



**Crescent
Fibres**



**Quarterly Report
September 30, 2024**



COMPANY INFORMATION

Board of Directors	Imran Maqbool	(Chief Executive Officer, Executive Director)
	Humayun Maqbool	(Executive Director)
	Naila Humayun Maqbool	(Chairperson, Non-Executive Director)
	Hanya Maqbool	(Non-Executive Director)
	Mansoor Raiz	(Non-Executive Director)
	Syed Rizwan Husain	(Independent, Non-Executive Director)
	Sheikh Muhammad Ali Asif	(Independent, Non-Executive Director)

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

Audit Committee

Sheikh Muhammad Ali Asif	(Chairman)
Naila Humayun Maqbool	(Member)
Hanya Maqbool	(Member)

Human Resources & Remuneration Committee

Syed Rizwan Husain	(Chairman)
Naila Humayun Maqbool	(Member)
Hanya 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.
Tel: (042) 35916714, 35916719, 35839182
Email: shares@corplink.com.pk

Registered Office 104 Shadman 1, Lahore - 54000
Tel : (042) 35960871-4 Lines

Head Office 7th Floor, Lakson Square Building No. 3,
Sarwar Shaheed Road, Karachi
Tel : (021) 35682073-74

Project Locations

Unit No. 1 Plot No. B/123, Road No. D-7, Industrial Area Nooriabad, District Dadu Sindh

Unit No. 2 17-Km, Faisalabad Road, Bhikhi, District Sheikhpura, Punjab

E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

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DIRECTORS' REPORT

The Company reported after tax loss of Rs. 96.5 million for the quarter ended September 30, 2024 as compared to a loss of Rs. 31.1 million for the three months ended September 30, 2023. The earnings per share for the period under review was negative Rs. 7.77 as compared to negative Rs. 2.51 in the previous quarter.

Overall, sales decreased by 21.6% as compared to the quarter ended September 2023. This is primarily attributable to low demand which forced the company to curtail production. The gross margin for the period was 1.3% as compared to 2.9% in the previous period. Distribution and administrative expenses at 3.4% were higher as compared to 2.4% in the previous period primarily attributable to the general inflationary trend and lower capacity utilization and sales. The operating margin in the period under review was negative 1.1% as compared to 2.3% for the quarter ended September 30, 2023. The financial charges were higher at 4.2% as compared to 3.4% for the corresponding period due to the increase in interest rates and lower cash flows and negative margins. Overall, the net margin for the quarter was -6.2% as compared to -1.6% for the previous quarter.

The last couple of years have been very challenging for the textile industry caused by a weakening global economy, rising interest rates and inflation and overall commodity and financial market volatility which led to severe demand destruction and pressure on margins. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades. A strong and stable recovery is crucial to the textile industry viability. Imprudent economic policies combined with recent global events have made Pakistan's economy particularly fragile. Without meaningful reforms that boost economic competitiveness, direct investment toward productive sectors that promote exports and a sustained effort to end the regulatory quagmire, Pakistan's economic recovery will continue to falter.

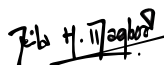
Other than global and domestic economic issues, the textile industry faces other challenges including high cost of doing business, increased financial, exchange rate and commodity market volatility, low domestic cotton yield and quality. The Government had promised supply of energy at regionally competitive rates, but this has been abandoned and energy rates have been increased. Without a regionally competitive energy tariff Pakistan textile exports will continue to suffer. In addition, the Government must adopt a prudent monetary policy, immediately suspend the sales tax regime, which is making domestic products uncompetitive versus imports, and improve liquidity by releasing long delayed income tax and other rebates.

In light of the global economic scenario and Pakistan's own challenges, we expect the next year to be a difficult one for the textile industry. Cognizant of the negative outlook, the Management will continue to rely on sound, low risk decision making to protect the interests of the shareholders.

