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, 2023

(Rupees in '000')	Note	September 30, 2023	September 30, 2022
Revenue		5,595,758	4,902,208
Cost of sales	6	(5,021,619)	(4,080,553)
Gross profit		574,139	821,655
Distribution cost		(175,525)	(231,787)
Administrative expenses		(155,946)	(142,218)
Other expenses		(11,539)	(22,817)
		(343,010)	(396,822)
		231,129	424,833
Other income		15,143	70,087
Profit from operations		246,272	494,920
Finance cost		(388,246)	(197,164)
(Loss) / profit before taxation		(141,974)	297,756
Taxation		(71,992)	(96,203)
(Loss) / profit after taxation		(213,966)	201,553
(Loss) / earnings per share - basic and diluted (Rupees)		(2.14)	2.02

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the 1st Quarter Ended September 30, 2023

(Rupees in '000')	September 30, 2023	September 30, 2022
(Loss) / profit after taxation	(213,966)	201,553
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	(17,774)	(21,476)
Related deferred income tax	6,088	2,539
	(11,686)	(18,937)
Items that may be reclassified to statement of profit or loss in subsequent periods:	-	-
Other comprehensive loss for the period - net of tax	(11,686)	(18,937)
Total comprehensive (loss) / income for the period	(225,652)	182,616

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



Ahmad Shafi
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, 2023

(Rupees in '000)	SHARE CAPITAL	RESERVES							TOTAL EQUITY	
		CAPITAL RESERVES			REVENUE RESERVES					
		Premium on issue of rihgt 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, 2022 - (Audited)	1,000,000	391,559	596,014	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721
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)
Profit for the period	-	-	-	-	-	-	201,553	201,553	201,553	201,553
Other comprehensive loss for the period	-	-	(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
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	11,017,300
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 1 per share	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	(105)	(105)	-	105	105	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	(248)	(248)	-	-	-	(248)	(248)
Profit for the period	-	-	-	-	-	-	359,261	359,261	359,261	359,261
Other comprehensive loss for the period	-	-	(547,621)	1,768,296	1,220,675	-	-	-	1,220,675	1,220,675
Total comprehensive income for the period	-	-	(547,621)	1,768,296	1,220,675	-	359,261	359,261	1,579,936	1,579,936
Balance as at June 30, 2023 - (Audited)	1,000,000	391,559	29,456	5,928,182	6,349,197	1,803,643	3,344,148	5,147,791	11,496,988	12,496,988
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	(70)	(70)	-	70	70	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(213,966)	(213,966)	(213,966)	(213,966)
Other comprehensive loss for the period	-	-	(11,688)	-	(11,688)	-	-	-	(11,688)	(11,688)
Total comprehensive loss for the period	-	-	(11,688)	-	(11,688)	-	(213,966)	(213,966)	(225,652)	(225,652)
Balance as at September 30, 2023 - (Un-audited)	1,000,000	391,559	17,770	5,928,112	6,337,441	1,803,643	3,130,252	4,933,895	11,271,336	12,271,336

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


Ahmad Shafi
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

for the 1st Quarter Ended September 30, 2023

(Rupees in '000')	Note	September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	524,695	1,317,033
Finance cost paid		(476,591)	(211,285)
Net income tax paid		(72,074)	(72,797)
Gas Infrastructure Development Cess (GIDC) paid		-	(18,567)
Dividend paid		(15)	(378)
Workers' profit participation fund paid		(332)	(722)
Net increase in long term loans and advances		(397)	(262)
Net decrease in long term deposits and prepayments		385	281
Net cash (used in) / from operating activities		(24,329)	1,013,303
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(284,466)	(979,769)
Net cash used in investing activities		(284,466)	(979,769)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	724,275
Repayment of long term financing		(111,291)	(135,108)
Short term borrowings - net		407,653	(762,979)
Net cash from / (used in) financing activities		296,362	(173,812)
Net decrease in cash and cash equivalents		(12,433)	(140,278)
Cash and cash equivalents at the beginning of the period		181,395	145,601
Cash and cash equivalents at the end of the period		168,962	5,323

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



Ahmad Shafi
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, 2023

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except for the weaving unit which is situated at Industrial Estate, Hattar, Tehsil and District Haripur, Khyber Pakhtunkhwa, stitching units which are situated at Lahore Road, Jaranwala, Punjab and at Faisalabad Industrial Estate Development and Management Company (FIEMC) 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, 2023.

b) Accounting policies and computation methods

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2023.

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

for the 1st Quarter Ended September 30, 2023

2.2 Accounting estimates, judgments and financial risk management

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the annual audited financial statements of the Company for the year ended 30 June 2023.

