



**Crescent
Fibres**



**Half Yearly Report
December 31, 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, Sanwar 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	



MANAGEMENT REVIEW

The Company reported after tax loss of Rs. 361.5 million for the six months ended December 31, 2024 as compared to a loss of Rs. 107.2 million for the six month months ended December 31, 2023. The earnings per share for the period under review was negative Rs. 29.1 as compared to negative Rs. 8.6 in the previous period.

Overall, sales decreased by 26.8% as compared to the six months ended December 31, 2023. Demand for products continued to be weak and the company had to resort to production curtailment which further added to cost pressures. The gross margin for the period was -4.7% as compared to 1.5% in the previous period. Distribution and administrative expenses at 3.8% were higher as compared to 2.6% in the previous period. The operating margin in the period under review was at negative 8.1 % as compared to -0.1% for the six months ended December 31, 2023. The financial charges were marginally higher as compared to sales due to the high interest rates and lower cash flows and negative margins. Overall, the net margin for the period was -12.4% as compared to -2.7% for the previous period.

Textile demand started to decline in the fourth quarter of the fiscal year 2022. This trend had worsened as a weakening global economy, rising interest rates and inflation and overall commodity and financial market volatility has led to severe demand destruction. In light of domestic and global challenges we expect this downward trend to continue.

Imprudent economic policies combined with recent global events have made Pakistan's economy particularly fragile, characterized by high balance of payment and fiscal deficits, a weakening and volatile currency, rising inflation and interest rates, high external indebtedness and uncompetitive energy pricing. 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 and supply chain. The Government has promised supply of energy at regionally competitive rates, and this must be ensured to maintain viability. In addition, the Government must adopt a prudent monetary policy, and improve liquidity by releasing long delayed income tax and other rebates. It is also imperative that the domestic industry be provided a level playing field especially with regard to the sales tax regime to remain competitive.

We expect this year to be a very difficult one for the textile industry. In order to best utilize its resources, the BOD had requested Management to explore options for investment property at Faisalabad including outright sale. The Management has received some interest from potential buyers and is exploring options.

In light 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
February 27, 2025



HUMAYUN MAQBOOL
Director

کمپنی نظام (ڈائریکٹران) کی رپورٹ:

کمپنی کو 31 دسمبر 2024 کو ختم ہونے والے چھ ماہ کے دوران ٹیکس ادائیگی کے بعد 361.5 ملین روپے کا خسارہ ہوا جس کے مقابلے میں 31 دسمبر 2023 کو ختم ہونے والے چھ ماہ کے دوران اسے 107.2 ملین روپے کا نقصان ہوا تھا۔ زیر جائزہ مدت کے لئے فی حصص آمدنی منفی 29.1 روپے رہی جو کہ پچھلی مدت میں منفی 8.6 روپے تھی۔

مجموعی طور پر، 31 دسمبر 2023 کو ختم ہونے والے چھ ماہ کے مقابلے میں فروخت میں 26.8 فیصد کمی واقع ہوئی۔ مصنوعات کی مانگ مسلسل کمزور رہی اور کمپنی کو پیداوار میں کمی کا سہارا لینا پڑا جس سے لاگت کے دباؤ میں مزید اضافہ ہوا۔ اس مدت کے لئے مجموعی منافع منفی 4.7 فیصد تھا جبکہ گذشتہ مدت میں یہ 1.5 فیصد تھا۔ تقسیم اور انتظامی اخراجات گذشتہ مدت کے 2.6 فیصد کے مقابلے میں 3.8 فیصد زیادہ تھے۔ زیر جائزہ مدت میں آپریٹنگ منافع منفی 8.1 فیصد تھا جبکہ 31 دسمبر 2023 کو ختم ہونے والے چھ ماہ کے لئے منفی 0.1 فیصد تھا۔ شرح سود میں اضافہ اور کم نقد بہاؤ اور منفی منافع کی وجہ سے مالی اخراجات فروخت کے مقابلے میں معمولی زیادہ تھے۔ مجموعی طور پر، اس مدت کے لئے خالص منافع منفی 12.4 فیصد تھا جبکہ پچھلی مدت میں یہ منفی 2.7 فیصد تھا۔

