



| The Crescent Textile Mills Limited

HALF YEAR
DECEMBER 31
2024

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COMPANY INFORMATION

Board of Directors		Bankers
Mr. Khalid Bashir	Chairman	Allied Bank Limited
Mr. Ahmad Shafi	Chief Executive Officer	Askari Bank Limited
Mr. Muhammad Anwar	Director	Habib Bank Limited
Mr. Khurram Mazhar Karim	Director	MCB Bank Limited
Mr. Aurangzeb Shafi	Director	MCB Islamic Bank Limited
Mr. Amin Anjum Saleem	Independent Director	National Bank of Pakistan
Mrs. Nazia Maqbool	Independent Director	Pak Libya Holding Company (Private) Limited
		Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited
Audit Committee		
Mr. Amin Anjum Saleem	Chairman	
Mr. Khalid Bashir	Member	
Mr. Khurram Mazhar Karim	Member	
HR & R Committee		
Mrs. Nazia Maqbool	Chairperson	
Mr. Ahmad Shafi	Member	
Mr. Khurram Mazhar Karim	Member	
Chief Financial Officer		
Mr. Naveed Amjad		
Company Secretary		Mills & Registered Office
Mr. Sajjad Hussain		Sargodha Road, Faisalabad, Pakistan
Head of Internal Audit		T: + 92-41-111-105-105
Mrs. Sabteela Tosheen		E: crestex@ctm.com.pk
Auditors		
Riaz Ahmad and Company		
Chartered Accountants		
Legal Advisor		
Syed Masroor Ahmad		
Stock Exchange Listing		Share Registrar
The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.		CorpTec Associates (Private) Limited, 503 - E, Johar Town, Lahore, Pakistan
The Company's shares are quoted in leading dailies under textile composite sector.		T: +92-42-35170336-37 F: +92-42-35170338 E: info@corptec.com.pk
		www.crescenttextile.com

DIRECTORS' REVIEW

for the Half Year Ended December 31, 2024

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the half year ended December 31, 2024.

Industry overview

Pakistan's textile exports increased by 9.67% in the first half of the financial year (July–December 2024), reaching USD 9.084 billion compared to USD 8.283 billion in the same period last year. The value-added sector was the main contributor to this growth, while basic textile exports showed a declining trend. The exports of value-added segments are expected to grow further due to signs of improvement in global demand, whereas basic textile exports are likely to remain under pressure.

Company's performance

A half-yearly brief financial analysis of the Company is presented below:

Rupees in million	1st HY FY 25	1st HY FY 24	Variance	%
Revenue	9,184	12,327	(3,143)	(25)
Gross profit	943	1,084	(141)	(13)
Operating cost	541	768	227	30
Finance cost	701	811	110	13
Other income	117	61	56	92
Taxation	119	48	(71)	(148)
Loss after tax	(302)	(483)	181	37
Loss Rs. per share	(3.02)	(4.83)	1.81	37

During the first six months of this financial year, the Company's performance faced severe pressures. The topline of the Company declined primarily due to a shrinkage in demand, inflation, high raw material costs, and rising energy prices. This decline was reflected across almost all business segments, driven by lower volumes and reduced sales prices. However, there was some relief in finance costs as policy rates showed a downward trend. The continued decline in policy rates is expected to have a positive impact in the second half of the financial year. The exchange rate remained stable during the period.

Future Outlook

Pakistan's textile industry faces significant challenges, and companies are striving to sustain their position in the market. Key challenges include duty-free yarn imports, which put pressure on the spinning segment, high energy costs, and the need to remain competitive and relevant to international buyers. However, the Company's management remains optimistic that both domestic and international demand, along with product prices, will improve in the future.

