

2024

3rd QUARTER
MARCH 31



| 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		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 Nine Months Ended March 31, 2024

The Board of Directors is pleased to present a brief review of the operational and financial performance of the Company for the nine months period ended March 31, 2024.

Industry overview

Pakistan is facing serious economic challenges of high inflation and interest rates on the back of rising commodity prices. High energy tariffs continued to pose significant challenges to the textile industry's operational efficiency and cost competitiveness. Intensified competition from regional and global textile-producing countries, coupled with fluctuating currency exchange rates, posed a threat to Pakistan's textile exports. Pakistan's textile exports decreased to \$12.444 billion from \$12.476 billion in corresponding period.

Company's performance

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

Rupees in million	31 Mar, 24	31 Mar, 23	Variance	%
Revenue	18,716	14,182	4,534	32
Gross Profit	1,620	2,015	(395)	(20)
Operating cost	1,204	1,077	127	12
Finance cost	1,229	672	558	83
Other income	96	414	(318)	(77)
Taxation	59	174	(115)	(66)
Net (loss) / Profit after tax	(775)	507	(1,282)	(253)
(Loss) / Earning Rs. per share	(7.75)	5.07	(12.82)	(253)

Although there was substantial growth in revenue during the nine-month period, the company experienced a negative bottom-line due to various factors. These included a decrease in export sale prices caused by reduced demand, elevated raw material and energy prices, as well as borrowing costs. Particularly, the spinning segment encountered significant financial challenges. Finance cost increased significantly, primarily due to a surge in average borrowing rates, reaching their highest recorded levels. The Export Refinance Facility rate rose from 7.5% to 19%, while KIBOR-based financing rates climbed from 15% to 22% in comparison to corresponding period. Other income decreased mainly on account of exchange gain due rupee depreciation in corresponding period.

Future Outlook

Despite the challenges encountered, we remains committed to our strategic objectives of operational excellence and product diversification. Through proactive measures, prudent decision-making, and a focus on customer satisfaction, we are confident to navigate the challenges ahead and capitalize on emerging opportunities. 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 your 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 نو ماہی تختہ 31 مارچ 2024ء

ڈائریکٹرز 31 مارچ 2024ء کو تختہ نو ماہی کے لیے کمپنی کی عملیاتی اور مالیاتی کارکردگی پر اپنا مختصر جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

پاکستان کو ایشیائی ضروریہ کی بڑھتی ہوئی قیمتوں کی وجہ سے بلند افراط زر اور شرح سود کے عین معاشی چیلنجز کا سامنا ہے۔ توانائی کے بڑھتے ہوئے ٹیفر ٹیکسٹائل انڈسٹری کی عملی کارکردگی اور لاگت کی مسابقت کے لیے اہم چیلنجز کا باعث بنے رہے۔ ٹیکسٹائل پیدا کرنے والے علاقائی اور عالمی ممالک سے تیز مسابقت اور کرنسی کی شرح تبادلہ میں اتار چڑھاؤ نے پاکستان کی ٹیکسٹائل برآمدات کے لیے خطرہ پیدا کر دیا۔ پاکستان کی ٹیکسٹائل کی برآمدات گزشتہ سال کی اسی مدت کے مقابلہ میں 12.476 بلین ڈالر سے کم ہو کر 12.444 بلین ڈالر رہ گئیں۔

کمپنی کی کارکردگی:

نو ماہ کی مدت کے لیے کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

فرق فیصد	فرق	31 مارچ 2023ء	31 مارچ 2024ء	ملین روپے
32	4,534	14,182	18,716	آمدن
(20)	(395)	2,015	1,620	مجموعی نفع
12	127	1,077	1,204	عملی اخراجات
83	558	672	1,229	مالیاتی اخراجات
(77)	(318)	414	96	دیگر آمدنی
(66)	(115)	174	59	محصولات
(253)	(1,282)	507	(775)	(نقصان) / خالص نفع بعد از محصولات
(253)	(12.82)	5.07	(7.75)	(نقصان) / آمدنی فی حصص