مالی سال 2022 کی چوتھی سہ ماہی میں ٹیکسٹائل کی مانگ میں کمی آنا شروع ہوئی۔ یہ رجحان کمزور عالمی معیشت، بڑھتی ہوئی شرح سود اور مہنگائی اور مجموعی طور پر اجناس اور مالیاتی منڈی میں اتار چڑھاؤ کی وجہ سے مانگ کی شدید تباہی کا باعث بنا تھا۔ ملکی اور عالمی چینلینوں کی روشنی میں ہمیں اندیشہ ہے کہ یہ منفی رجحان جاری رہے گا۔

حالیہ عالمی واقعات کے ساتھ مل کر غلام معاشی پالیسیوں نے پاکستان کی معیشت کو خاص طور پر کمزور بنا دیا ہے، جس کی بنیادی وجہ ادائیگیوں کے بلند تو ازان اور مالی خسارے، کمزور اور غیر مستحکم کرنسی، بڑھتی ہوئی مہنگائی اور شرح سود، بلند بیرونی قرضہ جات اور غیر مسابقتی توانائی کی قیمتوں کا تعین ہے۔ معاشی مسابقت کو فروغ دینے والی باہمی اصلاحات، برآمدات کو فروغ دینے والے پیداواری شعبوں کی طرف براہ راست سرمایہ کاری اور ریگولیشنری دلدل کو ختم کرنے کے لئے مسلسل کوششوں کے بغیر پاکستان کی معاشی بحالی ناکام ہوتی رہے گی۔

عالمی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل کی صنعت کو دیگر چینلینوں کا سامنا کرنا پڑتا ہے جن میں کاروبار کرنے کی زیادہ لاگت، بڑھتی ہوئی مالی، زرمبادلہ کی شرح اور اجناس کی منڈی میں اتار چڑھاؤ، ملکی کپاس کی پیداوار میں کمی اور معیار اور فراہمی کے سلسلے میں رکاوٹیں شامل ہیں۔ حکومت نے علاقائی سطح پر مسابقتی نرخوں پر توانائی کی فراہمی کا وعدہ کیا ہے، اور عملداری کو برقرار رکھنے کے لئے اسے یقینی بنایا جانا چاہئے۔ اس کے علاوہ، حکومت کو ایک دانشمندانہ مالیاتی پالیسی اپنانی چاہیے، اور طویل تاخیر سے ہونے والے آئٹم ٹیکس اور دیگر رعایتیں جاری کر کے کمپیوٹری کو بہتر بنانا چاہیے۔ یہ بھی ضروری ہے کہ گھریلو صنعت کو مسابقتی رہنے کے لیے خاص طور پر سبز ٹیکس کے نظام کے حوالے سے یکساں مواقع فراہم کیے جائیں۔

ہم توقع کرتے ہیں کہ یہ سال ٹیکسٹائل کی صنعت کے لئے بہت مشکل ہوگا۔ اپنے وسائل کو بہترین طریقے سے استعمال کرنے کے لئے، بورڈ آف ڈائریکٹرز نے انتظامیہ سے درخواست کی تھی کہ وہ فیصل آباد میں جائیداد کی براہ راست فروخت سمیت سرمایہ کاری کے مواقع تلاش کرے۔ انتظامیہ کو کم از کم خریداروں کی طرف سے کچھ دلچسپی ملی ہے اور وہ مواقع تلاش کر رہی ہے۔

منفی نقطہ نظر کی روشنی میں، انتظامیہ سینئر ہولڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے کرنے 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 شکر ادا کرتی ہے۔

ہمایوں مقبول
ڈائریکٹر

Imran Maqsood
عمران مقبول
چیف ایگزیکٹو آفیسر
27 فروری 2025ء

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of CRESCENT FIBRES LIMITED ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of cash flows, the condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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.

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 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 as at and for the half year ended December 31, 2024 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and accordingly we do not express a conclusion on them.

The engagement partner on the review engagement resulting in this independent auditors' report is Tariq Feroz Khan.