Acknowledgement

The Board expresses its profound appreciation to all stakeholders, customers, banks, management, and factory staff for their strong commitment and dedication, as the Company's success is built upon their efforts.

for and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹرز کا جائزہ

برائے ششماہی ختم شدہ 31 دسمبر 2024ء

بورڈ آف ڈائریکٹرز 31 دسمبر 2024ء کو پختہ ششماہی کے لیے کمپنی کی مالیاتی اور عملی کارکردگی پر اپنا مختصر جائزہ آپ کی خدمت میں پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

صنعت کا جائزہ:

پاکستان کی ٹیکسٹائل برآمدات مالی سال کی پہلی ششماہی (جولائی تا دسمبر 2024) میں 9.67 فیصد بڑھ کر 9.084 بلین امریکی ڈالر تک پہنچ گئیں جو گزشتہ سال کی اسی مدت میں 8.283 بلین امریکی ڈالر تھیں۔ ویلیو ایڈڈ ٹیکسٹائل اس ترقی میں اہم کردار ادا کیا، جبکہ ٹیکسٹائل کی بنیادی برآمدات میں کمی کارخانوں دیکھا گیا۔ عالمی طلب میں بہتری کے اشارے کی وجہ سے ویلیو ایڈڈ شعبہ جات کی برآمدات میں مزید اضافہ متوقع ہے جبکہ ٹیکسٹائل کی بنیادی برآمدات دباؤ میں رہنے کا امکان ہے۔

کمپنی کی کارکردگی:

کمپنی کا ششماہی مختصر مالی تجزیہ ذیل میں پیش کیا گیا ہے:

ملین روپے	مالی سال 2025: پہلی ششماہی	مالی سال 2024: پہلی ششماہی	فرق	فیصد فرق
آمدن	9,184	12,327	(3,143)	(25)
مجموعی منافع	943	1,084	(141)	(13)
عملی اخراجات	541	768	227	30
مالیاتی اخراجات	701	811	110	13
دیگر آمدن	117	61	56	92
محصولات	119	48	(71)	(148)
نقصان بعد از محصولات	(302)	(483)	181	37
نقصان فی شخص	(3.02)	(4.83)	1.81	37

اس مالی سال کے پہلے چھ ماہ کے دوران کمپنی کی کارکردگی کو تشدید دباؤ کا سامنا کرنا پڑا۔ کمپنی کی ٹاپ لائن میں کمی بنیادی طور پر ماگ میں کمی، افراط زر، خام مال کی بلند قیمتوں اور توانائی کی بڑھتی ہوئی قیمتوں کی وجہ سے ہوئی۔ یہ کمی تقریباً تمام کاروباری شعبوں میں ظاہر ہوئی، جس کی وجہ کم حجم اور فروخت کی قیمتوں میں کمی ہے۔ تاہم، مالیاتی اخراجات میں کچھ راحت ملی کیونکہ پالیسی کی شرحوں میں کمی کارخانوں ظاہر ہوا۔ پالیسی کی شرح میں مسلسل کمی مالی سال کی دوسری ششماہی میں مثبت اثر متوقع ہے۔ اس دوران زرمبادلہ کی شرح مستحکم رہی۔

مستقبل کا نقطہ نظر:

پاکستان کی ٹیکسٹائل انڈسٹری کو اہم چیلنجز کا سامنا ہے، اور کمپنیاں مارکیٹ میں اپنی پوزیشن برقرار رکھنے کے لیے کوشاں ہیں۔ ڈیوٹی فری یارن کی درآمدات جو اسپننگ کے شعبہ پر دباؤ ڈالتی ہیں، توانائی کے زیادہ اخراجات، اور بین الاقوامی خریداروں کے لیے مسابقت اور متعلقہ رہنمائی کی ضرورت کلیدی چیلنجزوں میں شامل ہیں۔ تاہم، کمپنی کی انتظامیہ پر امید ہے کہ مستقبل میں مصنوعات کی قیمتوں کے ساتھ ساتھ ملکی اور بین الاقوامی ماگ میں بھی بہتری آئے گی۔

اعتراف و خدمات:

بورڈ تمام اسٹیک ہولڈرز، صارفین، بینکاروں، انتظامیہ، اور ٹیکسٹائل کے عملے کو ان کے مضبوط عزم اور لگن کے لیے تہنودل سے خراج تحسین پیش کرتا ہے، کیونکہ کمپنی کی کامیابی ان کی کوششوں پر مبنی ہے۔

منشأب: بورڈ آف ڈائریکٹرز



امجد شفیق

چیف ایگزیکٹو آفیسر



خالد بشیر

ڈائریکٹر

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THE CRESCENT TEXTILE MILLS LIMITED

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of THE CRESCENT TEXTILE MILLS LIMITED as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2024.

