

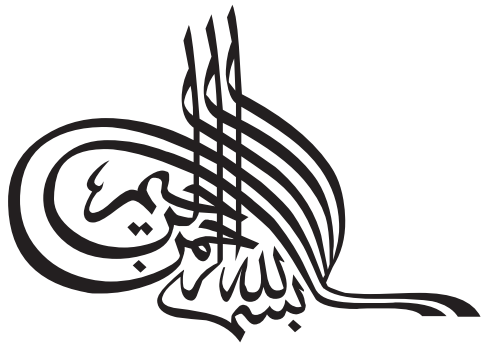
2023



**HALF YEAR
DECEMBER**



| The Crescent Textile Mills Limited



CONTENTS

Company Information	3
Directors' Report	4
Directors' Report (Urdu)	5
Independent Auditor's Review Report	6
Condensed Interim Statement of Financial Position	7
Condensed Interim Statement of Profit or Loss	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11
Selected Notes to the Condensed Interim Financial Statements	12

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 Half Year Ended December 31, 2023

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the half year ended December 31, 2023.

Industry overview

Pakistan textile export during first six months of FY 24 decreased to 8.283 billion USD and recorded decline of 5 percent in comparison to similar period of last year. Product wise break up reveal that bed wear export decreased by 3.5 percent in value and increased by 9.2 percent in quantity, knitwear segment export decreased by 10.6 percent in value and increased by 43.5 percent in quantity and readymade garments segment decreased by 8.9 percent in value and increased by 6.9 percent in quantity. All major categories of textile export declined in value despite volumetric growth, depicting significant reduction in per unit value of textile export.

Company's performance

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

Rupees in million	1st HY FY 24	1st HY FY 23	Variance	%
Revenue	12,327	9,108	3,219	35
Gross profit	1,084	1,310	(226)	(17)
Operating cost	768	723	45	6
Finance cost	811	407	404	99
Other income	61	231	(170)	(74)
Taxation	48	108	(60)	(55)
Net (loss) / profit after tax	(483)	302	(785)	(260)
(Loss) / earnings Rs. per share	(4.83)	3.02	(7.85)	(260)

During first six months of this financial year, the Company's performance remained under pressure. Despite significant growth in topline, bottom-line result turned to negative due multiple factors including declining export sale prices due to reduced demand, high raw materials prices, energy prices, and borrowing cost. The spinning segment suffered a notable financial setback. The sale price variance has been favorable as compared to the corresponding period. However, this was not sufficient to cover the immense increase in costs. Finance cost increased significantly as average borrowing rates increased to record highest level. The Export Refinance Facility rate increased from average of 4% to 19%, and KIBOR-based financing rates rose from 15% to 22%. Other income decreased mainly on account of exchange gain due rupee depreciation in corresponding period.

Future Outlook

Pakistan's textile industry is facing severe challenges in terms of rising inflation, unprecedented increase in finance cost and increased energy prices. This, coupled with volatile exchange rates has significantly increased the cost of doing business. The Management is closely tracking the latest macro developments and taking proactive measures to address these challenges.

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 ششماہی ختمہ 31 دسمبر 2023ء

بورڈ آف ڈائریکٹرز 31 دسمبر 2023ء کو پختہ ششماہی کے لیے مالی اور عملی کارکردگی پر اپنا مختصر جائزہ آپ کی خدمت میں پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

صنعت کا جائزہ:

مالی سال 2024ء کی پہلی ششماہی میں پچھلے سال کے اسی عرصہ کے مقابلہ میں ٹیکسٹائل برآمدات 5 فیصد کم کی گئی۔ 8.283 بلین ڈالر رہ گئیں۔ پراڈکٹ کے حساب سے الگ الگ دیکھا جائے تو بیرونی برآمدات مالیت کے اعتبار سے 3.5 فیصد کم ہوئیں جبکہ مقدار کے اعتبار سے 9.2 فیصد اضافہ ہوا۔ بیرونی برآمدات مالیت کے اعتبار سے 10.6 فیصد کم ہوئیں جبکہ مقدار کے اعتبار سے ان میں 43.5 فیصد اضافہ ہوا۔ ریڈی میڈ گارمنٹس کی برآمدات مالیت کے اعتبار سے 8.9 فیصد کم ہوئیں جبکہ مقدار کے اعتبار سے ان میں 6.9 فیصد اضافہ ہوا۔ ٹیکسٹائل کی برآمدات کے تمام بڑی شعبہ جات میں حجم میں نمو کے باوجود قدر میں کمی آئی، جس سے ٹیکسٹائل ایکسپورٹ کی فی یونٹ قیمت میں نمایاں کمی واقع ہوئی ہے۔

کمپنی کی کارکردگی:

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

ملین روپے	مالی سال 2024: پہلی ششماہی	مالی سال 2023: پہلی ششماہی	فرق	فیصد فرق
آمدن	12,327	9,108	3,219	35
مجموعی منافع	1,084	1,310	(226)	(17)
عملی اخراجات	768	723	45	6
مالیاتی اخراجات	811	407	404	99
دیگر آمدن	61	231	(170)	(74)
محصولات	48	108	(60)	(55)
(نقصان) / خالص نفع بعد از محصولات	(483)	302	(785)	(260)
(نقصان) / آمدن فی شخص	(4.83)	3.02	(7.85)	(260)

اس مالی سال کے پچھلے چھ ماہ کے دوران کمپنی کی کارکردگی دباؤ میں رہی۔ ٹاپ لائن میں نمایاں نمو کے باوجود، نیچے کی کثیر کاتینجہ متعدد عوامل کی وجہ سے منفی میں بدل گیا جس میں طلب میں کمی، خام مال کی بلند قیمتوں، توانائی کی قیمتوں اور قرض لینے کی لاگت کی وجہ سے برآمدی فروخت کی قیمتوں میں کمی شامل ہے۔ اسپننگ کے شعبہ کو قابل ذکر مالیاتی دھچکا لگا۔ اسی مدت کے مقابلے میں فروخت کی قیمت کا فرق سازگار رہا ہے۔ تاہم، یہ اخراجات میں بے تحاشہ اضافے کو پورا کرنے کے لیے کافی نہیں تھا۔ مالیاتی لاگت میں نمایاں اضافہ ہوا کیونکہ قرض لینے کی اوسط شرح ریکارڈ بلند ترین سطح پر پہنچ گئی۔ ایکسپورٹ ری فنانس سہولت کی شرح اوسطاً 4% سے بڑھ کر 19% ہو گئی، اور KIBOR پر مبنی فنانسنگ کی شرحیں 15% سے بڑھ کر 22% ہو گئیں۔ دیگر آمدنی میں بنیادی طور پر اسی مدت میں روپے کی قدر میں کمی کی وجہ سے زرمبادلہ میں کمی واقع ہوئی۔

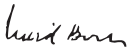
مستقبل کا نقطہ نظر:


پاکستان کی ٹیکسٹائل انڈسٹری کو بروقت ہوئی مہنگائی، مالیاتی لاگت میں بے مثال اضافے اور توانائی کی قیمتوں میں اضافے کے حوالے سے شدید چیلنجز کا سامنا ہے۔ ان چیزوں کے ساتھ ساتھ غیر مستحکم شرح مبادلہ نے کاروبار کرنے کی لاگت میں نمایاں اضافہ ہوا ہے۔ انتظامیہ تازہ ترین سیکورٹیز پیش رفت پر گہری نظر رکھے ہوئے ہے اور ان چیلنجوں سے نمٹنے کے لیے فعال اقدامات کر رہی ہے۔

اعتراف خدمات:

بورڈ اپنے تمام ساتھیوں، صارفین، بینکوں، انتظامیہ اور ٹیکسٹائل کے عملے کو خراج تحسین پیش کرتا ہے جو اپنے کام کے ساتھ مخلص ہیں کیونکہ ان کی کمپنی کی کامیابی ان کی کوششوں کی مرہون منت ہے۔

منجانب: بورڈ آف ڈائریکٹرز


خالد شیخ
ڈائریکٹر

منجانب: بورڈ آف ڈائریکٹرز

احمد شفیع
چیف ایگزیکٹو آفیسر

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THE CRESCENT TEXTILE MILLS LIMITED

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of THE CRESCENT TEXTILE MILLS LIMITED as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.

Riaz Ahmad & Company
Chartered Accountants



Faisalabad

Date: February 28, 2024

UDIN:

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

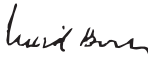
as at December 31, 2023

(Rupees in '000')	Note	Un-Audited DECEMBER 31, 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		238,181	29,456
Surplus on revaluation of operating fixed assets - net of deferred income tax		5,907,954	5,928,182
		6,537,694	6,349,197
Revenue reserves		4,565,020	5,147,791
Total reserves		11,102,714	11,496,988
TOTAL EQUITY		12,102,714	12,496,988
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	973,348	1,142,121
Deferred income tax liability		2,884	15,317
		976,232	1,157,438
CURRENT LIABILITIES			
Trade and other payables		4,335,877	3,413,557
Unclaimed dividend		15,323	12,472
Accrued mark-up		423,868	360,235
Short term borrowings		8,011,816	7,248,114
Current portion of long term financing		437,186	428,001
Provision for taxation		200,166	377,269
		13,424,236	11,839,648
Total liabilities		14,400,468	12,997,086
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		26,503,182	25,494,074
Assets			
Non-current assets			
Property, plant and equipment	5	11,237,086	10,897,732
Intangible assets		-	32
Long term investments		3,225,817	3,277,915
Long term loans and advances		2,411	1,289
Long term deposits and prepayments		5,862	8,067
		14,471,176	14,185,035
Current assets			
Stores, spare parts and loose tools		473,731	379,511
Stock-in-trade		6,053,274	4,952,860
Trade debts		3,244,995	3,834,785
Loans and advances		83,354	98,464
Short term deposits and prepayments		17,179	31,317
Income tax		689,163	770,645
Other receivables		638,568	735,616
Short term investments		503,475	255,051
Cash and bank balances		195,767	181,395
		11,899,506	11,239,644
Non-current assets held for sale	6	132,500	69,395
		12,032,006	11,309,039
TOTAL ASSETS		26,503,182	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

2023
HALF YEAR
DECEMBER 31

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

for the Half Year Ended December 31, 2023

(Rupees in '000)	Note	Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenue from contracts with customers		12,326,788	9,108,045	6,731,030	4,205,837
Cost of sales	7	(11,242,978)	(7,798,342)	(6,221,359)	(3,717,789)
Gross profit		1,083,810	1,309,703	509,671	488,048
Distribution cost		(441,565)	(417,431)	(266,040)	(185,644)
Administrative expenses		(300,503)	(270,798)	(144,557)	(128,580)
Other expenses		(26,537)	(35,255)	(14,998)	(12,438)
		(768,605)	(723,484)	(425,595)	(326,662)
		315,205	586,219	84,076	161,386
Other income		60,764	231,260	45,621	161,173
Profit from operations		375,969	817,479	129,697	322,559
Finance cost		(810,617)	(407,101)	(422,371)	(209,937)
(Loss) / profit before taxation		(434,648)	410,378	(292,674)	112,622
Taxation		(48,271)	(108,179)	23,721	(11,976)
(Loss) / profit after taxation		(482,919)	302,199	(268,953)	100,646
(loss) / earnings per share - basic and Diluted (rupees)		(4.83)	3.02	(2.69)	1.01