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 Officer
October 29, 2024



NAILA HUMAYUN MAQBOOL
Director

کمپنی نظمہاء (ڈائریکٹران) کی رپورٹ:

کمپنی کو 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے دوران ٹیکس ادائیگی کے بعد 96.5 ملین روپے کا خسارہ ہوا جس کے مقابلے میں 30 ستمبر 2023 کو ختم ہونے والے تین ماہ کے دوران اسے 31.1 ملین روپے کا خسارہ ہوا تھا۔ زیر جائزہ مدت کے لئے فی حصص آمدنی منفی 7.77 روپے رہی جو کہ پچھلی سہ ماہی میں منفی 2.51 روپے تھی۔

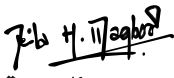
مجموعی طور پر، ستمبر 2023 کو ختم ہونے والی سہ ماہی کے مقابلے میں فروخت میں 21.6 فیصد کمی واقع ہوئی ہے۔ یہ بنیادی طور پر کم مانگ کی وجہ سے ہے جس نے کمپنی کو پیداوار میں کمی کرنے پر مجبور کیا۔ اس مدت کے لئے مجموعی منافع گزشتہ مدت کے 2.9 فیصد کے مقابلے میں 1.3 فیصد تھا۔ تقسیم اور انتظامی اخراجات گزشتہ مدت کے 2.4 فیصد کے مقابلے میں 3.4 فیصد زیادہ تھے جس کی بنیادی وجہ عام افراط زر کا رجحان اور صلاحیت کے استعمال اور فروخت میں کمی سے منسوب ہیں۔ 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے 2.3 فیصد کے مقابلے میں زیر جائزہ مدت میں پربیننگ منافع منفی 1.1 فیصد رہا۔ شرح سود میں اضافے اور کم نقد بہاؤ اور منفی منافع کی وجہ سے مالیات اخراجات اسی مدت کے 3.4 فیصد کے مقابلے میں 4.2 فیصد زیادہ تھے۔ مجموعی طور پر، سہ ماہی کے لئے خالص منافع منفی 6.2 فیصد رہا جبکہ پچھلی سہ ماہی میں یہ منفی 1.6 فیصد تھا۔


گزشتہ چند سال ٹیکسٹائل کی صنعت کے لئے بہت مشکل رہے ہیں جس کی وجہ کمزور ہوتی عالمی معیشت، بڑھتی ہوئی شرح سود اور مہنگائی اور مجموعی اجناس اور مالیاتی منڈی میں اتار چڑھاؤ ہے جس کی وجہ سے مانگ میں شدید کمی اور منافع پر دباؤ پڑا ہے۔ آج سے پانچ سال بعد عالمی ترقی کی پیشن گوئی 3.1 فیصد ہے جو کہی دہائیوں میں سب سے کم ہے۔ ایک مضبوط اور مستحکم بحالی ٹیکسٹائل انڈسٹری کی افادیت کے لئے بہت ضروری ہے۔ حالیہ عالمی واقعات کے ساتھ مل کر غلط معاشی پالیسیوں نے پاکستان کی معیشت کو خاصا کمزور کر دیا ہے۔ معاشی مسابقت کو فروغ دینے والی باہمی اصلاحات، برآمدات کو فروغ دینے والے پیداواری شعبوں میں براہ راست سرمایہ کاری اور ریگولیٹری دلدل کو ختم کرنے کی مسلسل کوششوں کے بغیر، پاکستان کی معاشی بحالی ناکام ہوتی رہے گی۔

عالمی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل کی صنعت کو دیگر چیلنجز کا بھی سامنا ہے جن میں کاروبار کرنے کی زیادہ لاگت، مالیاتی اضافہ، شرح مبادلہ کے نرخ اور اجناس کی منڈی میں اتار چڑھاؤ، کم گھر بیلو کپاس کی پیداوار اور ارمعیار شامل ہیں۔ حکومت نے علاقائی سطح پر مسابقتی نرخوں پر توانائی کی فراہمی کا وعدہ کیا تھا لیکن اسے ترک کر دیا گیا ہے اور توانائی کے نرخوں میں اضافہ کر دیا گیا ہے۔ علاقائی سطح پر مسابقتی توانائی کے ٹیرف کے بغیر پاکستان ٹیکسٹائل کی برآمدات کو مشکلات پیش رہیں گی۔ اس کے علاوہ، حکومت کو ایک دانشمندانہ مالیاتی پالیسی اپنانی چاہیے، سیکرٹیکس کے نظام کو فوری پر معطل کرنا چاہیے، جو ملکی مصنوعات کو درآمدات کے مقابلے میں غیر مسابقتی بنا رہی ہے اور طویل تاخیر سے ہونے والے انکم ٹیکس اور دیگر چھوٹ کو جاری کر کے لیویڈری کو بہتر بنائے۔