اگرچہ نو ماہ کی مدت کے دوران آمدنی میں خاطر خواہ اضافہ ہوا، لیکن مختلف عوامل کی وجہ سے کمپنی کو چیلنجی سٹیج پر مصیبت کا سامنا کرنا پڑا۔ ان میں طلب میں کمی، خام مال اور توانائی کی قیمتوں میں اضافے کے ساتھ ساتھ شرح لینے کے اخراجات کی وجہ سے برآمدی فروخت کی قیمتوں میں کمی شامل ہے۔ خاص طور پر اسپینگ کے شیڈ کو اہم مالی چیلنجز کا سامنا کرنا پڑا۔ بنیادی طور پر قرض پر اوسط شرح سود میں اضافے کی وجہ سے مالیاتی لاگت میں نمایاں اضافہ ہوا، جو کہ بلند ترین ریکارڈ شدہ سطح تک پہنچ گئی۔ ایکسیپورٹ ری فنانس ہولڈنگ کی شرح 7.5% سے بڑھ کر 19% ہو گئی، جبکہ KIBOR پینٹی فنانسنگ کی شرح اسی مدت کے مقابلے میں 15% سے بڑھ کر 22% ہو گئی۔ دیگر آمدنی میں بنیادی طور پر اسی مدت میں روپے کی قدر میں کمی کی وجہ سے زرمبادلہ میں کمی واقع ہوئی۔

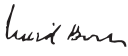
مستقبل کے امکانات:


درج ذیل چیلنجز کے باوجود، ہم عملی برتری اور مصنوعات میں تنوع کے اپنے تیز ویراتی مقاصد کے لیے پرعزم ہیں۔ فعال اقدامات، دانشمندانہ فیصلہ سازی اور صارف کے اطمینان پر توجہ کے ذریعے، ہم پراعتماد ہیں کہ آگے والے چیلنجز کا مقابلہ کریں گے اور ابھرتے ہوئے مواقع سے فائدہ اٹھائیں گے۔ انتظامیہ تازہ ترین میکرو پیش رفت پر گہری نظر رکھے ہوئے ہے اور ان چیلنجز سے نمٹنے کے لیے فعال اقدامات کر رہی ہے۔

اعتراف خدمات:

بورڈ اپنے تمام شرکاء کار، صارفین، بینکوں، انتظامیہ اور قیصری عملے کو کھراج تحسین پیش کرتا ہے جو اپنے کام کے لیے نہایت پرعزم ہیں کیونکہ آپ کی کمپنی کی کامیابی ان کی کوششوں کی مرہون منت ہے۔

منجانب: بورڈ آف ڈائریکٹرز


خالد شیخ
ڈائریکٹر


احمد شیخ
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


for the Nine Months Ended March 31, 2024

(Rupees in '000')	Note	Un-Audited March 31, 2024	Audited June 30, 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (30 June 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		459,036	29,456
Surplus on revaluation of operating fixed assets - net of deferred income tax		5,907,818	5,928,182
		6,758,413	6,349,197
Revenue reserves		4,272,866	5,147,791
Total reserves		11,031,279	11,496,988
TOTAL EQUITY		12,031,279	12,496,988
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	1,052,613	1,142,121
Deferred income tax liability		1,181	15,317
		1,053,794	1,157,438
CURRENT LIABILITIES			
Trade and other payables		4,017,126	3,413,557
Unclaimed dividend		14,288	12,472
Accrued mark-up		219,158	360,235
Short term borrowings		7,267,641	7,248,114
Current portion of long term financing		392,644	428,001
Provision for taxation		214,144	377,269
		12,125,001	11,839,648
Total Liabilities		13,178,795	12,997,086
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		25,210,074	25,494,074
ASSETS			
Non-current Assets			
Property, plant and equipment	5	11,228,729	10,897,732
Intangible assets		-	32
Long term investments		3,305,230	3,277,915
Long term loans and advances		2,851	1,289
Long term deposits and prepayments		7,295	8,067
		14,544,105	14,185,035
Current Assets			
Stores, spare parts and loose tools		400,240	379,511
Stock-in-trade		4,847,467	4,952,860
Trade debts		2,911,737	3,834,785
Loans and advances		33,033	98,464
Short term deposits and prepayments		20,979	31,317
Income tax		782,601	770,645
Other receivables		656,578	735,616
Short term investments		646,603	255,051
Cash and bank balances		234,231	181,395
		10,533,469	11,239,644
Non-current assets held for sale	6	132,500	69,395
		10,665,969	11,309,039
TOTAL ASSETS		25,210,074	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 Nine Months Ended March 31, 2024