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 COMPREHENSIVE INCOME (UN-AUDITED)

for the Half Year Ended December 31, 2023

(Rupees in '000)	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Loss) / profit after taxation	(482,919)	302,199	(268,953)	100,646
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss in subsequent periods:				
Reversal of surplus on revaluation of operating fixed assets	(21,184)	-	(21,184)	-
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	196,326	(130,305)	214,100	(108,829)
Related deferred income tax	12,399	21,500	6,311	18,961
	208,725	(108,805)	220,411	(89,868)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (loss) for the period - net of deferred income tax	187,541	(108,805)	199,227	(89,868)
Total comprehensive (loss) / income for the period	(295,378)	193,394	(69,726)	10,778

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 Half Year Ended December 31, 2023

(Rupees in '000)	SHARE CAPITAL	RESERVES							TOTAL EQUITY	
		CAPITAL RESERVES				REVENUE RESERVES				
		Premium on issue of r/hgt 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
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	-	-	-	(73)	(73)	-	73	73	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	(37)	(37)	-	-	-	(37)	(37)
Profit after taxation for the period	-	-	-	-	-	-	302,199	302,199	302,199	302,199
Other comprehensive loss for the period	-	-	(108,805)	-	(108,805)	-	-	-	(108,805)	(108,805)
Total comprehensive income for the period	-	-	(108,805)	-	(108,805)	-	302,199	302,199	193,394	193,394
Balance as at December 31, 2022 - (Un-audited)	1,000,000	391,559	487,209	4,160,203	5,038,971	1,803,643	3,085,464	4,889,107	9,928,078	10,928,078
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	(69)	(69)	-	69	69	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	(248)	(248)	-	-	-	(248)	(248)
Profit after taxation for the period	-	-	-	-	-	-	258,615	258,615	258,615	258,615
Other comprehensive income for the period	-	-	(457,753)	1,768,296	1,310,543	-	-	-	1,310,543	1,310,543
Total comprehensive income for the period	-	-	(457,753)	1,768,296	1,310,543	-	258,615	258,615	1,569,158	1,569,158
Balance as at June 30, 2023 - (Audited)	1,000,000	391,559	29,456	5,928,182	6,348,197	1,803,643	3,344,148	5,147,791	11,496,988	12,496,988
Transaction with owners - Final dividend for the year ended 30 June 2023 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	-	-	-	(148)	(148)	-	148	148	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	1,104	1,104	-	-	-	1,104	1,104
Loss after taxation for the period	-	-	-	-	-	-	(482,919)	(482,919)	(482,919)	(482,919)
Other comprehensive income for the period	-	-	208,725	(21,184)	187,541	-	-	-	187,541	187,541
Total comprehensive loss for the period	-	-	208,725	(21,184)	187,541	-	(482,919)	(482,919)	(295,378)	(295,378)
Balance as at December 31, 2023 - (Un-audited)	1,000,000	391,559	238,181	5,907,954	6,537,694	1,803,643	2,761,377	4,565,020	11,102,714	12,102,714



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

for the Half Year Ended December 31, 2023

(Rupees in '000')	Note	DECEMBER 31, 2023	DECEMBER 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	953,992	1,551,119
Finance cost paid		(742,404)	(308,623)
Income tax paid - net		(142,822)	(114,926)
Gas Infrastructure Development Cess (GIDC) paid		-	(18,567)
Dividend paid		(97,149)	(98,467)
Workers' profit participation fund paid		(333)	(723)
Net (increase) / decrease in long term loans and advances		(1,457)	151
Net decrease in long term deposits and prepayments		2,205	501
Net cash (used in) / generated from operating activities		(27,968)	1,010,465
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(677,374)	(1,285,039)
Proceeds from sale of property, plant and equipment		30,430	-
Proceeds from non-current assets held for sale		73,000	-
Profit received from deposit accounts and term deposit receipts		12,170	357
Net cash used in investing activities		(561,774)	(1,284,682)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		49,760	744,983
Repayment of long term financing		(209,348)	(232,305)
Short term borrowings - net		763,702	(379,980)
Net cash from financing activities		604,114	132,698
Net increase / (decrease) in cash and cash equivalents		14,372	(141,519)
Cash and cash equivalents at the beginning of the period		181,395	145,601
Cash and cash equivalents at the end of the period		195,767	4,082

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 Half Year Ended December 31, 2023

1. THE COMPANY AND ITS ACTIVITIES

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

- #### 2.2
- These condensed interim financial statements do not include all the information and disclosures as required in an annual audited financial statements, and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2023.