Scope of Review

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

Conclusion

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

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

Riaz Ahmad & Company
Chartered Accountants



Faisalabad

Date: 27 February 2025

UDIN: RR202410158toUmZTkqY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

(Rupees in '000')	Note	Un-Audited DECEMBER 31, 2024	Audited June 30, 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (30 June 2024: 200 000 000) ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,000,000	1,000,000
Sponsors' loans		252,952	252,952
Reserves			
Capital reserves			
Premium on issue of right shares		391,559	391,559
Fair value reserve		852,619	539,335
Surplus on revaluation of operating fixed assets - net of deferred income tax		5,903,894	5,904,012
Revenue reserves		7,148,072	6,834,906
Total reserves		3,025,234	3,305,724
TOTAL EQUITY		10,173,306	10,140,630
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	739,845	949,621
Lease liability		76,151	-
		815,996	949,621
CURRENT LIABILITIES			
Trade and other payables		3,790,973	3,313,798
Unclaimed dividend		14,130	14,231
Accrued mark-up		189,677	340,363
Short term borrowings		7,827,863	7,472,718
Current portion of non-current liabilities		443,363	405,129
		12,266,006	11,546,239
		13,082,002	12,495,860
Total liabilities			
Contingencies and commitments	4		
TOTAL EQUITY AND LIABILITIES		24,508,260	23,889,442
Assets			
Non-current assets			
Property, plant and equipment	5	10,919,427	11,296,004
Right-of-use asset		169,925	-
Long term investments		3,378,297	3,472,651
Long term loans and advances		867	2,149
Long term deposits and prepayments		5,414	5,593
		14,473,930	14,776,397
Current assets			
Stores, spare parts and loose tools		414,038	376,567
Stock-in-trade		4,433,012	3,793,213
Trade debts		2,893,180	3,007,283
Loans and advances		26,632	35,314
Short term deposits and prepayments		8,211	9,836
Advance income tax and levy - net		562,960	577,467
Other receivables		325,229	374,745
Short term investment		1,008,952	600,201
Cash and bank balances		229,616	205,919
		9,901,830	8,980,545
Non-current assets classified as held for sale		132,500	132,500
		10,034,330	9,113,045
Total assets		24,508,260	23,889,442

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


Ahmad Shafi
Chief Executive Officer


Khalid Bashir
Director


Naveed Amjad
Chief Financial Officer

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

for the Half Year Ended December 31, 2024

(Rupees in '000)	Note	Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue from contracts with customers		9,183,938	12,326,788	5,192,556	6,731,030
Cost of sales	6	(8,240,640)	(11,242,978)	(4,767,211)	(6,221,359)
Gross profit		943,298	1,083,810	425,345	509,671
Distribution cost		(296,909)	(441,565)	(111,878)	(266,040)
Administrative expenses		(239,114)	(300,503)	(119,157)	(144,557)
Other expenses		(5,265)	(26,537)	(2,534)	(14,998)
		(541,288)	(768,605)	(233,569)	(425,595)
		402,010	315,205	191,776	84,076
Other income		116,903	60,764	60,164	45,621
Profit from operations		518,913	375,969	251,940	129,697
Finance cost		(701,403)	(810,617)	(321,586)	(422,371)
Loss before levy and taxation		(182,490)	(434,648)	(69,646)	(292,674)
Levy		(119,460)	(131,150)	(66,598)	(60,181)
Loss before taxation		(301,950)	(565,798)	(136,244)	(352,855)
Taxation		-	82,879	-	83,902
Loss after taxation		(301,950)	(482,919)	(136,244)	(268,953)
Loss per share - basic and Diluted (rupees)		(3.02)	(4.83)	(1.36)	(2.69)

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naveed Amjad
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the Half Year Ended December 31, 2024

(Rupees in '000)	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Loss after taxation	(301,950)	(482,919)	(136,244)	(268,953)
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods:				
Reversal of surplus on revaluation of operating fixed assets	-	(21,184)	-	(21,184)
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income - net of tax	334,626	208,725	184,853	220,411
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period - net of tax	334,626	187,541	184,853	199,227
Total comprehensive income / (loss) for the period	32,676	(295,378)	48,609	(69,726)

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naveed Amjad
Chief Financial Officer

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the Half Year Ended December 31, 2024