KARACHI

DATED: 27 FEB 2025

UDIN:RR2024101664SCOATwMN


BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 (UN-AUDITED)

		December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,723,054,793	1,790,325,959
Capital work-in-progress		4,882,454	4,882,454
		1,727,937,247	1,795,208,413
Intangible asset		5,153,328	6,249,052
Investment in associate	6	-	-
Long term investments	7	64,816,631	69,736,881
Long term deposits		51,249,313	34,539,313
		1,849,156,519	1,905,733,659
CURRENT ASSETS			
Stores, spares and loose tools		89,321,628	101,050,262
Stock in trade	8	363,737,967	698,249,075
Trade debts	9	1,222,521,317	1,167,185,282
Loans and advances		24,338,094	22,833,082
Trade deposits and short term prepayments		34,608,124	9,947,363
Other receivables		6,686,403	1,848,727
Short term investments		1,767,868	26,499,431
Tax refunds due from Government		110,992,216	177,433,540
Taxation - net		48,429,065	91,803,445
Cash and bank balances	10	223,333,051	62,513,872
		2,125,735,733	2,359,364,079
Assets classified as held for sale	11	2,538,897,200	2,538,897,200
		6,513,789,452	6,803,994,938
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		29,278,012	34,198,262
		2,025,558,580	2,030,478,830
Revenue reserves			
Unappropriated profit		1,437,241,904	1,798,754,388
		3,586,979,244	3,953,411,978
NON CURRENT LIABILITIES			
Long term financing	12	410,282,264	235,448,925
Lease liabilities	13	115,861,148	135,668,777
Deferred capital grant	14	89,412,022	99,393,433
Deferred taxation		24,232,548	49,261,102
		639,787,982	519,772,237
CURRENT LIABILITIES			
Trade and other payables	15	1,761,343,277	1,647,856,424
Unclaimed dividend		3,037,561	3,038,460
Interest and mark-up accrued		41,015,153	71,209,814
Short term borrowings	16	317,298,533	486,237,000
Current portion of long term liabilities	12	105,561,130	74,094,110
Current portion of lease liabilities	13	38,946,233	29,486,271
Current portion of deferred government grant	14	19,820,339	18,888,644
		2,287,022,226	2,330,810,723
		6,513,789,452	6,803,994,938
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Half Yearly Report

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	Note	Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
		Rupees	Rupees	Rupees	Rupees
Sales - net		2,916,960,595	3,986,952,005	1,368,919,539	2,011,545,536
Cost of sales	18	(3,055,149,113)	(3,928,395,293)	(1,527,053,440)	(2,010,096,765)
Gross (loss) / profit		(138,188,518)	58,556,712	(158,133,901)	1,448,771
General and administrative expenses		(100,011,928)	(93,158,514)	(51,253,604)	(66,984,138)
Distribution cost		(10,480,448)	(11,595,461)	(5,415,363)	(6,045,620)
Allowance for expected credit loss	9.2	(20,748,614)	(18,173,773)	-	-
Other operating income		34,740,754	61,957,032	16,823,722	23,469,299
Other operating expenses		(704,253)	(650,000)	(352,126)	(325,000)
		(97,204,489)	(61,620,716)	(40,197,371)	(49,885,459)
Operating loss		(235,393,007)	(3,064,004)	(198,331,272)	(48,436,688)
Financial charges		(117,347,371)	(139,135,046)	(52,665,785)	(71,417,894)
Loss before taxation and levy		(352,740,378)	(142,199,050)	(250,997,057)	(119,854,582)
Levy	19	(36,957,997)	50,467,200	(17,291,959)	25,467,074
Loss before taxation		(389,698,375)	(142,199,050)	(268,289,016)	(119,854,582)
Taxation	20	28,185,891	85,450,409	24,043,309	69,213,484
Loss for the period		(361,512,484)	(107,215,841)	(244,245,707)	(76,108,172)
Loss per share - basic and diluted	21	(29.11)	(8.63)	(21.34)	(6.13)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Half Yearly Report