(Rupees in '000)	Note	Nine months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from contracts with customers		18,716,337	14,182,309	6,389,549	5,074,264
Cost of sales	7	(17,096,169)	(12,167,092)	(5,853,191)	(4,368,750)
Gross profit		1,620,168	2,015,217	536,358	705,514
Distribution cost		(705,057)	(624,781)	(263,492)	(207,350)
Administrative expenses		(434,712)	(396,116)	(134,209)	(125,318)
Other expenses		(63,995)	(56,110)	(37,458)	(20,855)
		(1,203,764)	(1,077,007)	(435,159)	(353,523)
		416,404	938,210	101,199	351,991
Other income		96,314	414,340	35,550	183,080
Profit from operations		512,718	1,352,550	136,749	535,071
Finance cost		(1,229,268)	(671,582)	(418,651)	(264,481)
(Loss) / profit before taxation		(716,550)	680,968	(281,902)	270,590
Taxation		(58,736)	(173,913)	(10,465)	(65,734)
(Loss) / profit after taxation		(775,286)	507,055	(292,367)	204,856
(Loss) / earnings per share – basic and Diluted (rupees)		(7.75)	5.07	(2.92)	2.05

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

2024
3rd QUARTER
MARCH 31

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the Nine Months Ended March 31, 2024

(Rupees in '000)	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Loss) / profit after taxation	(775,286)	507,055	(292,367)	204,856
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)	-	-	-
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	418,928	(218,730)	222,602	(88,425)
Related deferred income tax	10,652	36,090	(1,747)	14,590
	429,580	(182,640)	220,855	(73,835)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (loss) for the period - net of deferred income tax	408,396	(182,640)	220,855	(73,835)
Total comprehensive (loss) / income for the period	(366,890)	324,415	(71,512)	131,021

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 Nine Months Ended March 31, 2024

(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 reserve	Unappropriated profit	Sub total		TOTAL
Balance as at 30 June 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	-	-	-	(109)	(109)	-	109	109	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	(37)	(37)	-	-	-	(37)	(37)
Profit after taxation for the period	-	-	-	-	-	-	507,055	507,055	507,055	507,055
Other comprehensive loss for the period	-	-	(182,640)	-	(182,640)	-	-	-	(182,640)	(182,640)
Total comprehensive income for the period	-	-	(182,640)	-	(182,640)	-	507,055	507,055	324,415	324,415
Balance as at 31 March 2023 - (Un-audited)	1,000,000	391,559	413,374	4,160,167	4,965,100	1,803,643	3,290,356	5,089,999	10,059,089	11,059,089
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	(33)	(33)	-	33	33	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	(248)	(248)	-	-	-	(248)	(248)
Profit after taxation for the period	-	-	-	-	-	-	53,759	53,759	53,759	53,759
Other comprehensive income for the period	-	-	(883,918)	1,768,296	1,384,378	-	-	-	1,384,378	1,384,378
Total comprehensive income for the period	-	-	(883,918)	1,768,296	1,384,378	-	53,759	53,759	14,381,137	14,381,137
Balance as at 30 June 2023 - (Audited)	1,000,000	391,559	29,456	5,928,162	6,349,197	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	-	-	-	(221)	(221)	-	221	221	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	1,041	1,041	-	-	-	1,041	1,041
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	-	-	-	140	140	140	140
Loss after taxation for the period	-	-	-	-	-	-	(775,286)	(775,286)	(775,286)	(775,286)
Other comprehensive income for the period	-	-	429,580	(21,184)	408,396	-	-	-	408,396	408,396
Total comprehensive loss for the period	-	-	429,580	(21,184)	408,396	-	(775,286)	(775,286)	(366,890)	(366,890)
Balance as at 31 March 2024 - (Un-audited)	1,000,000	391,559	459,036	5,907,818	6,786,413	1,803,643	2,469,223	4,272,866	11,031,279	12,031,279