(Rupees in '000)	Share Capital	Sponsors' Loan	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				
			Premium on issue of r/hgt shares	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Unappropriated profit	Sub total		TOTAL
Balance as at 30 June 2023 - (Audited)	1,000,000	-	391,559	29,456	5,928,182	6,349,197	1,803,643	3,344,148	5,147,791	11,496,988	12,496,988
Transaction with owners - Final dividend for the year ended 30 June 2023 at the rate of Rupee 1 per share	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(148)	(148)	-	148	148	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	1,104	1,104	-	-	-	1,104	1,104
Loss for the period	-	-	-	-	-	-	-	(482,919)	(482,919)	(482,919)	(482,919)
Other comprehensive income for the period	-	-	-	208,725	(21,184)	187,541	-	-	-	187,541	187,541
Total comprehensive loss for the period	-	-	-	208,725	(21,184)	187,541	-	(482,919)	(482,919)	(295,378)	(295,378)
Balance as at 31 December 2023 - (Un-audited)	1,000,000	-	391,559	298,181	5,907,954	6,537,694	1,803,643	2,761,377	4,565,020	11,102,714	12,102,714
Transactions with owners - Sponsors' loans received during the period	-	252,952	-	-	-	-	-	-	-	-	252,952
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(89)	(89)	-	89	89	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(3,853)	(3,853)	-	-	-	(3,853)	(3,853)
Transfer of gain on disposal of FVTOCI investments to unappropriated profit	-	-	-	(7,538)	-	(7,538)	-	7,538	7,538	-	-
Loss for the period	-	-	-	-	-	-	-	(1,266,923)	(1,266,923)	(1,266,923)	(1,266,923)
Other comprehensive income for the period	-	-	-	308,692	-	308,692	-	-	-	308,692	308,692
Total comprehensive loss for the period	-	-	-	308,692	-	308,692	-	(1,266,923)	(1,266,923)	(958,231)	(958,231)
Balance as at 30 June 2024 - (Audited)	1,000,000	252,952	391,559	538,335	5,904,012	6,834,906	1,803,643	1,502,081	3,305,724	10,140,630	11,393,582
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(118)	(118)	-	118	118	-	-
Transfer of gain on disposal of FVTOCI investments to unappropriated profit	-	-	-	(21,342)	-	(21,342)	-	21,342	21,342	-	-
Loss for the period	-	-	-	-	-	-	-	(301,950)	(301,950)	(301,950)	(301,950)
Other comprehensive income for the period	-	-	-	334,626	-	334,626	-	-	-	334,626	334,626
Total comprehensive income for the period	-	-	-	334,626	-	334,626	-	(301,950)	(301,950)	32,676	32,676
Balance as at 31 December 2024 - (Un-audited)	1,000,000	252,952	391,559	852,619	5,903,894	7,148,072	1,803,643	1,221,591	3,025,234	10,173,306	11,426,258

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naveed Amjad
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

for the Half Year Ended December 31, 2024

(Rupees in '000')	Note	DECEMBER 31, 2024	DECEMBER 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	745,848	953,699
Finance cost paid		(840,796)	(742,404)
Mark-up paid on lease liabilities		(11,293)	-
Income tax and levy paid		(104,954)	(142,822)
Dividend paid		(101)	(97,149)
Workers' profit participation fund paid		(6,244)	(333)
Net decrease / (increase) in long term loans and advances		1,824	(1,457)
Net decrease in long term deposits and prepayments		179	2,205
Net cash used in operating activities		(215,537)	(28,261)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(37,522)	(677,374)
Initial direct cost incurred on right-of-use asset		(18,599)	-
Proceeds from sale of property, plant and equipment		-	30,430
Proceeds from non-current assets held for sale		-	73,000
Proceeds from sale of investments		25,230	-
Investment made		(5,000)	-
Profit received from saving accounts and term deposit receipts		16,915	12,170
Net cash used in investing activities		(18,976)	(561,774)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	49,760
Repayment of long term financing		(207,863)	(209,348)
Lease liabilities - net		110,913	-
Short term borrowings - net		355,145	763,702
Net cash from financing activities		258,195	604,114
Net increase in cash and cash equivalents		23,682	14,079
Net foreign exchange difference on translating bank balances		15	293
Cash and cash equivalents at the beginning of the period		205,919	181,395
Cash and cash equivalents at the end of the period		229,616	195,767

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


Ahmad Shafi
Chief Executive Officer


Khalid Bashir
Director


Naveed Amjad
Chief Financial Officer

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

for the Half Year Ended December 31, 2024

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity.

