



**Crescent
Fibres**



**Quarterly Report
March 31, 2020**

COMPANY INFORMATION

Board of Directors	Nadeem Maqbool	(Chairman, Non-Executive Director)
	Imran Maqbool	(Chief Executive, Executive Director)
	Humayun Maqbool	(Executive Director)
	Naila Humayun Maqbool	(Non-Executive Director)
	Mansoor Riaz	(Non-Executive Director)
	Jahanzeb Saeed Khan	(Independent, Non-Executive Director)
	S.M. Ali Asif	(Independent, Non-Executive Director)
Chief Financial Officer	Kamran Rasheed	
Company Secretary	Javaid Hussain	
Audit Committee	Jahanzeb Saeed Khan	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
Human Resources & Remuneration Committee	S.M. Ali Asif	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
Auditors	BDO Ebrahim & Company Chartered Accountants	
Legal Advisor	Mohsin Tayebally & Sons	
Share Registrar	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.	
Registered Office	104 Shadman 1, Lahore - 54000	
	Tel : (042) 35960871-4 Lines	
	Fax : (042) 35960004	
E-mail:	lo@crescentfibres.com	
Website:	www.crescentfibres.com	

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DIRECTORS' REPORT

The Company made a loss of Rs. 0.51 million in the third quarter of the fiscal year, which when combined with a profit of Rs. 87.4 million in the first half, resulted in a net profit of Rs. 86.9 million for the nine months ended March 31, 2020. The earnings per share for the period under review was Rs. 7.0 as compared Rs. 7.3 for the period ended March 31, 2019.

Sales for the period under review were 9.2% higher than the corresponding period, due to improvement in end-product prices. In the period under review, the gross margin increased to 8.7% as compared to 8.2% in the corresponding period. Owing to cost controls, selling, administrative and other costs remained more or less unchanged as a percentage of sales. The operating margin for the period under review was 5.9% which was unchanged as compared to the period ended March 31, 2019. Financial charges at Rs. 103.3 million were 2.4% of sales as compared to 2.1% in the corresponding period. This is attributable to higher short-term borrowing caused by higher raw material prices and the increase in interest rates due to tightening of monetary policy by the State Bank. Overall, the net margin was 2.1% as compared 2.35% in the previous period.

The textile industry in Pakistan has been going through a prolonged recessionary period characterized by weak demand, low end-product prices and eroding margins. Factors contributing to this include high cost of doing business, increased financial and commodity market volatility and low domestic cotton yield and quality. The situation has been further exacerbated by the unprecedented global pandemic sweeping the globe which has resulted in large scale loss of life and economic mayhem. Despite large scale interventions by central banks, the financial, currency and commodity markets have seen large scale volatility. As more and more countries enforce lock downs, there has been wide scale demand destruction and the industrial chain has been brought to a halt. The IMF expects the global economy to shrink 3% this year which is the worst decline since the Great Depression of the 1930s.

We expect the textile industry to remain under intense pressure as supply chains are disrupted, stores remain closed and the unemployment numbers rise. Even before the pandemic, the textile industry in Pakistan was already facing many challenges including continued shortfalls in cotton production, high cost of doing business, and high local taxes and surcharges. The Government must step in to save the industry from total closure by adopting an expansionary monetary policy, rapidly reducing interest rates, immediately suspending the sales tax regime, and improving liquidity by releasing long delayed income tax, sales tax and other rebates. Even if all these steps are adopted, the industry will struggle to survive over the near and medium term.

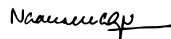
The Company's factories have been closed since the last week of March 2020 and at this time there is no guidance as to when permission will be given to restart and there is very little clarity as to whether the supply and demand disruptions will allow smooth operations anytime soon. The Management will continue to rely on sound, low risk decision making to protect the interests of all stakeholders but expects a very difficult year ahead.

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.



IMRAN MAQBOOL
Chief Executive

April 29, 2020



NADEEM MAQBOOL
Director

کمپنی نظماًء (ڈائریکٹران) کی رپورٹ:

کمپنی کو مالی سال کی تیسری سہ ماہی میں 0.51 ملین روپے کا نقصان ہوا جو کہ پہلی ششماہی کے منافع 87.4 ملین روپے کے ساتھ شامل کرنے کے نتیجے میں 31 مارچ 2020ء کو 9 ماہ کے لئے 86.9 ملین روپے کا منافع ہوا۔ 31 مارچ 2019ء کی مدت کے لئے 7.3 روپے منافع کے مقابلے میں زیر جائزہ مدت کے لئے فی حصص آمدنی 7.0 روپے تھی۔

زیر جائزہ مدت کے لئے مالیت فروخت میں اسی مدت کے مقابلے میں 9.2 فیصد زیادہ تھی، جس کی وجہ اختتامی مصنوعات کی قیمتوں میں بہتری تھی۔ زیر جائزہ مدت میں مجموعی منافع میں اسی مدت میں 8.2 فیصد کے مقابلے میں 8.7 فیصد اضافہ ہوا۔ لاگت کنٹرول کی وجہ سے فروخت، انتظامی اور دیگر اخراجات میں کوئی خاص تبدیلی نہیں ہوئی۔ زیر جائزہ مدت کے لئے آپریٹنگ منافع 5.9 فیصد تھا جس میں 31 مارچ 2019ء کو ختم ہونے والی مدت کے مقابلے میں کوئی تبدیلی نہیں آئی۔ مالیاتی اخراجات 103.3 ملین روپے تھے جو اسی عرصے میں 2.1 فیصد کے مقابلے میں فروخت 2.44 فیصد تھے۔ اس کی وجہ مختصر مدت کے قرضوں میں زیادہ شرح سود، خام مال کی قیمتوں میں اضافہ اور سٹیٹ بینک کی طرف سے سخت مالیاتی پالیسی شامل ہیں۔ مجموعی طور پر پچھلے عرصے میں خالص منافع 2.35 فیصد کے مقابلے میں 2.1 فیصد تھا۔