عالمی معاشی منظر نامے اور پاکستان کے اپنے چیلنجز کی روشنی میں، ہم توقع کرتے ہیں کہ اگلا سال ٹیکسٹائل انڈسٹری کے لئے بہت مشکل ہوگا۔ منفی نقطہ نظر کی روشنی میں، انتظامیہ شیئر ہولڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر اصرار کرتی رہے گی۔

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


ناظمہ ہمایوں مقبول
ڈائریکٹر


عمران مقبول
چیف ایگزیکٹو آفیسر
کراچی: 29 اکتوبر 2024ء

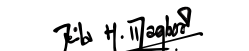
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

		September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	1,759,290,376	1,790,325,959
Capital work-in-progress		4,882,454	4,882,454
		<u>1,764,172,830</u>	<u>1,795,208,413</u>
Intangible asset	7	5,703,690	6,249,052
Investment in associate	8	-	-
Long term investments	9	56,352,191	69,736,881
Long term deposits		36,039,313	34,539,313
		<u>1,862,268,024</u>	<u>1,905,733,659</u>
CURRENT ASSETS			
Stores, spares and loose tools	10	91,889,981	101,050,262
Stock in trade	11	683,257,977	698,249,075
Trade debts	12	1,391,184,379	1,167,185,282
Loans and advances		1,447,581	22,833,082
Trade deposits and short term prepayments		41,848,075	9,947,363
Other receivables		5,558,314	1,848,727
Short term investments	13	26,499,431	26,499,431
Tax refunds due from Government		172,884,232	177,433,540
Taxation - net		112,920,472	91,803,445
Cash and bank balances	14	166,844,848	62,513,872
		<u>2,694,335,290</u>	<u>2,359,364,079</u>
Assets classified as held for sale	15	2,538,897,200	2,538,897,200
		<u>7,095,500,514</u>	<u>6,803,994,938</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2024: 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, 2024: 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		1,996,280,568	1,996,280,568
Unrealised gain on investments at fair value through other comprehensive income		20,813,572	34,198,262
		<u>2,017,094,140</u>	<u>2,030,478,830</u>
Revenue reserves			
Unappropriated profit		1,702,236,225	1,798,754,388
		<u>3,843,509,125</u>	<u>3,953,411,978</u>
NON CURRENT LIABILITIES			
Long term financing	16	248,563,172	235,448,925
Lease liabilities	17	131,813,129	135,668,777
Deferred capital grant	18	99,393,433	99,393,433
Deferred taxation		45,118,520	49,261,102
		<u>524,888,254</u>	<u>519,772,237</u>
CURRENT LIABILITIES			
Trade and other payables	19	1,872,523,717	1,647,856,424
Unclaimed dividend		3,038,460	3,038,460
Interest and mark-up accrued		63,678,310	71,209,814
Short term borrowings	20	655,708,584	486,237,000
Current portion of long term liabilities	16	83,682,375	74,094,110
Current portion of lease liabilities	17	29,583,045	29,486,271
Current portion of deferred government grant	18	18,888,644	18,888,644
		<u>2,727,103,135</u>	<u>2,330,810,723</u>
		<u>7,095,500,514</u>	<u>6,803,994,938</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer


NAILA HUMAYUN MAQBOOL
Director

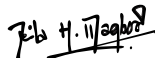

KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Note	Quarter ended	
		September 30, 2024 Rupees	September 30, 2023 Rupees
Sales - net		1,548,041,056	1,975,406,469
Cost of sales	22	(1,528,095,673)	(1,918,298,528)
Gross profit		19,945,383	57,107,941
General and administrative expenses		(48,758,324)	(44,348,149)
Distribution cost		(5,065,085)	(5,549,841)
Other operating income		17,917,032	38,487,733
Other operating expenses		(352,127)	(325,000)
		(36,258,504)	(11,735,257)
Operating (loss) / profit		(16,313,121)	45,372,684
Financial charges		(64,681,586)	(67,717,152)
(Loss) / profit before taxation and minimum tax differential		(80,994,707)	(22,344,468)
Minimum tax differential		(19,666,038)	-
(Loss) / profit before taxation		(100,660,745)	(22,344,468)
Taxation	24	4,142,582	(8,763,201)
(Loss) / profit for the period		(96,518,163)	(31,107,669)
(Loss) / Earnings per share - basic and diluted	25	(7.77)	(2.51)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NAILA HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Quarterly Report

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Note	September 30, 2024 Rupees	September 30, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	26	11,543,067	155,794,424
Financial charges paid		(67,810,286)	(75,869,718)
Taxes paid		(21,117,027)	(18,684,588)
Net cash used in operating activities		(77,384,246)	61,240,118
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital expenditure		(5,200,000)	(21,019,506)
Proceeds from disposal of operating fixed assets		-	7,400,000
Long term deposits		(1,500,000)	5,660,300
Net cash used in investing activities		(6,700,000)	(7,959,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(13,347,488)	(4,103,001)
Proceeds from long term financing		36,050,000	-
Principal paid on lease liabilities		(3,758,874)	(9,465,991)
Short term borrowings - net		169,471,584	(113,877,428)
Net cash generated from financing activities		188,415,222	(127,446,420)
Net (decrease) / increase in cash and cash equivalents		104,330,976	(74,165,508)
Cash and cash equivalents at the beginning of the period		62,513,872	204,350,417
Cash and cash equivalents at the end of the period		166,844,848	130,184,909

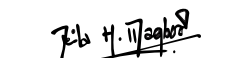
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Capital Reserves		Revenue Reserves	Total	
	Issued, subscribed and paid-up capital	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, 2023 (audited)	124,178,760	32,688,266	1,996,280,568	2,557,189,191	4,710,336,785
Total comprehensive income for the period					
Loss for the period	-	-	-	(31,107,669)	(31,107,669)
Other comprehensive income					
Unrealised gain on revaluation of investments classified as 'fair value through other comprehensive income'	-	19,025,868	-	-	19,025,868
	-	19,025,868	-	(31,107,669)	(12,081,801)
Balance as at September 30, 2023 (unaudited)	124,178,760	51,714,134	1,996,280,568	2,526,081,522	4,698,254,984
Balance as at July 1, 2024 (audited)	124,178,760	34,198,262	1,996,280,568	1,798,754,388	3,953,411,978
Total comprehensive income for the period					
Loss for the period	-	-	-	(96,518,163)	(96,518,163)
Other comprehensive income					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(13,384,690)	-	-	(13,384,690)
	-	(13,384,690)	-	(96,518,163)	(109,902,853)
Balance as at September 30, 2024 (unaudited)	124,178,760	20,813,572	1,996,280,568	1,702,236,225	3,843,509,125

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NAILA HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Quarterly Report

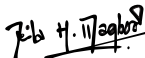
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Quarter ended	
	September 30, 2024 Rupees	September 30, 2023 Rupees
(Loss) / profit for the period	(96,518,163)	(31,107,669)
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised gain/ (loss) on revaluation of investments classified as 'fair value through other comprehensive income'	(13,384,690)	19,025,868
Total comprehensive loss for the period	(109,902,853)	(12,081,801)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

Quarterly Report


IMRAN MAQBOOL
Chief Executive Officer


NAILA HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

1 STATUS AND NATURE OF BUSINESS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (now the 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. The other office of the Company is located at the 7th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi, Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements are 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.

These condensed interim financial statements of the Company for the period ended September 30, 2024 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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by The Institute of Chartered Accountants of Pakistan.

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.

- 3.2 These condensed interim financial statements do 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, 2024, 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 these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, 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 statements for the period ended September 2024.

