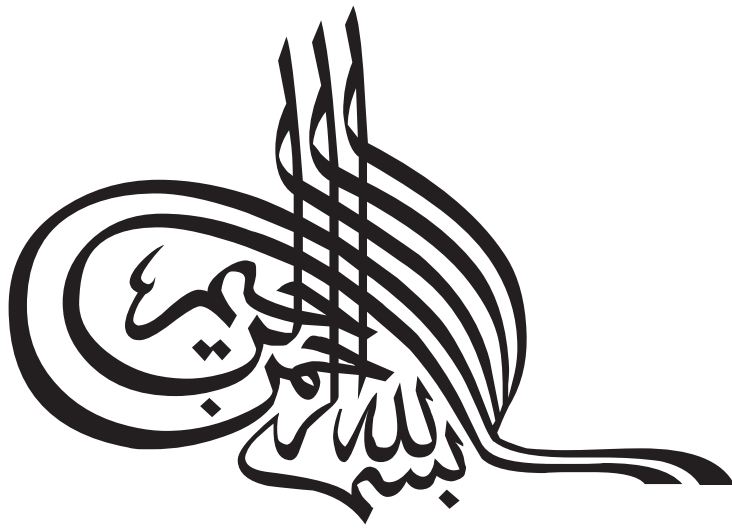




ANNUAL  
**REPORT**  
2017



| The Crescent Textile Mills Limited





# CONTENTS

Company Information	4
Key Figures	5
Vision and Core Values	6
Management Structure / Organization Chart	7
JamaPunji	8
Chairman's Review	9
Directors' Report	10
Directors' Report (Urdu)	20
Statement of Value Addition	32
Performance Indicators	33
Key Operating and Financial Data	35
Vertical Analysis	37
Horizontal Analysis	38
Statement of Compliance with the Code of Corporate Governance	39
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	42
Auditors' Report to the Members	43
Balance Sheet	44
Profit and Loss Account	46
Statement of Comprehensive Income	47
Cash Flow Statement	48
Statement of Changes in Equity	49
Notes to the Financial Statements	50
Pattern of Shareholding	100
Notice of Annual General Meeting	104
Proxy Form	109



# COMPANY INFORMATION

<b>Board of Directors</b>		<b>Bankers</b>
Mr. Shaukat Shafi	Chairman	Al Baraka Bank (Pakistan) Limited
Mr. Muhammad Anwar	Chief Executive Officer	Allied Bank Limited
Mr. Ahmad Shafi	Director	Habib Bank Limited
Mr. Amjad Mehmood	Director	MCB Bank Limited
Mr. Anjum Muhammad Saleem	Director	National Bank of Pakistan
Mr. Khalid Bashir	Director	Standard Chartered Bank (Pakistan) Limited
Mr. Khurram Mazhar Karim	Director	The Bank of Punjab
Mr. Muhammad Asif (Nominee NIT)	Director	United Bank Limited
<b>Audit Committee</b>		<b>Mills &amp; Head Office</b>
Mr. Khalid Bashir	Chairman	Sargodha Road,
Mr. Anjum Muhammad Saleem	Member	Faisalabad, Pakistan
Mr. Khurram Mazhar Karim	Member	T: + 92-41-111-105-105
		F: + 92-41-8786525
		E: crestex@ctm.com.pk
<b>HR &amp; R Committee</b>		
Mr. Khalid Bashir	Chairman	
Mr. Ahmad Shafi	Member	
Mr. Anjum Muhammad Saleem	Member	
<b>Chief Financial Officer</b>		
Mr. Sadiq Saleem		
<b>Corporate Secretary</b>		<b>Registered Office</b>
Mr. Naseer Ahmad Chaudhary		45-A, Off: Zafar Ali Road, Gulberg-V, Lahore, Pakistan
		T: + 92-42-111-245-245
<b>Head of Internal Audit</b>		F: + 92-42-111-222-245
Mr. Muhammad Waqar Iqbal		E: crestex@ctm.com.pk
<b>Auditors</b>		
Riaz Ahmed & Company		
Chartered Accountants		
<b>Legal Advisor</b>		<b>Share Registrar</b>
Syed Masroor Ahmad	Advocate	CorpTec Associates (Pvt) Ltd., 503 - E, Johar Town, Lahore, Pakistan
<b>Stock Exchange Listing</b>		T: +92-42-35170336-37
The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.		F: +92-42-35170338
		E: info@corptec.com.pk
The Company's shares are quoted in leading dailies under textile composite sector.		www.ctm.com.pk