پاکستان میں ٹیکسٹائل کی صنعت طویل عرصہ سے ابتری کا شکار رہی۔ چیدہ چیدہ محرکات میں ٹیکسٹائل مصنوعات کی طلب میں کمی ہوئی، مصنوعات کی قیمت فروخت میں کمی، صنعت کو متعلقہ فوائد کے حصول میں رکاوٹ، کاروباری اخراجات میں اضافہ، اسکے علاوہ مالیاتی اور مصنوعات کی مارکیٹ میں عدم استحکام میں اضافہ اور کم ملکی کیپاس کی پیداوار اور کوالٹی وغیرہ ہے۔ غیر معمولی عالمی وبائی کی وجہ سے یہ صورتحال مزید بڑھ گئی ہے جس کے نتیجے میں بڑے پیمانے پر جانی و مالی نقصان ہوا ہے۔ مرکزی بینکوں کے ذریعے بڑے پیمانے پر مداخلت کے باوجود، مالیاتی، کرنسی اور اجناس کی منڈیوں میں بڑے پیمانے پر آٹار چڑھاؤ دیکھنے کو ملا ہے۔ چونکہ زیادہ سے زیادہ مالک لاک ڈاؤن کو نافذ کر رہے ہیں جس کی وجہ سے وسیع پیمانے پر مانگ میں کمی ہوئی ہے اور صنعتی سلسلہ رُک گیا ہے۔ آئی ایم ایف کو توقع ہے کہ اس سال عالمی معیشت 3 فیصد سکر جائے گی جو 1930ء کی دہائی کے بڑے افسردگی کے بعد بدترین کی ہے۔

ہم توقع کرتے ہیں کہ ٹیکسٹائل انڈسٹری شدید دباؤ میں رہے گی کیونکہ سپلائی چین بند ہو جائے گی، دکانیں بند رہیں گی اور بے روزگاری کی تعداد میں اضافہ ہوگا۔ وبائی مرض سے پہلے ہی پاکستان میں ٹیکسٹائل کی صنعت کو بہت سارے چیلنجوں کا سامنا تھا جن میں روٹی کی پیداوار میں مسلسل کمی، کاروبار کرنے میں زیادہ لاگت اور اعلیٰ مقامی ٹیکسوں اور سرچارجز شامل ہیں۔ حکومت کو توسیع کی مالیاتی پالیسی اپناتے ہوئے سود کی شرحوں میں تیزی سے کمی، فوری طور پر سٹیلنگس حکومت کو معطل کرنے اور دیر سے انکم ٹیکس، بیلنگس اور دیگر چھوٹ کو جاری کرتے ہوئے صنعت کو مکمل بندش سے بچانے کے لئے قدم اٹھانا چاہیے۔ یہاں تک کہ اگر یہ سارے اقدامات اپنائے جاتے ہیں تو بھی صنعت قریب اور درمیانی مدت تک زندہ رہنے کے لئے جدوجہد کرے گی۔

کمپنی کی فیکٹریاں مارچ 2020ء کے آخری ہفتے سے بند ہیں اور اس وقت اس بارے میں کوئی رہنمائی نہیں ہے کہ دوبارہ کام شروع کرنے کی اجازت کب دی جائے گی اور اس بارے میں بہت کم وضاحت ہے کہ آیا فراہمی اور طلب میں خلل آنے والی رکاوٹوں کو جلد کبھی بھی آسانی سے کام کرنے کی اجازت ہوگی۔ بینجمنٹ تمام اسٹیٹک ہولڈرز کے مفادات کے تحفظ کے لئے مناسب، کم ریسک فیصلے کرنے پر اصرار کرتی رہے گی لیکن اس کی توقع ہے کہ ایک بہت ہی مشکل سال آگے ہے۔

کمپنی کی انتظامیہ عملے کی مسلسل محنت اور جذبے پر اچھے تعلقات کا اعتراف کرتی ہے اور کمپنی ڈائریکٹرز، مینجنگرز اور حصہ داران کا بھی سلسل حمایت پر شکریہ ادا کرتی ہے۔

Naamunaru
ندیم مقبول
ڈائریکٹر

Imra Maso-1

عمران مقبول

چیف ایگزیکٹو

تاریخ: 29 اپریل 2020ء

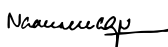
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (UN-AUDITED)