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

2024
3rd QUARTER
MARCH 31

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

for the Nine Months Ended March 31, 2024

(Rupees in '000')	Note	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	2,547,631	1,391,661
Finance cost paid		(1,363,513)	(595,367)
Income tax paid - net		(236,260)	(185,032)
Gas Infrastructure Development Cess (GIDC) paid		-	(18,567)
Dividend paid		(98,184)	(98,557)
Workers' profit participation fund paid		(309)	(1,863)
Net (increase) / decrease in long term loans and advances		(2,006)	295
Net decrease in long term deposits and prepayments		772	807
Net cash generated from operating activities		848,131	493,377
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(793,588)	(1,507,037)
Proceeds from sale of property, plant and equipment		30,430	16,816
Proceeds from non-current assets held for sale		73,000	-
Proceeds from sale of investment		201	-
Net cash used in investing activities		(689,957)	(1,490,221)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		212,078	744,983
Repayment of long term financing		(336,943)	(363,812)
Short term borrowings - net		19,527	479,665
Net cash (used in) / from financing activities		(105,338)	860,836
Net increase / (decrease) in cash and cash equivalents		52,836	(136,008)
Cash and cash equivalents at the beginning of the period		181,395	145,601
Cash and cash equivalents at the end of the period		234,231	9,593

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 Nine Months Ended March 31, 2024

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 Statement of compliance

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 Nine Months Ended March 31, 2024

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 March 31, 2024	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	212,078	744,983
Add: Amortized during the period / year	-	704
Less: Repaid during the period / year	(336,943)	(433,698)
	1,445,257	1,570,122
Less: Current portion shown under current liabilities	392,644	428,001
	1,052,613	1,142,121

4. CONTINGENCIES AND COMMITMENTS

a. Contingencies

- i) Guarantees of Rupees 339.001 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 2,652.253 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

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

for the Nine Months Ended March 31, 2024

million (30 June 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) Letters of credit and contract for capital expenditure are of Rupees 263.491 million (30 June 2023: Rupees 209.839 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 649.315 million (30 June 2023: Rupees 816.543 million).
- iii) Ijarah commitments are of Rupees 6.747 million (30 June 2023: Rupees 28.071 million).

(Rupees in '000')	Un-Audited March 31, 2024	Audited June 30, 2023
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	10,968,589	8,894,443
Capital work-in-progress (Note 5.2)	260,140	2,003,289
	11,228,729	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)	2,536,737	128,190
Surplus on revaluation of operating fixed assets	-	1,770,038
	11,431,180	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
	11,267,547	9,217,392
Less: Depreciation charged for the period / year	298,958	322,949
Book value at the end of the period / year	10,968,589	8,894,443
5.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	43,455
Buildings on leasehold land	568,431	-
Plant and machinery	1,808,024	60,936
Factory tools and equipment	400	594
Gas and electric installations	124,759	10,212
Vehicles	27,018	7,774
Furniture and fixture	1,998	-
Office equipment	6,107	5,219
	2,536,737	128,190

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

for the Nine Months Ended March 31, 2024

(Rupees in '000')	Un-Audited March 31, 2024	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	28,270	417,163
Plant and machinery	5,008	1,359,360
Advance against factory tools and equipment	560	-
Advance against gas and electric installations	-	23,984
Advance against purchase of land	226,302	202,782
	260,140	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

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.