3.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.

3.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

4.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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, 2024.

	Note	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
6 OPERATING FIXED ASSETS			
Operating fixed assets	6.1 & 6.1.3	1,613,137,663	1,639,735,312
Right-of-use assets	6.2	146,152,713	150,590,647
		<u>1,759,290,376</u>	<u>1,790,325,959</u>
6.1 Fixed assets			
Opening net book value (NBV)		1,639,735,312	1,125,468,794
Transfer from right of use asset (NBV)		-	57,345,947
Transfer from Capital Work in progress		-	591,292,007
Additions (at cost) during the period / year	6.1.1	<u>5,200,000</u>	<u>8,102,600</u>
		1,644,935,312	1,782,209,348
Disposals (at NBV) during the period / year	6.1.2	-	(15,751,847)
Depreciation charged during the period / year		<u>(31,797,649)</u>	<u>(126,722,189)</u>
		(31,797,649)	(142,474,036)
Closing net book value (NBV)		<u>1,613,137,663</u>	<u>1,639,735,312</u>
6.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Plant and machinery		5,200,000	2,346,600
Vehicles		-	5,756,000
		<u>5,200,000</u>	<u>8,102,600</u>
6.1.2 Details of deletion (NBV) during the period / year are as follows:			
Owned			
Vehicles		-	15,751,847
		<u>-</u>	<u>15,751,847</u>
6.1.3 Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable input used in the valuation.			
6.2 Right-of-use assets			
Opening net book value (NBV)		150,590,647	65,540,321
Additions (at cost) during the period / year		-	23,620,293
Transfer from capital work in process		-	133,690,727
Transfer from leased assets to own assets (NBV)		-	(57,345,947)
Depreciation charged during the period / year		<u>(4,437,934)</u>	<u>(14,914,747)</u>
		146,152,713	150,590,647

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

		September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
7	INTANGIBLE ASSETS		
	Computer software	5,703,690	6,249,052
	Movement in intangible assets		
	Opening net book value	6,249,052	8,430,500
	Additions (at cost)	-	-
	Amortisation charged	(545,362)	(2,181,448)
	Closing net book value	5,703,690	6,249,052
8	INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE		
	Investment in equity accounted associate	8.1	-
8.1	Investment in equity accounted associate		
	Premier Insurance Limited		
	69,621 shares of Rs. 10 each (June 30, 2024 : 69,621 shares of Rs.10/- each)		
	Cost of investment	930	930
	Accumulated share of post acquisition profit - net of dividend received	88,077	284,140
	Accumulated impairment	(89,007)	(89,007)
	Share of loss for the period / year	-	(196,063)
		(930)	(930)
		-	-
	Market value of investment in equity accounted associate was Rs. 0.480 million (June 30, 2024: Rs. 0.411 million).		
9	LONG INVESTMENTS		
	Fair value through other comprehensive income		
	Listed Equity Securities		
	Cost	48,187,534	48,187,534
	Unrealized gain on revaluation of investments	20,813,572	34,198,262
	Impairment loss	(12,648,915)	(12,648,915)
		56,352,191	69,736,881
10	STORES, SPARES AND LOOSE TOOLS		
	Stores	103,519,218	112,679,499
	Less: provision for slow moving items	(11,629,237)	(11,629,237)
		91,889,981	101,050,262
11	STOCK IN TRADE		
	Raw material in hand	417,512,738	489,070,787
	Work-in-process	76,875,608	85,381,195
	Finished goods	188,869,631	123,797,093
		683,257,977	698,249,075
12	TRADE DEBTS		
	Unsecured - considered good		
	Due from associated companies	12.1	3,232,249
	Others	1,391,184,379	1,163,953,033
		1,391,184,379	1,167,185,282
	Considered doubtful	166,069,150	166,069,150
		1,557,253,529	1,333,254,432
	Less: Allowance for expected credit loss	12.2	(166,069,150)
		1,391,184,379	1,167,185,282
12.1	This represents due from Suraj Cotton Mills Limited, an associated company.		
12.2	Allowance for expected credit loss		
	Opening balance	166,069,150	98,588,659
	Written-off during the period / year	-	-
	Allowance recognized during the period / year	-	67,480,491
	Closing balance	166,069,150	166,069,150
13	SHORT TERM INVESTMENTS		
	TDR- at amortised cost	13.1	26,499,431