(Rupees in '000')	Un-Audited September 30, 2023	Audited June 30, 2023
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	1,570,122	1,258,133
Add: Obtained during the period / year	-	744,983
Less: Repaid during the period / year	(111,291)	(433,698)
Add: Amortization of deferred Government grant during the period / year	-	704
	1,458,831	1,570,122
Less: Current portion shown under current liabilities	442,067	428,001
	1,016,764	1,142,121

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 272.632 million (June 30, 2023: Rupees 258.088 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 and security cheques of Rupees 2,669.524 million (June 30, 2023: Rupees 466.690 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and for 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, 2023

- 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, 2023: 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.

b) Commitments

- i) Contracts for capital expenditure are of Rupees 195.496 million (June 30, 2023: Rupees 209.839 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 383.719 million (June 30, 2023: Rupees 816.543 million).
- iii) Ijarah commitments are of Rupees 20.910 million (June 30, 2023: Rupees 28.071 million).

(Rupees in '000')	Un-Audited September 30, 2023	Audited June 30, 2023
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - Owned (Note 5.1)	8,849,997	8,894,443
Capital work-in-progress (Note 5.2)	2,257,758	2,003,289
	11,107,755	10,897,732
5.1 Operating fixed assets - Owned		
Opening book value	8,963,838	7,395,579
Add: Cost of additions during the period / year (Note 5.1.1)	29,997	128,190
Add: Surplus on revaluation of operating fixed assets	-	1,770,038
	8,993,835	9,293,807
Less:		
Book value of deletions during the period / year (Note 5.1.2)	-	7,020
Depreciation charged for the period / year	74,443	322,949
	74,443	329,969
Book value at the end of the period / year	8,919,392	8,963,838
Less: Classified as non-current assets held for sale	69,395	69,395
	8,849,997	8,894,443

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

for the 1st Quarter Ended September 30, 2023

(Rupees in '000')	Un-Audited September 30, 2023	Audited June 30, 2023
5.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	43,455
Plant and machinery	-	60,936
Factory tools and equipment	-	594
Gas and electric installations	222	10,212
Vehicles	26,996	7,774
Furniture and fixture	1,428	-
Office equipment	1,351	5,219
	29,997	128,190
5.1.2 Book value of deletions during the period / year		
Plant and machinery	-	4,160
Vehicles	-	2,860
	-	7,020
5.2 Capital work-in-progress		
Buildings on leasehold land	516,039	417,163
Plant and machinery	1,452,575	1,359,360
Advance against gas and electric installations	74,602	23,984
Advance against purchase of land	214,542	202,782
	2,257,758	2,003,289
	Un-Audited Quarter ended	
(Rupees in '000')	September 30, 2023	September 30, 2022
6. COST OF SALES		
Raw materials consumed	2,752,526	1,966,812
Cloth and yarn purchased	747,236	468,127
Stores, spare parts and loose tools consumed	403,796	272,445
Packing material consumed	229,090	164,920
Processing and weaving charges	303,430	164,051
Salaries, wages and other benefits	486,629	422,940
Fuel and power	826,580	673,344
Repair and maintenance	17,141	10,754
Insurance	5,641	5,521
Depreciation	67,000	71,442
Other factory overheads	23,944	24,600
	5,863,013	4,244,956

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

for the 1st Quarter Ended September 30, 2023

(Rupees in '000')	Un-Audited Quarter ended	
	September 30, 2023	September 30, 2022
Work-in-process:		
Opening stock	359,354	271,467
Closing stock	(392,793)	(272,110)
	(33,439)	(643)
Cost of goods manufactured	5,829,574	4,244,313
Finished goods:		
Opening stock	2,917,739	2,356,948
Closing stock	(3,725,694)	(2,520,708)
	(807,955)	(163,760)
	5,021,619	4,080,553
7. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation	(141,974)	297,756
Adjustments for non-cash charges and other items:		
Depreciation	74,443	79,463
Amortization	32	1,921
Mark-up on workers' profit participation fund	2,264	3,202
Provision for workers' profit participation fund	-	11,342
Unwinding of discount on GIDC payable	-	265
Finance cost	385,982	193,962
Working capital changes (Note 7.1)	203,948	729,122
	524,695	1,317,033
7.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	(60,489)	(20,046)
Stock-in-trade	(1,337,490)	(401,346)
Trade debts	1,133,210	1,383,396
Loans and advances	61,184	84,964
Short term deposits and prepayments	14,127	(680)
Other receivables	115,010	(257,037)
	(74,448)	789,251
Increase / (decrease) in trade and other payables	278,396	(60,129)
	203,948	729,122
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:

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

for the 1st Quarter Ended September 30, 2023

(Rupees in '000')		Un-Audited Quarter ended	
		September 30, 2023	September 30, 2022
i)	Transactions		
	Particulars	Nature of transaction	
	Associated companies	Services provided	1,398
		Sales of goods	8,066
		Purchase of goods	10,325
		Insurance premium	2,074
		Insurance claim received	-
	Employees' Provident Fund Trust	Contribution paid	14,116
	Key management personnel	Remuneration paid to chief executive, directors and executives	67,700
			129
			-
			12,925
			9,845
			28
			12,795
			71,137