2.3 Statements of material accounting policy information

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2023.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated

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

for the Half Year Ended December 31, 2023

and are based on historical experience and other factors, including reasonable expectation of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

The judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the annual audited financial statements of the Company for the year ended 30 June 2023.

2.5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended 30 June 2023.

(Rupees in '000')	Un-Audited DECEMBER 31, 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	49,760	744,983
Add: Amortized during the period / year	-	704
Less: Repaid during the period / year	(209,348)	(433,698)
	1,410,534	1,570,122
Less: Current portion shown under current liabilities	437,186	428,001
	973,348	1,142,121

4. CONTINGENCIES AND COMMITMENTS

a. Contingencies

- i) Guarantees of Rupees 272.632 million (30 June 2023: Rupees 258.088 million) are given by the banks of the Company to Collector of Customs against import of certain items, Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.
- ii) Post dated cheques and security cheques of Rupees 2,672.457 million (30 June 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.
- 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 2023: Rupees 23.348 million). Appeal is pending for adjudication. Management of

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

for the Half Year Ended December 31, 2023

the Company is confident that the ultimate outcome of this case will be in Company's favor.

b. Commitments

- i) Letters of credit and contract for capital expenditure are of Rupees 281.788 million (30 June 2023: Rupees 209.839 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 533.845 million (30 June 2023: Rupees 816.543 million).
- iii) Ijarah commitments are of Rupees 13.804 million (30 June 2023: Rupees 28.071 million).

(Rupees in '000')	Un-Audited DECEMBER 31, 2023	Audited June 30, 2023
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	10,238,491	8,894,443
Capital work-in-progress (Note 5.2)	998,595	2,003,289
	11,237,086	10,897,732
5.1 Operating fixed assets		
Opening book value	8,894,443	7,395,579
Add:		
Cost of additions during the period / year (Note 5.1.1)	1,682,068	128,190
Surplus on revaluation of operating fixed assets	-	1,770,038
	10,576,511	9,293,807
Less:		
Book value of deletions during the period / year (Note 5.1.2)	9,949	7,020
Classified as non-current assets held for sale (Note 6)	153,684	69,395
	163,633	76,415
	10,412,878	9,217,392
Less: Depreciation charged for the period / year	174,387	322,949
Book value at the end of the period / year	10,238,491	8,894,443
5.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	43,455
Plant and machinery	1,650,541	60,936
Factory tools and equipment	-	594
Gas and electric installations	567	10,212
Vehicles	27,018	7,774
Furniture and fixture	1,639	-
Office equipment	2,303	5,219
	1,682,068	128,190

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

for the Half Year Ended December 31, 2023

(Rupees in '000')	Un-Audited DECEMBER 31, 2023	Audited June 30, 2023
5.1.2 Book value of deletions during the period / year		
Plant and machinery	5,966	4,160
Vehicles	3,944	2,860
Office equipment	39	-
	9,949	7,020
5.2 Capital work-in-progress		
Buildings on leasehold land	629,115	417,163
Plant and machinery	154,401	1,359,360
Advance against factory tools and equipment	537	-
Advance against gas and electric installations	-	23,984
Advance against purchase of land	214,542	202,782
	998,595	2,003,289

6. NON-CURRENT ASSETS HELD FOR SALE

Reconciliation of non-current assets classified as held for sale under IFRS-5 'Non Current Assets held for Sale and Discontinued Operations' are summarized hereunder:

Opening balance	69,395	-
Add:		
Book value of assets transferred from property, plant and equipment during the period / year (Note 5.1):		
Freehold land	135,000	50,283
Buildings on freehold land	18,684	19,045
Gas and electric installations	-	67
	153,684	69,395
	223,079	69,395
Less:		
Book value of assets disposed of during the period / year		
Freehold land	50,283	-
Buildings on freehold land	19,045	-
Gas and electric installations	67	-
	69,395	-
Decrease in the book value of assets transferred as held for sale	21,184	-
	132,500	69,395

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

for the Half Year Ended December 31, 2023

Specific items of freehold land, buildings on freehold land and gas and electric installation were presented as held for sale during the year ended 30 June 2023. Disposal of these assets was made during the period against consideration of Rupees 73 million. Moreover, freehold land and buildings thereon located at Plot No. 18-E, Block 6, P.E.C.H.S., Karachi, Sindh has been classified as held for sale during the period. However keeping in view the provisions of IFRS 5, the book value of these assets was decreased to their fair value at Rupees 132.500 million. The difference of Rupees 21.184 million has been reversed through related available surplus.

(Rupees in '000')	Un-Audited			
	Half year ended		Quarter ended	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
7. COST OF SALES				
Raw materials consumed	5,331,305	3,987,458	2,578,779	2,026,081
Cost of raw materials sold	-	5,435	-	-
Cloth and yarn purchased	1,680,590	724,295	933,354	256,168
Stores, spare parts and loose tools consumed	869,467	581,017	465,671	308,572
Packing materials consumed	569,864	318,474	340,774	153,554
Processing and weaving charges	867,851	403,034	564,421	238,983
Salaries, wages and other benefits	1,079,691	825,000	593,062	402,060
Fuel and power	1,791,190	1,194,548	964,610	521,204
Repair and maintenance	37,117	26,929	19,976	16,175
Insurance	11,284	11,429	5,643	5,908
Depreciation	158,806	143,371	91,806	71,929
Other factory overheads	64,610	44,226	40,666	19,626
	12,461,775	8,265,216	6,598,762	4,020,260
Work-in-process				
Opening stock	359,354	271,467	392,793	272,110
Closing stock	(379,315)	(256,881)	(379,315)	(256,881)
	(19,961)	14,586	13,478	15,229
Cost of goods manufactured	12,441,814	8,279,802	6,612,240	4,035,489
Finished goods				
Opening stock	2,917,739	2,356,948	3,725,694	2,520,708
Closing stock	(4,116,575)	(2,838,408)	(4,116,575)	(2,838,408)
	(1,198,836)	(481,460)	(390,881)	(317,700)
	11,242,978	7,798,342	6,221,359	3,717,789

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

for the Half Year Ended December 31, 2023

(Rupees in '000')	Un-Audited	
	Half year ended DECEMBER 31, 2023	DECEMBER 31, 2022
8. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation	(434,648)	410,378
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	174,387	159,601
Amortization on intangible asset	32	3,621
Provision for workers' profit participation fund	-	17,948
Unwinding of discount on GIDC payable	-	265
Gain on sale of property, plant and equipment	(20,481)	-
Gain on sale of non-current assets held for sale	(3,605)	-
Finance cost	810,617	407,101
Profit on deposit accounts and term deposit receipts	(15,878)	(428)
Working capital changes (Note 8.1)	443,568	552,633
	953,992	1,551,119
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(94,220)	(39,800)
Stock-in-trade	(1,100,414)	(17,045)
Trade debts	589,790	936,103
Loans and advances	15,445	20,767
Short term deposits and prepayments	14,138	2,307
Other receivables	100,756	(212,534)
	(474,505)	689,798
Increase / (decrease) in trade and other payables	918,073	(137,165)
	443,568	552,633