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

		September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
13.1	These term deposit certificates carry mark-up at rates ranging from 18.08 % per annum (June 30, 2024: 16.87 % to 18.85% per annum).		
14	CASH AND BANK BALANCES		
	Cash in hand	508,469	1,196,401
	Cash with banks		
	Current accounts	80,016,479	89,857,320
	PLS saving accounts	85,703,011	112,913,759
		165,719,490	202,771,079
	Islamic current accounts	616,889	382,937
		<u>166,844,848</u>	<u>204,350,417</u>
14.1	The balance in savings accounts carry profit at average rates ranging of 19.00% per annum (June 30, 2024: at average rate of 20.50% per annum).		
15	ASSETS CLASSIFIED AS HELD FOR SALE		
	Investment property classified as held for sale	2,538,897,200	2,538,897,200
15.1	The Board of Directors earlier, in their meeting decided to sale the investment property located at Nishatabad, Faisalabad. Accordingly, the stated assets were re-classified as assets held for sale. However, due to depressed economic conditions, the availability of prospective buyers offering desired prices remain restricted and factory assets cannot be sold during the year despite the efforts of the management of the Company. Therefore, the Board of Directors in their meeting, dated February 9, 2024, re-validate its decision to sale the property and approved the same by passing special resolution in their Extra Ordinary General Meeting dated March 09, 2024.		
		September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
16	LONG TERM FINANCING		
	Secured		
	Conventional mode	332,245,547	309,543,035
	Less: Current portion shown under current liabilities	(83,682,375)	(74,094,110)
		<u>248,563,172</u>	<u>235,448,925</u>
17	LEASE LIABILITIES		
	Lease liabilities	161,396,174	165,155,048
	Less: current portion	(29,583,045)	(29,486,271)
		<u>131,813,129</u>	<u>135,668,777</u>
	Maturity analysis-contractual discounted cash flow:		
	Less than one year	29,583,045	29,486,271
	One to five years	131,813,129	135,668,777
	Total discounted lease liability	<u>161,396,174</u>	<u>165,155,048</u>
17.1	When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 23.03 % to 27.06% (June 30, 2024: 21.61% to 28.27%) per annum.		
18	DEFERRED CAPITAL GRANT		
	Deferred government grant against	118,282,077	118,282,077
	Temporary Economic Refinance Facility	(18,888,644)	(18,888,644)
	Less: Current portion of government grant	99,393,433	99,393,433
		<u>99,393,433</u>	<u>99,393,433</u>
18.1	Following is the movement in capital grant during the period / year:		
	Opening balance	118,282,077	137,289,317
	Addition during the period	-	-
	Amortised during the period	(4,402,804)	(19,007,240)
	Closing balance	<u>113,879,273</u>	<u>118,282,077</u>
18.2	This represents government grant recognized on long term financing facilities obtained under Temporary Economic Refinance (TERF) schemes of State Bank of Pakistan.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees	Rupees
19 TRADE AND OTHER PAYABLES			
Creditors	19.1	703,878,662	516,343,787
Accrued liabilities	19.2	676,778,791	590,562,181
Contractual liability		-	73,090,735
Payable to Provident Fund		4,503,677	8,876,236
Due to related party	19.3	87,666,056	86,997,889
Withholding tax payable		8,011,321	6,272,577
Workers' Welfare Fund		46,079,959	46,079,959
Provision for default surcharge		1,137,423	1,137,423
GIDC payable		229,778,482	229,778,482
Minimum tax - levy		98,952,745	79,286,707
Other liabilities		15,736,601	9,430,448
		<u>1,872,523,717</u>	<u>1,647,856,424</u>

19.1 This includes balance amounting to Rs. 30.743 million (June 30, 2024: Rs. 9.102 million) due to an associated company.