IMRAN MAQBOOL
Chief Executive Officer


HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024**

		December 31, 2024	December 31, 2023
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	22	311,281,312	49,655,563
Financial charges paid		(147,542,032)	(133,861,839)
Taxes paid		(32,754,990)	(47,356,708)
Net cash used in operating activities		<u>130,984,290</u>	<u>(131,562,984)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital expenditure		(5,200,000)	(15,254,766)
Proceeds from disposal of operating fixed assets		-	43,099,999
Short term investments		24,731,563	(24,778,000)
Long term deposits		(16,710,000)	(5,039,700)
Net cash used in investing activities		2,821,563	(1,972,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(23,746,610)	(19,270,555)
Additions in long term financing		230,046,969	-
Principal paid on lease liabilities		(10,347,667)	(21,207,936)
Dividend paid		(899)	-
Short term borrowings - net		(168,938,467)	94,233,158
Net cash generated from financing activities		<u>27,013,326</u>	<u>53,754,667</u>
Net (decrease) / increase in cash and cash equivalents		160,819,179	(79,780,784)
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		<u>223,333,051</u>	<u>124,569,633</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Half Yearly Report

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	Capital Reserves		Revenue Reserves	Total	
	Issued, subscribed and paid-up capital	Surplus on revaluation of property, plant and equipment	Unrealised gain on investments at fair value through other comprehensive income		
			Unappropriated profit		
	-----Rupees-----				
Balance as at July 1, 2023 (audited)	124,178,760	1,996,280,568	32,688,266	2,557,189,191	4,710,336,785
Total comprehensive loss for the period					
Loss for the period	-	-	-	(107,215,841)	(107,215,841)
Other comprehensive income	-	-	24,300,689	-	24,300,689
	-	-	24,300,689	(107,215,841)	(82,915,152)
Balance as at December 31, 2023 (unaudited)	124,178,760	1,996,280,568	56,988,955	2,449,973,350	4,627,421,633
Balance as at July 1, 2024 (audited)	124,178,760	1,996,280,568	34,198,262	1,798,754,388	3,953,411,978
Total comprehensive loss for the period					
Loss for the period	-	-	-	(361,512,484)	(361,512,484)
Other comprehensive loss	-	-	(4,920,250)	-	(4,920,250)
	-	-	(4,920,250)	(361,512,484)	(366,432,734)
Balance as at December 31, 2024 (unaudited)	124,178,760	1,996,280,568	29,278,012	1,437,241,904	3,586,979,244

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(361,512,484)	(107,215,841)	(244,245,707)	(76,108,172)
Other comprehensive (loss) / income				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealized (loss) / gain on revaluation of investments classified as fair value through other comprehensive	(4,920,250)	24,300,689	8,464,440	5,274,821
Total comprehensive loss for the period	(366,432,734)	(82,915,152)	(235,781,267)	(70,833,351)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Half Yearly Report


IMRAN MAQBOOL
Chief Executive Officer


HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

Crescent Fibers Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the repealed 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.

Geographical locations and addresses of all the business units are as under:

Locations

Lahore

Office no. 104, Shadman I, Lahore, Pakistan.

Karachi

Office no. 7th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi, Pakistan.

Nooriabad

Plot No. B/123, Road No. D-7, Industrial Area Nooriabad, District Dadu, in the Province of Sindh

Bhikki

17-KM, Faisalabad Road, Bhikki, District Sheikhpura in the Province of Punjab

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the period ended December 31, 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;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act;

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

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.

2.1.1 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.

2.1.2 The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2024 have 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 and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes thereto for the six months period ended December 31, 2023 have been extracted from the condensed interim financial statements of the Company for the six months period ended December 31, 2023 which were subjected to a review but not audited.

2.1.3 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they have reviewed the cumulative figures for the six months period ended December 31, 2024 and December 31, 2023.

2.1.4 The condensed interim financial statements are unaudited and being submitted to members as required under section 237 of the Companies Act 2017 and Listing Regulations of Pakistan Stock Exchange.

2.2 Basis of measurement

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

2.3 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 accounting standards are effective for accounting periods beginning on January 01, 2024, 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)

- (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 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupee ('Rupee', or 'Rs'), which is the functional and presentation currency of the Company.

3 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.

4 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 annual financial statements for the year ended June 30, 2024.