## KEY FIGURES

**FY 2017**

**113**

Profit after Tax

**FY 2016**

**251**

(Rs. in million)

**10**

Other Expenses

**26**

(Rs. in million)

**287**

Finance Cost

**360**

(Rs. in million)

**350**

Other Income

**376**

(Rs. in million)

**5,255**

Investments

**3,543**

(Rs. in million)

**6,280**

Net Worth

**4,552**

(Rs. in million)

**0.90**

Current ratio

**0.90**

(Times)

**1.12**

Debt equity ratio

**1.32**

(Times)

# VISION AND CORE VALUES

## VISION

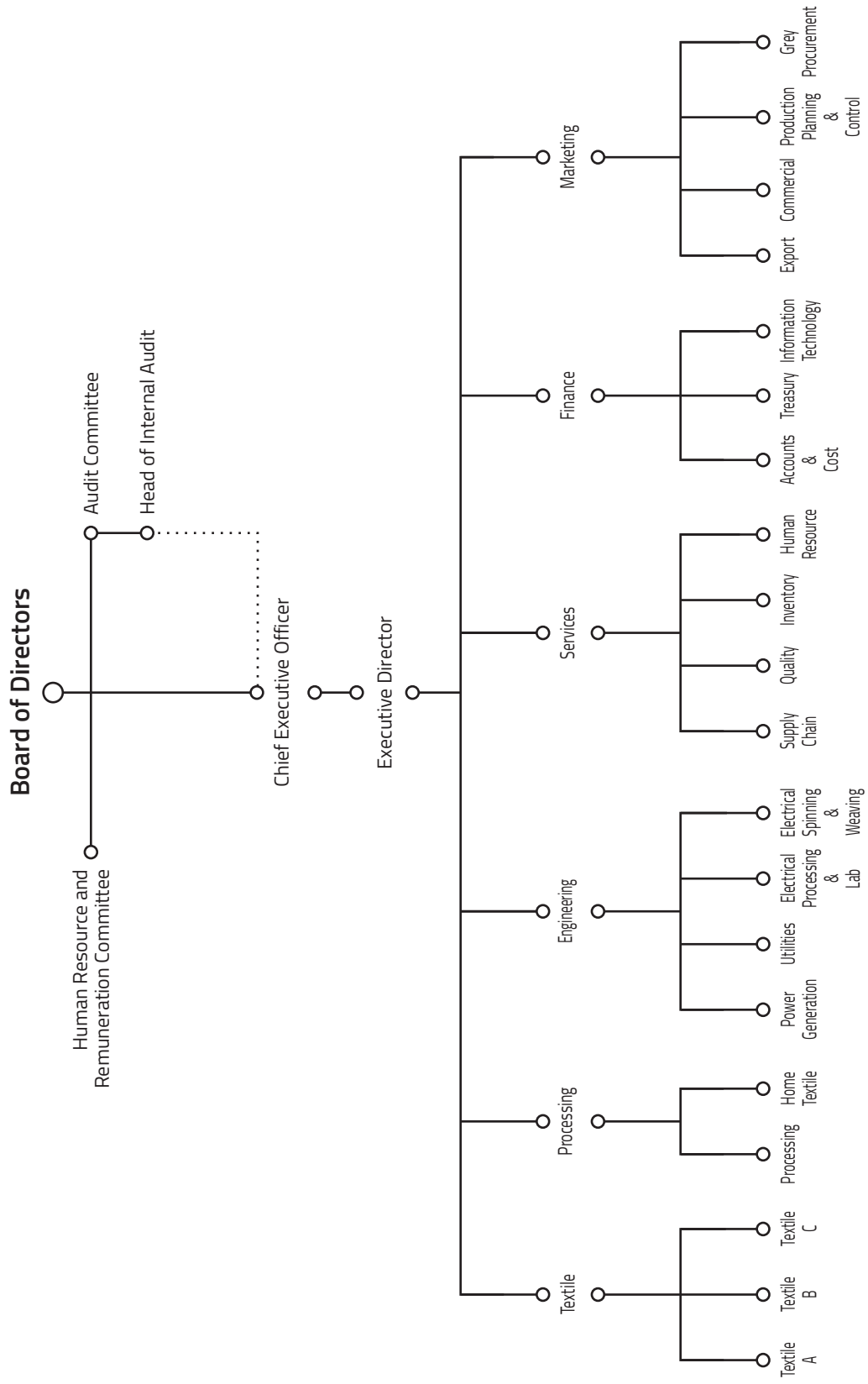
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