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	Note	Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	1,397,593,374	1,392,445,602
Capital work-in-progress	7	34,464,668	-
		<u>1,432,058,042</u>	<u>1,392,445,602</u>
Investment property		1,733,087,677	1,733,087,677
Long term investments		180,994	376,294
Long term deposits		22,558,778	15,991,378
		<u>3,187,885,491</u>	<u>3,141,900,951</u>
CURRENT ASSETS			
Stores, spares and loose tools	8	74,603,763	68,999,382
Stock in trade	9	796,106,721	651,679,222
Trade debts		1,205,075,159	878,576,549
Loans and advances		40,717,887	11,744,451
Trade deposits and short term prepayments		16,012,129	15,224,278
Other receivables		903,233	2,916,597
Short term investments	10	103,555,359	110,601,113
Tax refunds due from Government	11	60,481,713	133,586,217
Cash and bank balances	12	71,480,341	132,762,450
		<u>2,368,936,305</u>	<u>2,006,090,259</u>
TOTAL ASSETS		<u><u>5,556,821,796</u></u>	<u><u>5,147,991,210</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2019: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 (June 30, 2019: 12,417,876) ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,993,825,768	1,993,825,768
Unrealised gain on investments at fair value through other comprehensive income		38,820,747	50,296,215
		<u>2,032,646,515</u>	<u>2,044,121,983</u>
Revenue reserves			
Unappropriated profit		1,069,121,040	982,179,728
		<u>3,225,946,315</u>	<u>3,150,480,471</u>
NON CURRENT LIABILITIES			
Long term financing	13	166,814,224	224,143,540
Lease liabilities	14	56,715,271	5,876,586
Deferred gain on sale and lease back		74,766	209,349
Deferred taxation		103,269,260	105,063,037
		<u>326,873,521</u>	<u>335,292,512</u>
CURRENT LIABILITIES			
Trade and other payables	15	1,100,935,608	949,901,943
Unclaimed dividend		2,423,578	2,509,359
Mark-up accrued		51,997,966	41,632,158
Short term borrowings	16	708,382,880	543,072,421
Taxation - net		26,099,352	12,119,583
Current portion of long term liabilities		114,162,576	112,982,763
		<u>2,004,001,960</u>	<u>1,662,218,227</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,556,821,796</u></u>	<u><u>5,147,991,210</u></u>
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 28 form an integral part of this condensed interim financial information.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director




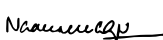
KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Note	Nine months ended		Quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Sales - net		4,218,832,263	3,863,060,470	1,291,826,277	1,312,947,711
Cost of sales	18	(3,852,827,728)	(3,545,530,909)	(1,204,287,629)	(1,227,010,849)
Gross profit		366,004,535	317,529,561	87,538,648	85,936,862
General and administrative expenses		(103,013,256)	(87,498,664)	(34,977,949)	(28,949,209)
Distribution cost		(14,248,491)	(13,682,555)	(4,658,869)	(4,681,558)
Other operating income		31,999,264	25,511,506	9,413,526	9,910,773
Other operating expenses		(30,153,877)	(13,220,982)	(1,613,518)	99,335
		(115,416,360)	(88,890,695)	(31,836,810)	(23,620,659)
Operating profit		250,588,175	228,638,866	55,701,838	62,316,203
Financial charges		(103,292,680)	(82,130,893)	(36,217,011)	(36,706,380)
Share of loss from associate		(195,300)	(72,500)	(30,066)	(7,800)
		(103,487,980)	(82,203,393)	(36,247,077)	(36,714,180)
Profit before taxation		147,100,195	146,435,473	19,454,761	25,602,023
Taxation	19	(60,158,883)	(55,842,368)	(19,965,540)	(18,077,257)
Profit for the period		86,941,312	90,593,105	(510,779)	7,524,766
Earnings per share - basic and diluted	20	7.00	7.30	(0.04)	0.61

The annexed notes from 1 to 28 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Quarterly Report

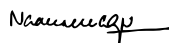
**CONDENSED INTERIM STATEMENT CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Note	March 31, 2020 Rupees	March 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	21	49,359,162	66,450,149
Financial charges paid		(92,926,872)	(71,160,405)
Taxes paid		(47,972,892)	(45,335,089)
Net cash generated from / (used in) operating activities		(91,540,602)	(50,045,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(55,151,468)	(31,017,131)
Proceeds from disposal of operating fixed assets		63,500	8,139,000
Short term investments		-	9,344,861
Long term deposits		(6,567,400)	(777,085)
Net cash (used in) / generated from investing activities		(61,655,368)	(14,310,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(66,260,348)	(62,164,832)
Principal paid on lease liabilities		(7,050,470)	(4,054,349)
Dividend paid		(85,780)	(5,790)
Short term borrowings - net		165,310,459	205,338,540
Net cash (used in) / generated from financing activities		91,913,861	139,113,569
Net increase in cash and cash equivalents		(61,282,109)	74,757,869
Cash and cash equivalents at the beginning of the period		132,762,450	104,475,891
Cash and cash equivalents at the end of the period		71,480,341	179,233,760

The annexed notes from 1 to 28 form an integral part of this condensed interim financial information.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director



KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020**


	Capital Reserves		Revenue Reserves	Total	
	Unrealised gain on investments at fair value through other comprehensive income	Surplus on revaluation of property, plant and equipment	Unappropriated profit		
Balance as at July 1, 2018	124,178,760	81,069,736	1,993,825,768	868,985,305	3,068,059,569
Total comprehensive income for the period					
Profit for the period	-	-	-	90,593,105	90,593,105
Other comprehensive loss					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(13,475,358)	-	-	(13,475,358)
	-	(13,475,358)	-	90,593,105	77,117,747
Balance as at March 31, 2019	<u>124,178,760</u>	<u>67,594,378</u>	<u>1,993,825,768</u>	<u>959,578,410</u>	<u>3,145,177,316</u>
Balance as at July 1, 2019	124,178,760	50,296,215	1,993,825,768	982,179,728	3,150,480,471
Total comprehensive income for the period					
Profit for the period	-	-	-	86,941,312	86,941,312
Other comprehensive loss					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(11,475,468)	-	-	(11,475,468)
	-	(11,475,468)	-	86,941,312	75,465,844
Balance as at March 31, 2020	<u>124,178,760</u>	<u>38,820,747</u>	<u>1,993,825,768</u>	<u>1,069,121,040</u>	<u>3,225,946,315</u>