	December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
5 OPERATING FIXED ASSETS		
Operating fixed assets	5.1 1,585,602,703	1,639,735,312
Right-of-use assets	5.2 137,452,090	150,590,647
	<u>1,723,054,793</u>	<u>1,790,325,959</u>
5.1 Fixed assets		
Opening net book value (NBV)	1,639,735,312	1,125,468,794
Transfer from right of use asset (NBV)	4,736,320	57,345,947
Transfer from Capital Work in progress	-	591,292,007
Additions (at cost) during the period / year	5,200,000	8,102,600
	<u>1,649,671,632</u>	<u>1,782,209,348</u>
Disposals (at NBV) during the period / year	-	(15,751,847)
Depreciation charged during the period / year	(64,068,929)	(126,722,189)
	<u>(64,068,929)</u>	<u>(142,474,036)</u>
Closing net book value (NBV)	<u>1,585,602,703</u>	<u>1,639,735,312</u>
5.2 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)	(4,736,320)	(57,345,947)
Depreciation charged during the period / year	(8,402,237)	(14,914,747)
	<u>137,452,090</u>	<u>150,590,647</u>
6 INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE		
Investment in equity accounted associate	6.1 -	-
6.1 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	88,077
Accumulated impairment	(89,007)	(89,007)
Share of loss for the period / year	-	-
	<u>(930)</u>	<u>(930)</u>
	<u>-</u>	<u>-</u>

Market value of investment in equity accounted associate was Rs. 0.378 million (June 30, 2024: Rs. 0.411 million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	Rupees	Rupees
7	LONG TERM INVESTMENTS		
	Fair value through other comprehensive income		
	Listed Equity Securities		
	Cost	35,538,619	35,538,619
	Unrealized gain on revaluation of investments	29,278,012	34,198,262
		<u>64,816,631</u>	<u>69,736,881</u>
8	STOCK IN TRADE		
	Raw material in hand	61,964,670	489,070,787
	Work-in-process	104,044,349	85,381,195
	Finished goods	8.1 197,728,948	123,797,093
		<u>363,737,967</u>	<u>698,249,075</u>
8.1	Impairment loss on finished goods		
	Cost	203,802,247	123,797,093
	Less: impairment loss	(6,073,299)	-
	Net realizable value	<u>197,728,948</u>	<u>123,797,093</u>
9	TRADE DEBTS		
	Unsecured - considered good		
	Due from associated companies	9.1 -	3,232,249
	Others	1,222,521,317	1,163,953,033
		<u>1,222,521,317</u>	<u>1,167,185,282</u>
	Considered doubtful	186,817,764	166,069,150
		1,409,339,081	1,333,254,432
	Less: Allowance for expected credit loss	9.2 (186,817,764)	(166,069,150)
		<u>1,222,521,317</u>	<u>1,167,185,282</u>
9.1	This represents due from Suraj Cotton Mills Limited, an associated company.		
9.2	Allowance for expected credit loss		
	Opening balance	166,069,150	98,588,659
	Allowance recognized during the period / year	20,748,614	67,480,491
	Closing balance	<u>186,817,764</u>	<u>166,069,150</u>
10	CASH AND BANK BALANCES		
	Cash in hand	1,405,213	205,291
	Cash with banks		
	Current accounts	52,227,591	12,597,118
	PLS saving accounts	10.1 169,083,258	48,762,784
		221,310,849	61,359,902
	Islamic current accounts	616,989	948,679
		<u>223,333,051</u>	<u>62,513,872</u>
10.1	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).		
11	ASSETS CLASSIFIED AS HELD FOR SALE		
	Investment property classified as held for sale	11.1 2,538,897,200	2,538,897,200
11.1	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.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