19.2 This includes the amount payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. In November 2020, the Supreme Court dismissed the review petition seeking review of its order issued in favor of recovery for GIDC arrears. Accordingly, the Company is paying GIDC installments as per monthly billing by Sui Northern Gas Pipeline Limited (SNGPL), however, the matter with respect to GIDC billing by Sui Southern Gas Company (SSGC) is under litigation in High Court of Sindh. The liability is recognized as per the guidelines issued by Institute of Chartered Accountants of Pakistan dated January 21, 2021.

19.3 This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 36.481 million (June 30, 2024: Rs. 36.002 million), Rs. 13.320 million (June 30, 2024: Rs. 13.320 million), Rs. 37.675 million (June 30, 2024: Rs.37.675 million) and respectively. These balances do not carry any interest and are repayable on demand.

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees	Rupees
20 SHORT TERM BORROWINGS			
Islamic mode			
National Bank of Pakistan		75,000,000	75,000,000
Conventional mode	20.1		
Muslim Commercial Bank		580,708,584	391,941,591
Standard Chartered Bank	20.1	-	19,295,409
		<u>655,708,584</u>	<u>486,237,000</u>

20.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs.1,605 million (June 30, 2024: Rs. 2,105 million). The rate of mark up on these finance facilities ranges between 1 month to 6 months KIBOR plus 1.25% to 2.5% per annum (June 30, 2024: 1 month to 6 months KIBOR plus 1.25% to 2.5% per annum) and is payable quarterly.

The Company has a facility for opening letters of credit under mark-up arrangements amounting to Rs.300 million (June 30, 2024: Rs. 300 million) from a commercial bank. The unutilized balance at the end of the year was Rs. Nil (June 30, 2024: Rs. Nil).

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

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The contingencies are same as disclosed in preceding annual financial statements for the year ended June 30, 2024.

21.2 Commitments

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

- a) Guarantees have been issued by banking companies in normal course of business amounting to Rs. 100.00 million (June 30, 2024 : Rs. 100.00 million).
- b) Letters of credit against import of raw cotton and spare parts amounting to Rs. Nil (June 30, 2024: Rs. Nil) and Rs. Nil (June 30, 2024: Rs. Nil) respectively.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Quarter ended	
	September 30, 2024	September 30, 2023
	(Un-audited)	
	-----Rupees-----	
22 COST OF SALES		
Materials consumed	1,043,038,193	1,408,778,495
Stores, spares and loose tools consumed	28,456,026	33,565,067
Packing material consumed	18,208,367	25,243,787
Salaries, wages and other benefits	146,996,593	130,259,612
Fuel and power	292,933,195	304,089,273
Insurance	5,727,767	6,398,719
Repairs and maintenance	1,070,160	4,571,461
Depreciation	33,466,829	19,618,043
Other manufacturing overheads	9,041,495	10,236,997
	<u>1,578,938,625</u>	<u>1,942,761,454</u>
Opening work in process	85,381,195	129,395,154
Closing work in process	(76,875,608)	(118,317,011)
	<u>8,505,587</u>	<u>11,078,143</u>
Cost of goods manufactured	1,587,444,212	1,953,839,597
Cost of goods purchased for trading	5,724,000	-
Opening stock of finished goods	123,797,092	100,284,792
Closing stock of finished goods	(188,869,631)	(135,825,861)
	<u>(65,072,539)</u>	<u>(35,541,069)</u>
	<u>1,528,095,673</u>	<u>1,918,298,528</u>
	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	Rupees	Rupees
23 MINIMUM TAX DIFFERENTIAL		
Income tax levy under IFRIC 21/IAS 37	19,666,038	79,286,707
This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		
24 TAXATION		
Prior	-	(1,156,096)
	-	(1,156,096)
Deferred	(4,142,582)	(37,191,422)
	<u>(4,142,582)</u>	<u>(38,347,518)</u>
25 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
	Quarter ended	
	September 30, 2024	September 30, 2023
	(Un-audited)	
	-----Rupees-----	
Loss for the period (Rupees)	(96,518,163)	(31,107,669)
Weighted average number of ordinary shares	12,417,876	12,417,876
(Loss) / Earnings per share - basic and diluted (Rupees)	(7.77)	(2.51)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
26 CASH GENERATED FROM OPERATIONS		
Loss before taxation	(80,994,707)	(22,344,468)
Adjustment for non-cash charges and other items:		
Depreciation	36,235,583	(62,127,215)
Amortization	545,362	1,469,376
Gain on disposal of operating fixed assets	-	(2,286,490)
Grant income	(4,402,804)	(1,034,420)
Financial charges	64,681,586	203,477,200
Allowance for expected credit loss	-	23,824,093
	<u>97,059,727</u>	<u>163,322,544</u>
Profit before working capital changes	16,065,020	140,978,076
Working capital changes	26.1 (4,521,953)	68,944,624
	<u>11,543,067</u>	<u>209,922,700</u>
26.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	9,160,281	(14,712,614)
Stock in trade	14,991,098	(296,581,068)
Trade debts	(223,999,097)	126,443,799
Loans and advances	21,385,501	84,440,924
Trade deposits and short term prepayments	(31,900,712)	(7,786,837)
Other receivables	(3,709,587)	(4,359,541)
Tax refunds due from the Government	4,549,308	(108,912,798)
	<u>(209,523,208)</u>	<u>(221,468,135)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	205,001,255	290,412,759
	<u>(4,521,953)</u>	<u>68,944,624</u>