## CORE VALUES

Our core values are at the heart of our business because they define who we are, how we work, what we believe in and what we stand for. Our core values set out how we act and how we expect to be treated as part of The Crescent Textile Mills Limited.

 <p><b>INTEGRITY</b></p> <ul style="list-style-type: none"> <li>• Walk the Talk</li> <li>• Ownership</li> <li>• Professional Ethics</li> <li>• Personal Integrity</li> </ul>	 <p><b>INNOVATION</b></p> <ul style="list-style-type: none"> <li>• Creative Solutions</li> <li>• Change Agent</li> <li>• Transformational Approach</li> <li>• Challenging the Status Quo</li> </ul>	 <p><b>CUSTOMER CENTRICITY</b></p> <ul style="list-style-type: none"> <li>• Excellence Service</li> <li>• Customer Engagement</li> <li>• Fulfilling Customer Needs</li> <li>• Re-shape Environment</li> </ul>	 <p><b>COMMITMENT</b></p> <ul style="list-style-type: none"> <li>• Fostering the Co. Vision</li> <li>• Empowering Others</li> <li>• Establishing Focus</li> <li>• Achieving Results</li> </ul>	 <p><b>TEAMWORK</b></p> <ul style="list-style-type: none"> <li>• Organizational Growth</li> <li>• Developing Teams</li> <li>• Knowledge Sharing</li> <li>• Self Development</li> </ul>	 <p><b>QUALITY</b></p> <ul style="list-style-type: none"> <li>• Cultivating Excellence</li> <li>• Managing Projects</li> <li>• Improve Results</li> <li>• Meet Expectation</li> </ul>
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# MANAGEMENT STRUCTURE / ORGANIZATION CHART












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-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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\*Mobile apps are also available for download for android and ios devices

# CHAIRMAN'S REVIEW

for the year ended June 30, 2017

On behalf of the Board of Directors It is my pleasure to share with you the performance of company for the year ended June 30, 2017. Performance of the industry remained lackluster throughout the year due demand side weakness of low value added products but rise in exports of high value added goods supported to close the year at level of last year.

Contrary to overall performance of the economy where large scale manufacturing sector showed growth, a consistent decline in growth of textile sector was witnessed due host of factors behind falling exports. Even the export package of Rs. 180 billion couldn't improve performance of industry throughout the year. Under difficult business environment textile sector continued to suffer due to lower export volumes, an uncompetitive environment in the region, non-release of tax refunds and high cost of carrying out business. Costly raw materials also made it difficult for the manufacturers-cum-exporters to compete with regional exporters and offer their products at competitive prices to buyers. Lower volumes and selling prices put pressure on gross margins of the industry.

In a very competitive and difficult business scenario we are pleased with performance of company as productions, sales volumes and measure to control cost exhibited positively. But it didn't transform into improved profitability as compared to last year mainly due attritions in gross margins. Your company is focused to improve volume and margin of products through cost control, value addition, innovation and strengthening of its assets base.

The management, employees, bankers, vendors and our valuable customers have shown their commitment to remain hand in hand in difficult times to exhibit improved performance. I take this opportunity alongside my Board members to thank all of them who have remained our strength and rendered valuable support and contribution to the company throughout the year.

I would also like to take this opportunity to thank our shareholders for their continued support and trust in the Company. We are confident that with the same support we will perform better and improve our results in future for our mutual benefits.

For and on behalf of the Board of Directors



Shaukat Shafi  
Chairman

# DIRECTORS' REPORT

for the year ended June 30, 2017

Directors of your company are pleased to present the Directors' Report along with audited Financial Statements of company and Auditors' Report thereon for the year ended June 30, 2017.