		December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
12	LONG TERM FINANCING		
	Secured		
	Conventional mode	515,843,394	309,543,035
	Less: Current portion shown under current liabilities	<u>(105,561,130)</u>	<u>(74,094,110)</u>
		<u>410,282,264</u>	<u>235,448,925</u>
13	LEASE LIABILITIES		
	Lease liabilities	154,807,381	165,155,048
	Less: current portion	<u>(38,946,233)</u>	<u>(29,486,271)</u>
		<u>115,861,148</u>	<u>135,668,777</u>
	Maturity analysis-contractual discounted cash flow:		
	Less than one year	38,946,233	29,486,271
	One to five years	<u>115,861,148</u>	<u>135,668,777</u>
	Total discounted lease liability	<u>154,807,381</u>	<u>165,155,048</u>
13.1	When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 17.52 % to 23.03% (June 30, 2024: 21.61% to 28.27%) per annum.		
14	DEFERRED CAPITAL GRANT		
	Deferred government grant against Temporary Economic Refinance Facility	14.1 & 14.2 109,232,361	118,282,077
	Less: Current portion of government grant	<u>(19,820,339)</u>	<u>(18,888,644)</u>
		<u>89,412,022</u>	<u>99,393,433</u>
14.1	Following is the movement in capital grant during the period / year:		
	Opening balance	118,282,077	137,289,317
	Amortised during the period	<u>(9,049,716)</u>	<u>(19,007,240)</u>
	Closing balance	<u>109,232,361</u>	<u>118,282,077</u>
14.2	This represents government grant recognized on long term financing facilities obtained under Temporary Economic Refinance (TERF) schemes of State Bank of Pakistan.		
15	TRADE AND OTHER PAYABLES		
	Creditors	15.1 606,566,219	516,343,787
	Accrued liabilities	15.2 651,067,795	590,562,181
	Contractual liability	68,232,375	73,090,735
	Payable to Provident Fund	6,583,983	8,876,236
	Due to related party	15.3 93,400,555	86,997,889
	Withholding tax payable	11,987,805	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	36,957,997	79,286,707
	Other liabilities	<u>9,550,684</u>	<u>9,430,448</u>
		<u>1,761,343,277</u>	<u>1,647,856,424</u>
15.1	This includes balance amounting to Rs. 23.974 million (June 30, 2024: Rs. 9.102 million) due to an associated company.		
15.2	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.		
15.3	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), 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.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	Note	December 31,	June 30,
		2024 (Un-audited)	2024 (Audited)
16	SHORT TERM BORROWINGS	Rupees	Rupees
	Islamic mode		
	National Bank of Pakistan	75,000,000	75,000,000
	Conventional mode		
	Muslim Commercial Bank	-	391,941,591
	JS Bank Limited	242,298,533	-
	Standard Chartered Bank	-	19,295,409
		<u>317,298,533</u>	<u>486,237,000</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

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

18 COST OF SALES

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Un-audited)			
	Rupees			
Materials consumed	1,805,110,119	2,856,226,356	762,071,926	1,447,447,861
Stores, spares and loose tools consumed	46,349,057	62,862,687	17,893,031	29,297,620
Packing material consumed	30,444,528	52,948,010	12,236,161	27,704,223
Salaries, wages and other benefits	264,705,103	276,045,571	117,708,510	145,785,959
Fuel and power	515,877,701	653,109,013	222,944,506	349,019,740
Insurance	11,729,332	12,488,954	6,001,565	6,090,235
Repairs and maintenance	2,704,702	7,243,025	1,634,542	2,671,564
Depreciation	66,933,658	55,970,408	33,466,829	36,352,365
Other manufacturing overheads	16,087,483	20,216,110	7,045,988	9,979,113
	<u>2,759,941,683</u>	<u>3,997,110,134</u>	<u>1,181,003,058</u>	<u>2,054,348,680</u>
Opening work in process	85,381,195	129,395,154	76,875,608	118,317,011
Closing work in process	(104,044,349)	(118,262,198)	(104,044,349)	(118,262,198)
	<u>(18,663,154)</u>	<u>11,132,956</u>	<u>(27,168,741)</u>	<u>54,813</u>
Cost of goods manufactured	<u>2,741,278,529</u>	<u>4,008,243,090</u>	<u>1,153,834,317</u>	<u>2,054,403,493</u>
Cost of goods purchased for trading	387,802,440	-	-	-
Opening stock of finished goods	123,797,092	100,284,792	188,869,631	135,825,861
Closing stock of finished goods	(197,728,948)	(180,132,589)	(197,728,948)	(180,132,589)
	<u>(73,931,856)</u>	<u>(79,847,797)</u>	<u>(8,859,317)</u>	<u>(44,306,728)</u>
	<u>3,055,149,113</u>	<u>3,928,395,293</u>	<u>1,144,975,000</u>	<u>2,010,096,765</u>

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
	(Un-audited)			
19 LEVY				
Income tax levy under IFRIC 21/IAS 37	36,957,997	50,467,200	17,291,959	25,467,074