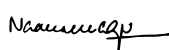
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
Profit for the period	86,941,312	90,593,105	(510,779)	7,524,766
Other comprehensive income				
Items that will be reclassified to statement of profit or loss subsequently				
Unrealised (loss) / gain on revaluation of investments classified as 'fair value through other comprehensive income'	(11,475,468)	(13,475,358)	(105,683)	(17,247,366)
Total comprehensive income for the period	<u>75,465,844</u>	<u>77,117,747</u>	<u>(616,462)</u>	<u>(9,722,600)</u>

The annexed notes from 1 to 28 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (repealed by Companies Act, 2017) as a public limited company. The Company's shares are listed on the Pakistan Stock Exchange. The principal business of the Company is manufacture and sale of yarn.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 104 Shadman 1, Lahore. The Company's manufacturing facilities are located at Plot No. B/123, Road No. D-7, Industrial Area, Nooriabad, District Dadu, in the Province of Sindh and at 17-KM, Faisalabad Road, Bhikki, District Sheikhupura in the Province of Punjab.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

This condensed interim financial information of the Company for the Nine months ended March 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by Institute of Chartered Accountants of Pakistan; and

Where the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2019, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2019, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial information for the nine months ended March 31, 2019.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain investments, certain items of property, plant and equipment and investment property, which are carried at fair value.

This condensed interim financial information is prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019, except as disclosed in note 4.1 to this condensed financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on or after January 1, 2019. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information, except as disclosed in note 4.1.

- 4.1 IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The Company applied IFRS 16 with a date of initial application of July 01, 2019.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is twelve months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have significant impact of IFRS 16 due to short term lease contracts. However, the previously classified leased assets are now classified as right-of-use assets as per IFRS 16 in these condensed interim financial information.

5 ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2019.

	Note	March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
6 OPERATING FIXED ASSETS			
Fixed assets	6.1	1,306,858,474	1,380,745,602
Right-of-use assets	6.2	90,734,900	11,700,000
		<u>1,397,593,374</u>	<u>1,392,445,602</u>
6.1 Fixed assets			
Opening net book value (NBV)		1,380,745,602	1,386,074,246
Transfer (at cost) from capital work in progress during the period / year		-	27,221,118
Transfer (at NBV) from right-of-use assets during the period / year		-	1,221,120
Additions (at cost) during the period / year	6.1.1	3,644,800	76,263,682
		<u>1,384,390,402</u>	<u>1,490,780,166</u>
Disposals (at NBV) during the period / year	6.1.2	32,286	4,912,924
Depreciation charged during the period / year		77,499,642	105,121,640
		<u>77,531,928</u>	<u>110,034,564</u>
Closing net book value (NBV)		<u>1,306,858,474</u>	<u>1,380,745,602</u>
6.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Plant and machinery		3,400,000	55,390,582
Vehicles		244,800	20,873,100
		<u>3,644,800</u>	<u>76,263,682</u>
6.1.2 Details of disposals (at NBV) during the period / year are as follows:			
Owned			
Vehicles		32,286	4,912,924
		<u>32,286</u>	<u>4,912,924</u>
6.2 Right-of-use assets			
Opening net book value (NBV)		11,700,000	15,846,120
Transfer (at NBV) to fixed assets during the period / year		-	(1,221,120)
Additions (at cost) during the period / year		85,042,000	-
Depreciation charged during the period / year		(6,007,100)	(2,925,000)
		<u>90,734,900</u>	<u>11,700,000</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