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. The Company enters into transactions with related parties on the basis of mutually agreed terms. Detail of transactions and balances with related parties is as follows:

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

for the Half Year Ended December 31, 2023

(Rupees in '000')	Un-Audited			
	Half year ended		Quarter ended	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
i) Transactions				
Associated companies				
Purchase of goods	38,475	12,925	28,150	-
Services provided	2,640	311	1,242	182
Sale of goods	8,066	7,901	-	7,901
Insurance premium paid	8,024	19,323	5,950	9,478
Insurance claim received	7,304	306	7,304	278
Dividend paid	4,494	3,012	4,494	3,012
Other related parties				
Company's contribution to Employees' Provident Fund Trust	29,684	24,666	15,568	11,871
Dividend paid to Employees' Provident Fund Trust	3,064	3,064	3,064	3,064
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	133,258	139,614	65,558	68,477
Sale of vehicle to an executive	3,200	-	3,200	-
Dividend paid to Chief Executive Officer, directors, spouses and executives	27,044	26,168	27,044	26,168
			Un-audited DECEMBER 31, 2023	Audited June 30, 2023
ii) Period end balances				
Associated companies				
Trade and other payables			38,270	7,272
Trade debts			-	28,054
Other receivables			1,533	817
Other related parties				
Trade and other payables			12,180	8,964

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

for the Half Year Ended December 31, 2023

10. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Half year ended	
	December 31, 2023	December 31, 2022
Revenue		
External	3,091,915	2,644,152
Intersegment	4,032,536	2,412,633
	7,124,451	5,056,785
Cost of sales	(7,264,102)	(5,030,217)
Gross (loss) / profit	(139,651)	26,568
Distribution cost	(49,009)	(40,827)
Administrative expenses	(98,622)	(88,677)
	(147,631)	(129,504)
(Loss) / profit before taxation and unallocated income and expenses	(287,282)	(102,936)
Unallocated income and expenses:		
Other expenses		
Other income		
Finance cost		
Taxation		
(Loss) / profit after taxation		

10.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning	
	(Un-Audited)	(Audited)
	December 31, 2023	June 30, 2023
Total assets for reportable segments	3,563,056	4,170,670
Unallocated assets		
Total assets as per condensed interim statement of financial position		
All segment assets are allocated to reportable segments other than non-current assets held for sale and those directly		
Total liabilities for reportable segments	3,634,586	3,499,098
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 Half Year Ended December 31, 2023

Weaving		Processing & Home Textile		Power Generation		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
708,273	874,679	8,526,600	5,589,214	-	-	-	-	12,326,788	9,108,045
5,376,391	2,713,664	-	-	1,283,950	922,620	(10,692,877)	(6,048,917)	-	-
6,084,664	3,588,343	8,526,600	5,589,214	1,283,950	922,620	(10,692,877)	(6,048,917)	12,326,788	9,108,045
(6,029,938)	(3,554,440)	(7,384,064)	(4,359,883)	(1,257,751)	(902,719)	10,692,877	6,048,917	(11,242,978)	(7,798,342)
54,726	33,903	1,142,536	1,229,331	26,199	19,901	-	-	1,083,810	1,309,703
(13,735)	(15,269)	(375,406)	(358,552)	(3,415)	(2,783)	-	-	(44,565)	(417,431)
(30,019)	(26,992)	(157,509)	(142,223)	(14,353)	(12,906)	-	-	(300,503)	(270,798)
(43,754)	(42,261)	(532,915)	(500,775)	(17,768)	(15,689)	-	-	(742,068)	(688,229)
10,972	(8,358)	609,621	728,556	8,431	4,212	-	-	341,742	621,474
								(26,537)	(35,255)
								60,764	231,260
								(810,617)	(407,101)
								(48,271)	(108,179)
								(482,919)	302,199

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
4,727,160	3,790,784	5,696,957	5,178,812	543,620	321,798	14,530,793	13,462,064
						11,972,389	12,032,010
						26,503,182	25,494,074
relating to corporate and tax assets.							
1,852,564	2,235,198	4,224,810	3,326,968	107,395	84,572	9,819,355	9,145,836
						4,581,113	3,851,250
						14,400,468	12,997,086

current and deferred liabilities.