2. BASIS OF PREPARATION AND STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

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

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

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

- #### 2.2
- These condensed interim financial statements do not include all the information required for annual audited financial statements, and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2024.

2.3 Material accounting policy information

The material accounting policy information adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2024.

2.4 Critical accounting estimates and judgements

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

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

for the Half Year Ended December 31, 2024

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements for the year ended 30 June 2024.

(Rupees in '000')	Un-Audited DECEMBER 31, 2024	Audited June 30, 2024
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	1,354,750	1,570,122
Add: Obtained during the period / year	-	212,078
Less: Repaid during the period / year	(207,863)	(427,450)
	1,146,887	1,354,750
Less: Current portion shown under current liabilities	(407,042)	(405,129)
	739,845	949,621

4. CONTINGENCIES AND COMMITMENTS

a. Contingencies

- i) There is no significant change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2024 except as follows:
- ii) Guarantees of Rupees 545.971 million (30 June 2024: Rupees 339.001 million) are given by the banks of the Company to Collector of Customs against import of certain items, Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.
- iii) Post dated cheques and security cheques of Rupees 3,004.958 million (30 June 2024: Rupees 2,942.646 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans, for covering full amount plus profit for three months against diminishing musharika to bank and against lease liability. If documents of exports / rentals and lease repayments are not provided / paid on due dates, cheques issued as security shall be encashable.

b. Commitments

- i) Contract for capital expenditure is of Rupees 93.885 million (30 June 2024: Rupees 93.885 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 388.672 million (30 June 2024: Rupees 390.604 million).

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

for the Half Year Ended December 31, 2024

(Rupees in '000')	Un-Audited DECEMBER 31, 2024	Audited June 30, 2024
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	10,596,299	10,833,873
Capital work-in-progress (Note 5.2)	323,128	462,131
	10,919,427	11,296,004
5.1 Operating fixed assets		
Opening book value	10,833,873	8,894,443
Add: Cost of additions during the period / year (Note 5.1.1)	19,340	2,543,000
	10,853,213	11,437,443
Less:		
Book value of deletions during the period / year (Note 5.1.2)	-	10,472
Classified as non-current assets held for sale	-	153,684
	-	164,156
	10,853,213	11,273,287
Less: Depreciation charged for the period / year	256,914	439,414
Book value at the end of the period / year	10,596,299	10,833,873
5.1.1 Cost of additions during the period / year		
Buildings on leasehold land	-	568,431
Plant and machinery	10,088	1,813,962
Factory tools and equipment	-	400
Gas and electric installations	8,800	124,759
Vehicles	-	27,018
Furniture and fixture	-	1,998
Office equipment	452	6,432
	19,340	2,543,000
5.1.2 Book value of deletions during the period / year		
Plant and machinery	-	5,966
Vehicles	-	4,467
Office equipment	-	39
	-	10,472
5.2 Capital work-in-progress		
Buildings on leasehold land	79,186	58,081
Plant and machinery (Note 5.2.1)	5,383	164,171
Advance against furniture and fixture	496	496
Advance against gas and electric installations	-	1,320
Advance against purchase of land	238,063	238,063
	323,128	462,131

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

for the Half Year Ended December 31, 2024

5.2.1 During the period, an amount of Rupees 157.867 million was transferred to right-of-use asset because the specific asset was later leased out through OLP Financial Services Pakistan Limited and a lease liability was created by the Company.