		March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
7 CAPITAL WORK-IN-PROGRESS			
Building		34,464,668	-
7.1 Movement of carrying amount is as follows:			
Opening balance		-	13,697,687
Additions (at cost) during the period / year		34,464,668	13,523,431
		34,464,668	27,221,118
Transfer to operating fixed assets during the period / year		-	(27,221,118)
Closing balance		34,464,668	-
8 STORES, SPARES AND LOOSE TOOLS			
Stores		73,381,047	50,964,686
Spares		8,284,655	24,175,877
Loose tools		66,133	43,702
		81,731,835	75,184,265
Less: Provision for slow moving items	8.1	(7,128,072)	(6,184,883)
		74,603,763	68,999,382
8.1 Provision for slow moving items			
Balance at the beginning of the period / year		6,184,883	4,396,861
Provision recognised during period / year		943,189	1,788,022
Balance at the end of the period / year		7,128,072	6,184,883
9 STOCK IN TRADE			
Raw material in hand		623,363,200	537,034,562
Work-in-process		91,094,053	83,313,557
Finished goods		81,649,468	31,331,103
		796,106,721	651,679,222
10 SHORT TERM INVESTMENTS			
At fair value through profit or loss	10.1	32,654,348	28,224,634
At fair value through other comprehensive income	10.2	69,701,011	81,176,479
At amortised cost	10.3	1,200,000	1,200,000
		103,555,359	110,601,113
10.1 Fair value through profit or loss - units of mutual fund			
Cost		28,224,634	33,741,891
Gain / (loss) on revaluation of investments		4,429,714	(5,517,257)
		32,654,348	28,224,634
10.2 Fair value through other comprehensive income			
Cost		43,529,179	43,529,179
Revaluation surplus			
Opening balance		50,296,215	81,069,736
Deficit for the period / year		(11,475,468)	(30,773,521)
Closing balance		38,820,747	50,296,215
Impairment loss		(12,648,915)	(12,648,915)
		69,701,011	81,176,479
10.3 Amortised cost			
Term deposit certificates	10.3.1	1,200,000	1,200,000
10.3.1 These term deposit certificates carry mark-up at rates ranging from 4.75% to 7.05% per annum (June 30, 2019: 4.75% to 7.05% per annum).			
11 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		37,371,217	110,475,721
Income tax refundable		23,110,496	23,110,496
		60,481,713	133,586,217
12 CASH AND BANK BALANCES			
Cash in hand		661,285	210,205
Cash with banks			
In current accounts		37,706,351	44,530,673
In savings accounts	12.1	33,112,705	88,021,572
		70,819,056	132,552,245
		71,480,341	132,762,450
12.1 The balance in savings accounts carry mark-up at the rates ranging from 4.5% to 10.25% per annum (June 30, 2019: 4.5% to 10.25% per annum).			
13 LONG TERM FINANCING			
From banking companies - secured			
Term finance 1	13.1	81,833,199	109,110,932
Term finance 2	13.2	-	5,757,111
Term finance 3	13.3	3,659,700	10,979,100
Term finance 4	13.4	19,786,336	26,381,780

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

		March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
Term finance 5	13.5	15,666,668	26,111,112
Term finance 6	13.6	30,949,000	33,160,000
Term finance 7	13.7	20,011,000	23,346,000
Term finance 8	13.8	15,365,778	17,560,889
Term finance 9	13.9	48,000,000	48,000,000
Term finance 10	13.10	27,000,000	27,000,000
		<u>262,271,681</u>	<u>327,406,924</u>
From musharka companies			
Term finance 11	13.11	1,700,302	1,943,200
Term finance 12	13.12	670,660	958,093
Term finance 13	13.13	1,652,152	2,246,926
		<u>4,023,114</u>	<u>5,148,219</u>
		266,294,795	332,555,143
Less: Current portion shown under current liabilities		<u>(99,480,571)</u>	<u>(108,411,603)</u>
		<u>166,814,224</u>	<u>224,143,540</u>

- 13.1 This facility has been obtained from United Bank Limited for extension of Textile Unit 1 located at Nooriabad. The rate of mark-up is 6 months KIBOR + 2.25% per annum (June 30, 2019: 6 months KIBOR + 2.25% per annum) and is payable semi-annually over a period of 6 years, after a grace period of 18 months, with installments starting from May, 2017. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million. The sanctioned limit of the facility is Rs. 300 million (June 30, 2019: Rs. 300 million).
- 13.2 This facility was obtained from MCB Bank Limited for expansion of Textile Unit 2 located at Bikhi. The rate of mark-up was 6 months KIBOR + 2.5% per annum (June 30, 2019: 6 months KIBOR + 2.5% per annum) and was payable semi-annually over a period of 4.5 years, after a grace period of 18 months. This finance facility was secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility was Rs. 51.814 million (June 30, 2019: Rs. 51.814 million). This finance facility has been fully repaid in October, 2019.
- 13.3 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 9% per annum (June 30, 2019: 9% per annum), as per State Bank of Pakistan LTF scheme, and is payable semi-annually over a period of 6 years, after a grace period of 18 months, with installments starting from July, 2016. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 32.937 million (June 30, 2019: Rs. 32.937 million).
- 13.4 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 2.5% per annum (June 30, 2019: 6 months KIBOR + 2.5% per annum) and is payable semi-annually over a period of 6 years, after a grace period of 18 months, with installments starting from July, 2017. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 59.359 million (June 30, 2019: Rs. 59.359 million).
- 13.5 This facility has been obtained from United Bank Limited to import plant and machinery. The rate of mark-up is 4.50% per annum (June 30, 2019: 4.50% per annum), as per State Bank of Pakistan LTF scheme, and is payable semi-annually over a period of 4.5 years, after a grace period of 18 months, with installments starting from August, 2017. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million (June 30, 2019: Rs. 400 million).
- 13.6 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% per annum (June 30, 2019: 3.25% per annum), as per State Bank of Pakistan LTF scheme, and is payable semi-annually over a period of 10 years, after a grace period of 18 months, with installments starting from November, 2018. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 41 million (June 30, 2019: Rs. 41 million).
- 13.7 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% per annum (June 30, 2019: 3.25% per annum), as per State Bank of Pakistan LTF scheme, and is payable semi-annually over a period of 6 years, after a grace period of 18 months, with installments starting from October, 2018. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 32 million (June 30, 2019: Rs. 32 million).
- 13.8 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 3.25% per annum (June 30, 2019: 3.25% per annum), as per State Bank of Pakistan LTF scheme, and is payable semi-annually over a period of 6 years after a grace period of 18 months, with installments starting from August, 2017. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 20 million (June 30, 2019: Rs. 20 million).
- 13.9 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 1 located at Nooriabad. The rate of mark-up is 6 months KIBOR + 1.25% per annum (June 30, 2019: KIBOR + 1.25% per annum) and is payable semi-annually over a period of 6 years, after a grace period of 18 months. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 48 million (June 30, 2019: Rs. 48 million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