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

for the Nine Months Ended March 31, 2024

(Rupees in '000')	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
7. COST OF SALES				
Raw materials consumed	7,365,774	5,993,319	2,034,469	2,005,861
Cost of raw materials sold	219,022	59,945	219,022	54,510
Cloth and yarn purchased	2,317,303	1,142,115	636,713	417,820
Stores, spare parts and loose tools consumed	1,291,047	884,299	421,580	303,282
Packing materials consumed	812,851	473,474	242,987	155,000
Processing and weaving charges	1,213,596	617,554	345,745	214,520
Salaries, wages and other benefits	1,580,361	1,219,334	500,670	394,334
Fuel and power	2,629,873	1,828,894	838,683	634,346
Repair and maintenance	60,694	41,430	23,577	14,501
Insurance	18,553	18,751	7,269	7,322
Depreciation	274,742	216,109	115,936	72,738
Other factory overheads	89,900	63,629	25,290	19,403
	17,873,716	12,558,853	5,411,941	4,293,637
Work-in-process				
Opening stock	359,354	271,467	379,315	256,881
Closing stock	(355,636)	(352,813)	(355,636)	(352,813)
	3,718	(81,346)	23,679	(95,932)
Cost of goods manufactured	17,877,434	12,477,507	5,435,620	4,197,705
Finished goods				
Opening stock	2,917,739	2,356,948	4,116,575	2,838,408
Closing stock	(3,699,004)	(2,667,363)	(3,699,004)	(2,667,363)
	(781,265)	(310,415)	417,571	171,045
	17,096,169	12,167,092	5,853,191	4,368,750

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

for the Nine Months Ended March 31, 2024

(Rupees in '000')	Un-Audited	
	March 31, 2024	March 31, 2023
8. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation	(716,550)	680,968
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	298,958	240,855
Amortization on intangible asset	32	4,875
Provision for workers' profit participation fund	-	32,097
Unwinding of discount on GIDC payable	-	265
Gain on sale of property, plant and equipment	(20,481)	(9,807)
Gain on sale of non-current assets held for sale	(3,605)	-
Finance cost	1,229,268	671,582
Working capital changes (Note 8.1)	1,760,009	(229,174)
	2,547,631	1,391,661
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(20,729)	(80,830)
Stock-in-trade	105,393	(572,266)
Trade debts	923,048	429,352
Loans and advances	65,875	(40,871)
Short term deposits and prepayments	10,338	(13,643)
Other receivables	79,038	(264,874)
	1,162,963	(543,132)
Increase in trade and other payables	597,046	313,958
	1,760,009	(229,174)

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 Nine Months Ended March 31, 2024

(Rupees in '000')	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
i) Transactions				
Associated companies				
Purchase of goods	38,475	12,925	-	-
Services provided	4,083	474	1,443	163
Services received	1,241	-	1,241	-
Sale of goods	8,066	28,017	-	20,116
Insurance premium paid	18,633	30,659	10,609	11,336
Insurance claim received	7,353	306	50	-
Dividend paid	4,494	3,012	-	-
Dividend received	17,077	-	17,077	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	45,610	36,400	15,926	11,734
Dividend paid to Employees' Provident Fund Trust	3,064	3,064	-	3,064
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	198,063	203,085	64,805	63,471
Sale of vehicle to an executive	3,200	-	-	-
Dividend paid to Chief Executive Officer, directors, spouses and executives	27,044	26,168	-	26,168
			Un-audited	Audited
			March 31,	June 30,
(Rupees in '000')			2024	2023
ii) Period end balances				
Associated companies				
Trade and other payables			14,500	7,272
Trade debts			-	28,054
Other receivables			1,759	817
Other related parties				
Trade and other payables			10,482	8,964

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

for the Nine Months Ended March 31, 2024

10. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Nine months ended	
	March 31, 2024	March 31, 2023
Revenue		
External	4,600,901	4,470,257
Intersegment	5,897,348	3,818,892
	10,498,249	8,289,149
Cost of sales	(10,274,980)	(8,193,128)
Gross profit	223,269	96,021
Distribution cost	(67,163)	(64,011)
Administrative expenses	(142,618)	(129,695)
	(209,781)	(193,706)
Profit / (loss) before taxation and unallocated income and expenses	13,488	(97,685)
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)
	March 31, 2024	June 30, 2023
Total assets for reportable segments	2,770,294	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 those directly relating to corporate and tax assets.		
Total liabilities for reportable segments	2,953,715	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 Nine Months Ended March 31, 2024