(Rupees in '000')	Un-Audited			
	Half year ended		Quarter ended	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
6. COST OF SALES				
Raw materials consumed	3,258,626	5,331,305	1,961,195	2,578,779
Cloth and yarn purchased	1,079,117	1,680,590	623,562	933,354
Stores, spare parts and loose tools consumed	691,352	869,467	329,581	465,671
Packing materials consumed	353,600	569,864	174,717	340,774
Weaving and processing charges	393,291	867,851	248,269	564,421
Salaries, wages and other benefits	769,392	1,079,691	362,385	593,062
Fuel, power and water	1,731,533	1,791,190	810,935	964,610
Repair and maintenance	35,493	37,117	16,978	19,976
Insurance	14,586	11,284	7,298	5,643
Depreciation on property, plant and equipment	243,594	158,806	121,912	91,806
Depreciation on right-of-use asset	5,859	-	4,394	
Other factory overheads	30,428	64,610	15,351	40,666
	8,606,871	12,461,775	4,676,577	6,598,762
Work-in-process				
Opening stock	257,212	359,354	232,058	392,793
Closing stock	(298,538)	(379,315)	(298,538)	(379,315)
	(41,326)	(19,961)	(66,480)	13,478
Cost of goods manufactured	8,565,545	12,441,814	4,610,097	6,612,240
Finished goods				
Opening stock	2,709,479	2,917,739	3,191,498	3,725,694
Closing stock	(3,034,384)	(4,116,575)	(3,034,384)	(4,116,575)
	(324,905)	(1,198,836)	157,114	(390,881)
	8,240,640	11,242,978	4,767,211	6,221,359

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

for the Half Year Ended December 31, 2024

(Rupees in '000')	Un-Audited	
	Half year ended DECEMBER 31, 2024	DECEMBER 31, 2023
7. CASH GENERATED FROM OPERATIONS		
Loss before levy and taxation	(182,490)	(434,648)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	256,914	174,387
Depreciation on right-of-use asset	5,859	-
Amortization on intangible asset	-	32
Gain on sale of property, plant and equipment	-	(20,481)
Gain on sale of non-current assets held for sale	-	(3,605)
Allowance for expected credit losses	129	-
Provision for doubtful loans and advances	195	-
Net exchange loss	3,259	15,760
Finance cost	701,403	810,617
Profit on deposit accounts and term deposit receipts	(17,030)	(15,878)
Working capital changes (Note 7.1)	(22,391)	427,515
	745,848	953,699
7.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(37,471)	(94,220)
Stock-in-trade	(639,799)	(1,100,414)
Trade debts	110,838	573,737
Loans and advances	7,946	15,445
Short term deposits and prepayments	1,625	14,138
Other receivables	49,630	100,756
	(507,231)	(490,558)
Increase in trade and other payables	484,840	918,073
	(22,391)	427,515

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Detail of transactions and balances with related parties is as follows:

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

for the Half Year Ended December 31, 2024

(Rupees in '000')	Un-Audited			
	Half year ended		Quarter ended	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
i) Transactions				
Associated companies				
Purchase of goods	-	38,475	-	28,150
Services received	2,653	-	-	-
Services provided	401	2,640	938	1,242
Sale of goods	-	8,066	-	-
Insurance premium paid	27,319	8,024	17,264	5,950
Insurance claim received	-	7,304	-	7,304
Dividend paid	-	4,494	-	4,494
Dividend received	29,885	-	29,885	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	24,482	29,684	12,253	15,568
Dividend paid to Employees' Provident Fund Trust	-	3,064	-	3,064
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	86,956	133,258	41,984	65,558
Sale of vehicle to an executive	-	3,200	-	3,200
Dividend paid to Chief Executive Officer, directors, spouses and executives	-	27,044	-	27,044
			Un-audited DECEMBER 31, 2024	Audited June 30, 2024
(Rupees in '000')				
ii) Period end balances				
Associated companies				
Trade and other payables			12,031	4,343
Trade debts			42	14,700
Other receivables			1,629	1,228
Other related parties				
Trade and other payables			9,161	9,348
Sponsors' loans (Note 8.1)			144,952	165,952

8.1 Due to change in directorship of the Company during the period, the loan of Rupees 21 million related to the spouse of the resigning director was eliminated from period end balances of related parties.

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

for the Half Year Ended December 31, 2024

9. SEGMENT INFORMATION

(Rupees in '000)	Spinning	
	(Un-audited)	
	Half year ended	
	December 31, 2024	December 31, 2023
Revenue		
External	2,621,141	3,091,915
Intersegment	1,724,108	4,032,536
	4,345,249	7,124,451
Cost of sales	(4,239,450)	(7,264,102)
Gross profit / (loss)	105,799	(139,651)
Distribution cost	(28,236)	(49,009)
Administrative expenses	(78,216)	(98,622)
	(106,452)	(147,631)
(Loss) / profit before taxation and unallocated income and expenses	(653)	(287,282)
Unallocated income and expenses:		
Other expenses		
Other income		
Finance cost		
Levy		
Taxation		
Loss after taxation		