## Industry overview

Weak fundamentals of the industry weigh on its growth and textile exports for the year remained flat (+0.04% year-on-year basis) at US\$ 12.543 billion. Over the years industry has become uncompetitive largely due to increased cost of doing business particularly for higher utilities cost and low capacity utilization. Especially Punjab based industry faced more headwinds as higher LNG prices made it difficult even to compete locally with industry of other provinces. Export package announced by the Prime Minister in January 2017 also failed to stem decline in exports as its implementation remained far from reality. Higher input cost due to increased raw materials prices and minimum wage rate affected its operational viability and gross margins of industry were very thin in the year.

Textile sector which employs more than 40% manpower and contributes 55% ~ 60% towards exports of the country needed particular focus for revival and growth to boost exports of the country. Due to un-conducive business environment slowly and gradually the base of conventional industry was weakening in general as was evident from consistent plunge of Pakistan's share of textile in global market.

## Company's performance

Sales revenues for the year under review were stable and moderately higher by 2.78% as compared to FY16. Due to slower demand in first half FY17 exports remained lower by 0.96% year-on-year basis but local sales achieved higher growth trajectory mainly of yarn sales as year-on-year basis increase in cotton prices pushed yarn prices

relatively at higher level on comparative basis. Operating profit of company for the year under review went down by 52.44% as compared to FY16 and gross margins across all segments of business suffered due higher input costs. It resulted into decline in overall gross margins; which were down by 27.47% year-on-year basis. Sales volumes of all segments of company except of home textiles during the year were reduced partly due soft export demand and also for installation of machinery imported under BMR and capacities were not fully utilized.

In comparison to FY16 the company managed to attain improved level of production in home textiles but it remained slightly below in spinning, weaving and processing where installation of new machinery and slow demand in first half FY17 had curtailed operating capacity of these segments for some period of time. Cost of production remained high as raw materials prices, purchase rates of semi finished goods and weaving charges went up because of supply constraints in domestic market. Salaries and utilities cost also increased as compared to FY16 due increase in minimum wage rate and increase in LNG and fuel prices on higher international oil prices.

We achieved higher selling prices of our products on year-on-year basis but increase in raw materials prices and other inputs used as semi finished goods outpaced these prices due subdued demand and affected primary margins. Despite substantial decline in gross margins some stability in profit after tax was achieved mainly due accruals of incentives under Prime Minister Package applicable on exports made during January 16, 2017 to June 30, 2017 and to some extent decline in finance cost and tax savings attributable on investment in plant and machinery helped to post the positive results for the year under review.

## Capacity utilization

Segments	Set up	FY 2017			FY 2016		
		Capacity	Actual	%	Capacity	Actual	%
Spinning	Spindles	100,272	91,841	91.6	100,272	90,440	90.2
Weaving	Air jet looms	112	93	83.0	112	93	83.0
Processing	Mln Mtrs (Bleached/ dyed/ print)	28.800	26.937	93.5	28.800	27.200	94.4
Home textiles	Mln Mtrs (Made ups)	18.000	17.192	95.5	18.000	16.468	91.5

# DIRECTORS' REPORT

for the year ended June 30, 2017

Except value added the performance of other segments was moderately changed in comparison to FY16 mostly in first half FY 2017 as volumes and prices remained

depressed due to weak demand and sluggish market conditions.