(Rupees in '000)		Un-Audited	Audited
		September 30, 2023	June 30, 2023
ii)	Period end balances		
	Associated companies and other related parties		
	Trade and other payables	12,771	2,772
	Trade debts	138	28,054
	Other receivables	1,194	817

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

for the 1st Quarter Ended September 30, 2023

9. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Quarter ended	
	September 30,2023	September 30,2022
Revenue		
External	1,868,884	1,670,479
Intersegment	1,747,799	1,046,105
	3,616,683	2,716,584
Cost of sales	(3,657,465)	(2,570,993)
Gross profit	(40,782)	145,591
Distribution cost	(25,019)	(23,118)
Administrative expenses	(51,168)	(41,096)
	(76,187)	(64,214)
(Loss) / profit before taxation and unallocated income and expenses	(116,969)	81,377
Unallocated income and expenses		
Other expenses		
Other income		
Finance cost		
Taxation		
(Loss) / profit after taxation		

9.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning	
	(Un-Audited)	(Audited)
	September 30,2023	June 30,2023
Total assets for reportable segments	4,854,755	4,170,670
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	3,568,290	3,499,098
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, 2023

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 30,2023	September 30,2022	September 30,2023	September 30,2022	September 30,2023	September 30,2022	September 30,2023	September 30,2022	September 30,2023	September 30,2022
348,507	285,965	3,378,367	2,945,764	-	-	-	-	5,595,758	4,902,208
2,614,958	1,519,629	-	-	609,558	535,954	(4,972,315)	(3,101,688)	-	-
2,963,465	1,805,594	3,378,367	2,945,764	609,558	535,954	(4,972,315)	(3,101,688)	5,595,758	4,902,208
(2,919,493)	(1,778,220)	(2,819,804)	(2,307,360)	(597,172)	(525,668)	4,972,315	3,101,688	(5,021,619)	(4,080,553)
43,972	27,374	558,563	638,404	12,386	10,286	-	-	574,139	821,655
(5,977)	(5,642)	(143,097)	(201,453)	(1,432)	(1,574)	-	-	(175,525)	(231,787)
(15,575)	(12,822)	(81,756)	(81,080)	(7,447)	(7,220)	-	-	(155,946)	(142,218)
(21,552)	(18,464)	(224,853)	(282,533)	(8,879)	(8,794)	-	-	(331,471)	(374,005)
22,420	8,910	333,710	355,871	3,507	1,492	-	-	242,668	447,650
								(11,539)	(22,817)
								15,143	70,087
								(388,246)	(197,164)
								(71,992)	(96,203)
								(213,966)	201,553

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
September 30,2023	June 30,2023	September 30,2023	June 30,2023	September 30,2023	June 30,2023	September 30,2023	June 30,2023
4,325,573	3,790,784	4,392,631	5,178,812	329,511	321,798	13,902,470	13,462,064
						11,917,922	12,032,010
						25,820,392	25,494,074
1,894,510	2,235,198	3,811,724	3,326,968	79,474	84,572	9,353,998	9,145,836
						4,195,058	3,851,250
						13,549,056	12,997,086

and tax liabilities.

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

for the 1st Quarter Ended September 30, 2023

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 30,2023	September 30,2022	September 30,2023	September 30,2022	September 30,2023	September 30,2022	September 30,2023	September 30,2022
Europe	-	-	85,353	8,439	2,435,624	2,151,919	2,520,977	2,160,358
America	-	-	-	-	647,587	420,306	647,587	420,306
Asia, Africa and Australia	64,900	-	-	-	238,146	271,188	303,046	271,188
Pakistan	1,803,984	1,670,479	263,154	277,526	57,010	102,351	2,124,148	2,050,356
	1,868,884	1,670,479	348,507	285,965	3,378,367	2,945,764	5,595,758	4,902,208

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

Yarn	1,665,568	1,562,943	1,900	-	-	-	1,667,468	1,562,943
Fabric	-	-	344,863	284,204	585,874	551,945	930,737	836,149
Made ups	-	-	-	-	2,760,574	2,361,469	2,760,574	2,361,469
Processing income	-	-	-	-	31,919	32,350	31,919	32,350
Raw material	-	8,853	-	-	-	-	-	8,853
Waste	203,316	98,683	1,744	1,761	-	-	205,060	100,444
	1,868,884	1,670,479	348,507	285,965	3,378,367	2,945,764	5,595,758	4,902,208

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, 2023.

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, 2023, 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, 2023

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 30, 2023.

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual 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, 2023

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.



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

2023
1st QUARTER
SEPTEMBER 30

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