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023 (Un-audited)	December 31, 2024	December 31, 2023
20 TAXATION				
Prior	(3,157,337)	(1,156,096)	-	(1,156,096)
Deferred	(25,028,554)	(84,294,313)	(20,885,972)	(68,057,388)
	<u>(28,185,891)</u>	<u>(85,450,409)</u>	<u>(20,885,972)</u>	<u>(69,213,484)</u>

21 LOSS PER SHARE - BASIC AND DILUTED

Loss for the period (Rupees)	(361,512,484)	(107,215,841)	(264,994,321)	(76,108,172)
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Loss per share - basic and diluted (Rupees)	(29.11)	(8.63)	(21.34)	(6.13)

Half Yearly Report

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
Note	Rupees	Rupees
22 CASH GENERATED FROM OPERATIONS		
Loss before taxation and levy	(352,740,378)	(142,199,050)
Adjustment for non-cash charges and other items:		
Depreciation	72,471,166	62,586,798
Amortization	1,095,724	1,090,724
Gain on disposal of operating fixed assets	-	(27,348,152)
Grant income	(9,049,716)	(6,467,327)
Financial charges	117,347,371	139,135,046
Allowance for expected credit loss	20,748,614	18,173,773
	<u>202,613,159</u>	<u>187,170,862</u>
Profit before working capital changes	(150,127,219)	44,971,812
Working capital changes	22.1 461,408,531	4,683,751
	<u>311,281,312</u>	<u>49,655,563</u>
22.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	11,728,634	(11,876,945)
Stock in trade	334,511,108	(246,290,204)
Trade debts	(76,084,649)	29,195,388
Loans and advances	(1,505,012)	(26,273,763)
Trade deposits and short term prepayments	(24,660,761)	(14,696,819)
Other receivables	(4,837,676)	1,057,210
Tax refunds due from the Government	66,441,324	(10,850,342)
	<u>305,592,968</u>	<u>(279,735,475)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	155,815,563	284,419,226
	<u>461,408,531</u>	<u>4,683,751</u>

23 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 period, other than disclosed elsewhere in the unconsolidated financial statements, are as follows:

23.1 Transactions during the period

Relation with the company	Nature of transaction	Name of the related party	Half year ended		Quarter ended	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Un-audited)						
Rupees						
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	-	87,614,410	-	55,634,050
	Insurance premium	Premier Insurance Limited	30,470,187	27,927,725	-	(9,319,187)
	Rent received	Amil Exports (Private) Limited	518,256	471,174	518,256	235,587
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	10,002,414	10,000,999	5,139,390	5,000,489
Director	Rent paid	Mr. Imran Maqbool	450,000	450,000	225,000	225,000
	Rent paid	Mr. Humayun Maqbool	450,000	450,000	225,000	225,000
Others	Rent paid	Ms. Khawar Maqbool	1,290,000	1,290,000	645,000	645,000
Chief executive	Remuneration and benefits	Mr. Imran Maqbool	6,742,502	6,728,055	3,371,251	3,370,887
Director	Remuneration and benefits	Mr. Humayun Maqbool	7,082,502	7,060,171	3,541,251	3,550,085
Key management personnel	Remuneration and benefits	Key management personnel	17,486,353	16,182,028	8,743,176	8,091,014

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)**

	December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
23.2 Period / year end balances		
Receivable from associated company - Suraj Cotton Mills Limited	-	3,232,249
Payable to associated company - Premier Insurance Limited	23,974,379	9,102,399
Payable to provident fund	6,583,983	8,876,236
Due to Chief Executive, Directors and close relative	93,400,555	86,997,889

24 FINANCIAL RISK MANAGEMENT

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

25 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

As of the reporting date, except for the long term investments, none of the Company's financial instruments are carried at its fair value.

During the period, there have been no transfers between levels of fair value hierarchy used in measuring the fair value of financial instruments.

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values.

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, there were no major reclassifications during the half year ended.

27 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 27, 2025 by the Board of Directors of the Company.


IMRAN MAQBOOL
Chief Executive Officer


HUMAYUN MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

Half Yearly Report



**Crescent
Fibres**

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