9.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning	
	(Un-Audited)	(Audited)
	December 31, 2024	June 30, 2024
Total assets for reportable segments	3,996,286	2,551,705
Unallocated assets		
Total assets as per condensed interim statement of financial position		
All segment assets are allocated to reportable segments other than non-current assets held for sale and those directly		
Total liabilities for reportable segments	2,354,442	2,832,505
Unallocated liabilities		
Total liabilities as per condensed interim statement of financial position		

All segment liabilities are allocated to reportable segments other than major portion of trade and other payables,

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

for the Half Year Ended December 31, 2024

Weaving		Processing & Home Textile		Power Generation		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
1,167,109	708,273	5,395,688	8,526,600	-	-	-	-	9,183,938	12,326,788
2,963,829	5,376,391	-	-	1,136,657	1,283,950	(5,824,594)	(10,692,877)	-	-
4,130,938	6,084,664	5,395,688	8,526,600	1,136,657	1,283,950	(5,824,594)	(10,692,877)	9,183,938	12,326,788
(4,079,038)	(6,029,938)	(4,650,021)	(7,384,064)	(1,096,725)	(1,257,751)	5,824,594	10,692,877	(8,240,640)	(11,242,978)
51,900	54,726	745,667	1,142,536	39,932	26,199	-	-	943,298	1,083,810
(16,331)	(13,735)	(249,705)	(375,406)	(2,637)	(3,415)	-	-	(296,909)	(441,565)
(23,808)	(30,019)	(125,707)	(157,509)	(11,383)	(14,353)	-	-	(239,114)	(300,503)
(40,139)	(43,754)	(375,412)	(532,915)	(14,020)	(17,768)	-	-	(536,023)	(742,068)
11,761	10,972	370,255	609,621	25,912	8,431	-	-	407,275	341,742
								(5,265)	(26,537)
								116,903	60,764
								(701,403)	(810,617)
								(119,460)	(131,150)
								-	82,879
								(301,950)	(482,919)

Weaving		Processing & Home Textile		Power Generation		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
4,289,190	4,181,600	3,864,810	4,741,451	451,379	490,705	12,601,665	11,965,461
						11,906,595	11,923,981
						24,508,260	23,889,442
2,399,301	1,912,300	4,221,100	4,126,509	282,873	272,699	9,257,716	9,144,013
						3,824,286	3,351,847
						13,082,002	12,495,860

current and deferred liabilities.

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

for the Half Year Ended December 31, 2024

9.2 Geographical Information

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

	Spinning		Weaving		Processing & Home Textile		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Asia	65,639	102,838	-	22,831	85,295	138,467	150,934	264,136
Africa	-	-	-	-	112,829	96,876	112,829	96,876
Australia	-	-	-	-	222,707	315,539	222,707	315,539
Europe	-	-	82,547	189,305	4,094,282	6,205,999	4,176,829	6,395,304
North America	-	-	-	-	410,552	1,675,018	410,552	1,675,018
Pakistan	2,555,502	2,989,077	1,084,562	496,137	470,023	94,701	4,110,087	3,579,915
	2,621,141	3,091,915	1,167,109	708,273	5,395,688	8,526,600	9,183,938	12,326,788

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

Yarn	2,502,666	2,716,563	2,416	-	-	-	2,505,082	2,716,563
Fabric	-	-	843,204	704,081	892,430	1,235,165	1,735,634	1,939,246
Made ups	-	-	-	-	4,189,708	7,244,322	4,189,708	7,244,322
Processing and weaving income	-	-	294,350	-	313,550	47,113	607,900	47,113
Waste	118,475	375,352	27,139	4,192	-	-	145,614	379,544
	2,621,141	3,091,915	1,167,109	708,273	5,395,688	8,526,600	9,183,938	12,326,788

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

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

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

for the Half Year Ended December 31, 2024

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 31 December 2024 - (Un-audited)				
At fair value through other comprehensive income	1,364,330	-	2,974,822	4,339,152
At 30 June 2024 - (Audited)				
At fair value through other comprehensive income	1,054,894	-	2,974,861	4,029,755

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

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

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended 30 June 2024.

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issue on 27 February 2025.

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

for the Half Year Ended December 31, 2024

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

14. GENERAL

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naveed Amjad
Chief Financial Officer

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