- 13.10 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 1.25% per annum (June 30, 2019: 6 months KIBOR + 1.25% per annum) and is payable semi-annually over a period of 6 years, after a grace period of 18 months. This finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 27 million (June 30, 2019: Rs. 27 million).
- 13.11 This facility has been obtained from Orix Modaraba for purchases of vehicle for uses of employees of Crescent Fibres Limited. The rate of mark-up is 6 months KIBOR + 2.5% per annum (June 30, 2019: 6 months KIBOR + 2.5% per annum) and is payable monthly over a period of 2 years, after a grace period of 12 months, with installments starting from January, 2020. This finance facility is secured against personal guarantees of Directors upto Rs. 15 million. The sanctioned limit of the facility is Rs. 1.943 million (June 30, 2019: Rs. 1.943 million).
- 13.12 This facility has been obtained from Orix Modaraba for purchases of vehicle for uses of employees of Crescent Fibres Limited. The rate of mark-up is 6 months KIBOR + 2.5% per annum (June 30, 2019: 6 months KIBOR + 2.5% per annum) and is payable monthly over a period of 2.5 years, after a grace period of 6 months, with installments starting from January, 2019. This finance facility is secured against personal guarantees of Directors upto Rs. 15 million. The sanctioned limit of the facility is Rs. 1.150 million (June 30, 2019: Rs. 1.150 million).
- 13.13 This facility has been obtained from Orix Modaraba for purchases of vehicle for uses of employees of Crescent Fibres Limited. The rate of mark-up is 6 months KIBOR + 2.5% per annum (June 30, 2019: 6 months KIBOR + 2.5% per annum) and is payable monthly over a period of 3 years, with installments starting from May, 2019. This finance facility is secured against personal guarantees of Directors upto Rs. 15 million. The sanctioned limit of the facility is Rs. 2.379 million (June 30, 2019: Rs. 2.379 million).

	Note	March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
14 LEASE LIABILITIES			
Lease liabilities		71,397,276	10,447,746
Less: Current portion		(14,682,005)	(4,571,160)
		<u>56,715,271</u>	<u>5,876,586</u>
Maturity analysis-contractual discounted cashflow:			
Less than one year		14,682,005	4,571,160
One to five years		56,715,271	5,876,586
Total discounted lease liability		<u>71,397,276</u>	<u>10,447,746</u>

- 14.1 When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 8.93% to 16.9% per annum (June 30, 2019: 8.93% to 15% per annum).

15 TRADE AND OTHER PAYABLES

Creditors	15.1	342,319,665	264,298,511
Accrued liabilities	15.2	699,136,626	646,431,497
Advance from customers		-	9,471,921
Payable to Provident Fund		5,213,249	2,086,902
Workers' Profit Participation Fund		13,825,912	8,736,729
Due to Chief Executive and Directors	15.3	23,716,548	10,932,882
Withholding tax payable		5,089,053	192,341
Workers' Welfare Fund		9,063,596	5,999,420
Other liabilities		2,570,959	1,751,740
		<u>1,100,935,608</u>	<u>949,901,943</u>

- 15.1 This includes balance amounting to Rs. 11.914 million (June 30, 2019: Rs. 12.888 million) due to an associated company.

- 15.2 This includes an amount of Rs. 409.034 million (June 30, 2019: Rs. 403.490 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. The Company has filed an appeal in the Honorable High Court of Sindh. The Honorable High Court of Sindh declared the GIDC Act, 2015 as null and void through its judgement dated October 26, 2016. Subsequently, based on an appeal filed by the Government, the Honorable High Court of Sindh suspended the aforesaid judgement till the disposal of appeal. The matter is pending for hearing of appeal. However, the Company has recorded a provision in the financial statements against GIDC as a liability.

The Company has recorded a provision amounting to Rs. 35.548 million for late payment surcharge in respect of GIDC till June 30, 2019. However, no further provision, amounting to Rs. 8.231 million, has been made during the period as the management believes that the Company is not liable to pay late payment surcharges related to GIDC.

- 15.3 This represents an interest free loan which is repayable on demand.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

		March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
16 SHORT TERM BORROWINGS	Note		
From banking companies - secured			
Running / cash finance	16.1	696,382,880	531,072,421
Bill discounting	16.2	<u>12,000,000</u>	<u>12,000,000</u>
		<u>708,382,880</u>	<u>543,072,421</u>

16.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs. 1,030 million (June 30, 2019: Rs. 1,030 million). The rate of mark-up on these finance facilities ranges between 1 month and 3 months KIBOR plus 1.25% to 2.00% per annum (June 30, 2019: 1 month and 3 months KIBOR plus 1.25% to 2.50% per annum) and was payable quarterly.

The Company has a facility for opening letters of credit amounting to Rs. 700 million (June 30, 2019: Rs. 200 million) from a commercial bank. The unutilized balance at the end of the period was Rs. 274.797 million (June 30, 2019: Rs. 151.653 million).

These financing facilities are secured by way of pledge and floating charge over the current assets, personal guarantee of Directors and lien on import documents.