Weaving		Processing & Home Textile		Power Generation		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1,644,857	1,077,893	12,470,579	8,634,159	-	-	-	-	18,716,337	14,182,309
9,328,803	4,976,009	-	-	1,776,030	1,374,757	(17,002,181)	(10,169,658)	-	-
10,973,660	6,053,902	12,470,579	8,634,159	1,776,030	1,374,757	(17,002,181)	(10,169,658)	18,716,337	14,182,309
(10,848,525)	(5,990,105)	(11,241,114)	(6,808,924)	(1,733,731)	(1,344,593)	17,002,181	10,169,658	(17,096,169)	(12,167,092)
125,135	63,797	1,229,465	1,825,235	42,299	30,164	-	-	1,620,168	2,015,217
(25,950)	(20,582)	(607,391)	(535,986)	(4,553)	(4,202)	-	-	(705,057)	(624,781)
(43,412)	(39,478)	(227,926)	(208,067)	(20,756)	(18,876)	-	-	(434,712)	(396,116)
(69,362)	(60,060)	(835,317)	(744,053)	(25,309)	(23,078)	-	-	(1,139,769)	(1,020,897)
55,773	3,737	394,148	1,081,182	16,990	7,086	-	-	480,399	994,320
								(63,995)	(56,110)
								96,314	414,340
								(1,229,268)	(671,582)
								(58,736)	(173,913)
								(775,286)	507,055

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023
4,606,411	3,790,784	5,001,812	5,178,812	511,607	321,798	12,890,124	13,462,064
						12,319,950	12,032,010
						25,210,074	25,494,074
1,761,400	2,235,198	3,928,054	3,326,968	264,335	84,572	8,907,504	9,145,836
						4,271,291	3,851,250
						13,178,795	12,997,086

current and deferred liabilities.

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

for the Nine Months Ended March 31, 2024

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)	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
America	-	-	99,857	-	2,810,840	1,244,735	2,910,697	1,244,735
Asia	102,838	-	22,828	-	189,525	65,381	315,191	65,381
Africa	-	-	-	-	308,419	284,793	308,419	284,793
Australia	-	-	-	-	535,690	558,421	535,690	558,421
Europe	-	-	538,571	114,337	8,467,758	6,109,914	9,006,329	6,224,251
Pakistan	4,498,063	4,470,257	983,601	963,556	158,347	370,915	5,640,011	5,804,728
	4,600,901	4,470,257	1,644,857	1,077,893	12,470,579	8,634,159	18,716,337	14,182,309

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

Yarn	3,782,118	3,982,617	2,687	1,560	-	-	3,784,805	3,984,177
Fabric	-	-	1,592,452	1,070,337	2,067,850	1,913,012	3,660,302	2,983,349
Made ups	-	-	-	-	10,328,209	6,607,356	10,328,209	6,607,356
Processing income	-	-	42,131	-	74,520	113,791	116,651	113,791
Raw material	308,342	90,517	-	-	-	-	308,342	90,517
Waste	510,441	397,123	7,587	5,996	-	-	518,028	403,119
	4,600,901	4,470,257	1,644,857	1,077,893	12,470,579	8,634,159	18,716,337	14,182,309

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

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

for the Nine Months Ended March 31, 2024

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 31 March 2024 - (Un-audited)				
At fair value through other comprehensive income	1,149,368	-	2,802,465	3,951,833
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 March 31, 2024
Revenue earned from shariah compliant business	18,716,337
Gain from shariah complaint investments	
Unrealized gain on remeasurement of investments at FVTOCI	59,079
Profit earned from shariah compliant bank deposits and bank balances	
Profit on deposits with banks	5

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

for the Nine Months Ended March 31, 2024

(Rupees in '000')	Un-Audited March 31, 2024
Mark-up on Islamic mode of financing	
Mark-up on long term financing	8,111
Mark-up on short term borrowings	25,891
Profit earned or interest paid on any conventional loan / advance	
Mark-up on long term financing	87,756
Mark-up on short term borrowings	1,084,647
Profit on deposits with banks	21,438

(Rupees in '000')	Un-Audited March 31, 2024	Audited June 30, 2023
Shariah compliant bank deposits and bank balances		
Bank balances	13,218	179
Loans / advances obtained as per Islamic mode		
Contract liabilities	138,033	121,492
Long term financing	186,870	32,635
Short term borrowings	196,322	99,924

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
OLP Modaraba	Long term financing
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 April 26, 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 Nine Months Ended March 31, 2024

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 '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.

15. 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

2024
3rd QUARTER
MARCH 31

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