27 TRANSACTIONS WITH RELATED PARTIES

Related parties of the company comprise the companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of directors of the company. Detail of transactions with related parties during the year, other than disclosed elsewhere in the unconsolidated financial statements, are as follows:

Relation with the company	Nature of transaction	Name of the related party	Quarter ended	
			September 30, 2024 (Un-audited) Rupees	September 30, 2023 (Audited) Rupees
			Associated companies	Sales of goods and services
	Insurance premium	Premier Insurance Limited	30,470,187	37,246,912
	Rent received	Amil Exports (Pvt) Limited	-	235,587
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	4,863,024	5,000,510
Director	Rent paid	Mr. Imran Maqbool	225,000	225,000
	Rent paid	Mr. Humayun Maqbool	225,000	225,000
Others	Rent paid	Mrs. Khawar Maqbool	645,000	645,000
Chief executive	Remuneration and benefits	Mr. Imran Maqbool	3,371,251	3,357,168
Director	Remuneration and benefits	Mr. Humayun Maqbool	3,541,251	3,530,085
Key management personnel	Remuneration and benefits	Key management personnel	8,743,176	8,091,014
			<u>September 30, 2024 (Un-audited) Rupees</u>	<u>June 30, 2024 (Audited) Rupees</u>

27.1 Period / year end balances

Receivable from associated company - Suraj Cotton Mills Limited	-	3,232,249
Payable to associated company - Premier Insurance Limited	30,742,666	9,102,399
Payable to provident fund	4,503,677	8,876,236
Due to Chief Executive, Directors and close relative	87,477,889	86,997,889

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

28 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2024.

29 INSTALLED CAPACITY

Spinning units	Unit - I	Unit - II	Total
Number of spindles installed	28,608	47,568	76,176
Installed capacity after conversion into 20/s count - kgs	11,083,232	18,428,662	29,511,894

The company's installed spindles capacity increased to 76,176 spindles from 67,056 during the period ended June 30, 2024.

30 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.

As at September 30, 2024, the Company held the following financial instruments measured at fair value:

Level 1	Level 2	Level 3	Total
(Un-audited)			
----- Rupees -----			

At fair value through other comprehensive income

Long term investments	56,352,191	-	-	56,352,191
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As at June 30, 2024, the Company held the following financial instruments measured at fair value:

Level 1	Level 2	Level 3	Total
(Audited)			
----- Rupees -----			

At fair value through other comprehensive income

Long term investments	69,736,881	-	-	69,736,881
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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.

Transfers during the period

During the period ended September 30, 2024, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

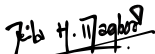
31 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

32 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 29, 2024 by the Board of Directors of the Company.


IMRAN MAQBOOL
Chief Executive Officer


NAILA HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer



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