16.2 In prior years, the management of the Company had determined that the liabilities relating to short term borrowings and mark-up accrued thereon amounting to Rs. 12 million and Rs. 20.385 million up to June 30, 2012, respectively, were payable to a financial institution (now Samba Bank Limited). No provision for mark-up had been recorded on this balance since June 30, 2012. The Company had received a nil balance certificate from the Bank and no claim had been received in respect of the amount outstanding from this financial institution or third party. Management considers it necessary to retain the balance outstanding in the books as no settlement has taken place. The facility was subject to discounting charges at the rate of 8.00% (June 30, 2019: 8.00%) per annum and is secured against personal guarantee of Directors and demand promissory note.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

- There is a contingent liability in respect of bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 90.801 million (June 30, 2019 : Rs. 78.381 million).
- Crescent Cotton Mills Limited has filed a case against Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has recorded a liability of Rs. 17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company, management is confident that the balance amount shall not be payable.
- Finance Act, 2017 introduced a new section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed profit, according to which, for tax year 2017 and onward, a tax shall be imposed at the rate of 7.5% of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.

Further, Finance Act, 2018 amended the section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed profit, according to which, for tax year 2018 and onward, a tax shall be imposed at the rate of 5% of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that drives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year through cash.

Further, Finance Act, 2019 amended the section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed profit, according to which, for tax year 2017, 2018 and 2019, a tax shall be imposed at the rate of 5% of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that drives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year through cash.

The Company reported profit after tax for tax year 2017, 2018 and 2019, where the requisite dividend has not been distributed by the period end. However, the Company has filed a Constitutional Petition No. D-8409 against Finance Act, 2017 Section 5A with Honourable High Court of Sindh. On September 05, 2017, the Honourable High Court of Sindh granted stay to all petitioners including the Company in respect of this matter by virtue of which Tax Authorities have been restrained from taking any coercive actions against the Company in respect of section 5A of the Income Tax Ordinance, 2001. Accordingly, the Company has not recorded any provision against the said tax.

17.2 Commitments

The Company is committed as at the reporting date as follows:

- The Company is committed as at the reporting date in respect of letters of credit against import of store and spares and raw material amounting to Rs. 274.797 million (June 30, 2019: Rs. 48.347 million).
- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

			March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
Not later than one year			148,712	545,379
Later than one year and not later than five years			-	37,178
			<u>148,712</u>	<u>582,557</u>
18 COST OF SALES				
	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)			
	----- Rupees -----			
Materials consumed	2,735,970,775	2,593,322,205	863,819,809	872,256,261
Stores, spares and loose tools consumed	75,166,571	63,585,258	28,374,858	26,536,486
Packing material consumed	49,628,315	47,905,726	16,186,381	15,801,365
Salaries, wages and other benefits	324,405,972	298,715,298	106,827,645	106,354,297
Fuel and power	478,212,622	408,228,154	157,831,237	135,417,103
Insurance	9,425,698	8,109,708	3,000,000	2,500,000
Repairs and maintenance	5,607,431	3,657,146	2,529,877	1,612,290
Depreciation	76,098,662	72,999,983	26,103,237	24,635,785
Provision for slow moving stores, spares and loose tools	943,189	-	-	-
Other manufacturing overheads	21,645,410	18,090,432	5,749,073	5,727,613
	<u>3,777,104,645</u>	<u>3,514,613,910</u>	<u>1,210,422,117</u>	<u>1,190,841,200</u>
Opening work in process	83,313,557	73,417,725	96,757,723	93,949,473
Closing work in process	(91,094,053)	(87,692,954)	(91,094,053)	(87,692,954)
	<u>(7,780,496)</u>	<u>(14,275,229)</u>	<u>5,663,670</u>	<u>6,256,519</u>
Cost of goods manufactured	3,769,324,149	3,500,338,681	1,216,085,787	1,197,097,719
Cost of goods purchased for trading	133,821,944	72,899,904	-	13,812,893
Opening stock of finished goods	31,331,103	59,344,315	69,851,310	103,152,228
Closing stock of finished goods	(81,649,468)	(87,051,991)	(81,649,468)	(87,051,991)
	<u>(50,318,365)</u>	<u>(27,707,676)</u>	<u>(11,798,158)</u>	<u>16,100,237</u>
	<u>3,852,827,728</u>	<u>3,545,530,909</u>	<u>1,204,287,629</u>	<u>1,227,010,849</u>
			Nine months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)			
	----- Rupees -----			
19 TAXATION				
Current			61,952,661	40,177,473
Prior			-	7,340,755
Deferred			61,952,661	47,518,228
			<u>(1,793,778)</u>	<u>(9,753,117)</u>
			<u>60,158,883</u>	<u>37,765,111</u>
20 EARNINGS PER SHARE - BASIC AND DILUTED				
	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)			
	----- Rupees -----			
Profit for the period (Rupees)	86,941,312	90,593,105	(510,779)	7,524,766
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	7.00	7.30	(0.04)	0.61
			Nine months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)			
	----- Rupees -----			
21 CASH GENERATED FROM OPERATIONS				
Profit before taxation			147,100,195	146,435,473
Adjustment for non-cash charges and other items:				
Depreciation			83,506,742	80,341,304
Gain on disposal of operating fixed assets			(31,214)	(3,530,440)
Gain on sale and lease back			(134,583)	(134,585)
Gain on sale of investments			-	(250,051)
Unrealised (gain) / loss on revaluation of investments classified as 'fair value through profit or loss'			(4,429,714)	1,843,084
Share of loss from associate			195,300	72,500
Financial charges			103,292,680	82,130,893
Allowance for expected credit loss			18,342,240	-
Provision for slow moving items			943,189	-
			<u>201,684,640</u>	<u>160,472,705</u>
Profit before working capital changes			348,784,835	306,908,178
Working capital changes	21.1		(299,425,673)	(240,458,029)
			<u>49,359,162</u>	<u>66,450,149</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months ended	
	March 31, 2020 (Un-audited) Rupees	March 31, 2019 (Un-audited) Rupees
21.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(6,547,570)	(9,583,293)
Stock in trade	(144,427,499)	(256,172,829)
Trade debts	(344,840,850)	(140,119,798)
Loans and advances	(28,973,436)	(81,385,849)
Trade deposits and short term prepayments	(787,851)	353,689
Other receivables	2,013,364	(557,431)
Tax refunds due from the Government	73,104,504	(6,696,506)
	(450,459,338)	(494,162,017)
Increase in current liabilities		
Trade and other payables	151,033,665	253,703,988
	(299,425,673)	(240,458,029)