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

for the Half Year Ended December 31, 2023

10.2 Geographical Information

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

	Spinning		Weaving		Processing & Home Textile		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended		Half year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Asia	102,838	-	22,831	-	138,467	58,953	264,136	58,953
Africa	-	-	-	-	96,876	114,197	96,876	114,197
Australia	-	-	-	-	315,539	304,693	315,539	304,693
Europe	-	-	189,305	50,252	6,205,999	4,118,584	6,395,304	4,168,836
North America	-	-	-	-	1,675,018	803,142	1,675,018	803,142
Pakistan	2,989,077	2,644,152	496,137	824,427	94,701	189,645	3,579,915	3,658,224
	3,091,915	2,644,152	708,273	874,679	8,526,600	5,589,214	12,326,788	9,108,045

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

Yarn	2,716,563	2,388,384	-	-	-	-	2,716,563	2,388,384
Fabric	-	-	704,081	870,934	1,235,165	997,343	1,939,246	1,868,277
Made ups	-	-	-	-	7,244,322	4,520,931	7,244,322	4,520,931
Processing income	-	-	-	-	47,113	70,940	47,113	70,940
Raw material	-	8,852	-	-	-	-	-	8,852
Waste	375,352	246,916	4,192	3,745	-	-	379,544	250,661
	3,091,915	2,644,152	708,273	874,679	8,526,600	5,589,214	12,326,788	9,108,045

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 Half Year Ended December 31, 2023

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 31 December 2023 - (Un-audited)				
At fair value through other comprehensive income	926,827	-	2,802,465	3,729,292
At 30 June 2023 - (Audited)				
At fair value through other comprehensive income	730,255	-	2,802,711	3,532,966

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

(Rupees in '000')	Un-Audited DECEMBER 31, 2023
Revenue earned from shariah compliant business	12,326,788
Gain from shariah complaint investments	
Unrealized gain on remeasurement of investments at FVTOCI	4,166
Profit earned from shariah compliant bank deposits and bank balances	
Profit on deposits with banks	3

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

for the Half Year Ended December 31, 2023

(Rupees in '000')	Un-Audited DECEMBER 31, 2023
Mark-up on Islamic mode of financing	
Mark-up on long term financing	3,096
Mark-up on short term borrowings	20,580
Profit earned or interest paid on any conventional loan / advance	
Mark-up on long term financing	32,403
Mark-up on short term borrowings	738,622
Profit on deposits with banks	15,875

(Rupees in '000')	Un-Audited DECEMBER 31, 2023	Audited June 30, 2023
Shariah compliant bank deposits and bank balances		
Bank balances	6,994	179
Loans / advances obtained as per Islamic mode		
Contract liabilities	51,730	121,492
Long term financing	26,862	32,635
Short term borrowings	176,150	99,924

There was no dividend received from any investment. Moreover, comparative figures related to the statement of profit or loss are not given as the Company was not listed on Islamic index in corresponding previous period.

Bank Name	Relationship
Meezan Bank Limited	Bank balance
Albaraka Bank (Pakistan) Limited	Bank balances
Bank Alfalah Limited	Bank balance and long term financing
MCB Islamic Bank Limited	Bank balances and short term borrowings

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on February 28, 2024.

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.

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

for the Half Year Ended December 31, 2023

- Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made except for
15. 'GIDC Payable' amounting to Rupees 325.977 million which has been included in 'Trade and Other Payables' instead of separately showing on the face of statement of financial position as 'Current Portion of Deferred Liabilities'; for better presentation.

GENERAL

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

Mills & Registered Office

Sargodha Road,
Faisalabad, Pakistan
T: +92-41-111-105-105
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