22 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the company	Nature of transaction	Name of the related party	Nine months ended		Quarter ended	
			March 31, 2020	March 31, 2019 (Un-audited) Rupees	March 31, 2020	March 31, 2019
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	63,100,600	90,138,450	19,920,300	24,924,350
	Insurance premium	Premier Insurance Limited	19,980,939	9,887,568	389,590	36,300
	Donation paid	Maqbool Trust	180,000	90,000	90,000	30,000
	Rent received	Amil Exports (Private) Limited	483,210	439,137	161,070	146,379
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	11,930,905	10,825,743	154,212	3,141,470
Director	Rent paid	Mr. Imran Maqbool	630,000	540,000	225,000	180,000
	Rent paid	Mr. Humayun Maqbool	630,000	540,000	225,000	180,000
Others	Rent paid	Ms. Khawar Maqbool	1,935,000	1,935,000	645,000	645,000
Chief executive	Loan received	Mr. Imran Maqbool	5,170,000	-	-	-
Others	Loan received	Ms. Khawar Maqbool	7,560,000	-	-	-
Chief executive	Remuneration and benefits	Mr. Imran Maqbool	7,272,828	6,626,627	2,424,276	2,208,876
Director	Remuneration and benefits	Mr. Humayun Maqbool	7,199,684	6,589,050	2,389,895	2,196,349
Key management personnel	Remuneration and benefits	Key management personnel	13,530,988	10,099,825	4,510,329	3,516,267
				March 31, 2020 (Un-audited) Rupees		June 30, 2019 (Audited) Rupees

22.1 Period / year end balances

Receivable from associated company - Suraj Cotton Mills Limited	9,214,970	51,531
Payable to associated company - Premier Insurance Limited	11,914,682	12,888,879
Payable to provident fund	5,213,249	2,086,902
Due to Chief Executive and Directors	23,716,548	10,932,882

22.2 There are no transactions with key management personnel other than under their terms of employment.

22.3 The above transactions with related parties are based at arm's length at normal commercial rates.

23 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values. Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

As at March 31, 2020, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Rupees				
At fair value through profit or loss				
Short term investments	32,654,348	-	-	32,654,348
At fair value through other comprehensive income				
Short term investments	69,641,261	-	59,750	69,701,011

As at June 30, 2019, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Rupees				
At fair value through profit or loss				
Short term investments	28,224,634	-	-	28,224,634
At fair value through other comprehensive income				
Short term investments	81,116,729	-	59,750	81,176,479

Valuation techniques

For Level 3 fair value through other comprehensive income investments, the Company values the investment at lower of carrying value and breakup value.

Transfers between the levels of fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

24 FAIR VALUE MEASUREMENT - NON FINANCIAL ASSET

Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of freehold land is based on the valuation carried out by independent valuer M/s. Evaluation Focused Consulting, M/s. Sardar Enterprises and M/s. MYK Associates (Private) Limited on the basis of market value. Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

Fair value measurement of investment property is based on the valuation carried out by independent valuer M/s. Evaluation Focused Consulting on the basis of market value. Fair value measurement of revalued premises is based on assumptions considered to be level 2 inputs.

Valuation techniques used to derive level 2 fair values

Fair value of freehold land and investment property was derived using sale comparison approach, standard appraisal procedures and physical site inspection. Sale prices of comparable land in close proximity is adjusted for differences in key attributes, such as location and size of the land. The most significant input in this valuation approach is price / rate per kanal / acre in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

25 NUMBER OF EMPLOYEES

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
a) Number of employees as at	1040	1047
Average number of employees	1032	1037
b) Number of factory employees as at	972	978
Average number of factory employees during the period	966	975

26 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29,2020 by the Board of Directors of the Company.

27 CORRESPONDING FIGURES

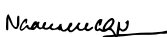
Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

28 GENERAL

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



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director



KAMRAN RASHEED
Chief Financial Officer



**Crescent
Fibres**

CRESCENT FIBRES LIMITED

104 Shadman 1, Lahore 54000
Tel: +92 (42) 35960871 - 4 Lines
Fax: +92 (42) 35960004
Email: fo@crescentfibres.com
Website: www.crescentfibres.com