## Operational highlights

Segment	Spinning		Weaving		Processing		Home textiles		
	(Kgs)	%	(Mtrs)	%	(Mtrs)	%	(Mtrs)	%	
FY 2017	Production	17,189	82.1	8,541	30.6	26,937	100.0	21,427	100.0
	Outside weaving	-	-	17,236	61.7	-	-	-	-
	Purchases	3,740	17.9	2,168	7.8	-	-	-	-
	Available for use	20,929	100.0	27,944	100.0	26,937	100.0	21,427	100.0
	Local	11,679	55.8	1,014	3.6	2,018	7.5	869	4.1
	Export	145	0.7	399	1.4	3,853	14.3	20,559	95.9
	Used in house	9,104	43.5	26,532	94.9	21,066	78.2	-	-
Ttl.	20,929	100.0	27,944	100.0	26,937	100.0	21,427	100.0	
FY 2016	Production	18,892	87.6	9,276	31.2	27,200	100.0	20,910	100.0
	Outside weaving	-	-	17,309	58.2	-	-	-	-
	Purchases	2,667	12.4	3,166	10.6	-	-	-	-
	Available for use	21,559	100.0	29,750	100.0	27,200	100.0	20,910	100.0
	Local	12,239	56.8	751	2.5	1,781	6.5	453	2.2
	Export	697	3.2	2,370	8.0	4,449	16.4	20,457	97.8
	Used in house	8,623	40.0	26,630	89.5	20,971	77.1	-	-
Ttl.	21,559	100.0	29,750	100.0	27,200	100.0	20,910	100.0	

Sales volumes	UoM	FY17	FY16	Var.	
		Qty	Qty	Qty	%
Export:					
Yarn	Kgs	145,152	696,956	(551,804)	(79.17)
Grey fabric	Mtrs	398,710	2,369,942	(1,971,232)	(83.18)
Processed fabric	Mtrs	3,852,750	4,448,814	(596,064)	(13.40)
Home textiles	Mtrs	20,558,835	20,457,130	101,705	0.50
Local:					
Yarn	Kgs	11,679,229	12,239,015	(559,786)	(4.57)
Grey fabric	Mtrs	1,014,219	750,863	263,356	35.07
Processed fabric	Mtrs	2,018,108	1,780,617	237,491	13.34
Home textiles	Mtrs	868,566	453,169	415,397	91.66



# DIRECTORS' REPORT

for the year ended June 30, 2017

Prices	UoM	FY17	FY16	Var.	
			Unit prices	Rs.	%
<b>Purchases:</b>					
Cotton	Rs./Md	6,695	5,592	1,103	19.72
Polyester	Rs./Kg	117.6	113.9	3.7	3.25
Yarn	Rs./Kg	130.9	99.3	31.6	31.82
Grey Fabric	Rs./Mtr	208.0	198.0	10.0	5.05
Weaving charges	Rs./Mtr	23.8	22.3	1.5	6.73
<b>Sales:</b>					
<b>Local</b>					
Yarn	Rs./Kg	138.6	120.9	17.7	14.64
Grey fabric	Rs./Mtr	106.4	88.5	17.9	20.23
Processed fabric	Rs./Mtr	62.9	80.2	(19.3)	(24.06)
Home textiles	Rs./Mtr	23.2	27.6	(4.4)	(15.94)
<b>Export</b>					
Yarn	Rs./Kg	129.0	110.0	19.0	17.27
Grey fabric	Rs./Mtr	184.4	146.5	37.9	25.87
Processed fabric	Rs./Mtr	194.2	186.5	7.7	4.13
Home textiles	Rs./Mtr	254.8	255.5	(0.7)	(0.27)

Selling and distribution cost increased due to higher sea freight charged by shipping lines. Administration cost was higher by 5.91% due increase in salaries, legal charges and other costs on account of increments, fees and consultancy charges paid to lawyers and consultants in appeal cases filed against gas, income tax and other matters respectively. Other charges were higher as electricity, sanitation and sundry cost of residential area increased as compared to FY16. Other operating income and expenses of the company were down as compared to FY16 as income from higher gain on disposal of fixed assets, gain on redemption of preference shares of Shakarganj Limited and higher dividend income from related parties were available in previous year and no

provision was made for Workers' Profit Participation Fund (5% participation fund) as company sustained operational losses during the year under review.

Finance cost and tax expense of the company were down as compared to FY16 due to more use of Export Refinance Part II, reduced exchange loss on use of US\$ loans and tax benefits accruing on account of investments in plant and machinery along with higher deferred tax benefit available on losses of local sales made during current year.

#### Financial performance

Overall Comparison of the financial performance of company with previous year is as below:

# DIRECTORS' REPORT

for the year ended June 30, 2017

(Rupees in million)	FY 17	FY 16	Var.	%
Revenue	10,872.76	10,578.81	293.95	2.78
GP	971.99	1,340.17	(368.18)	(27.47)
Operating costs	953.65	942.82	10.83	1.15
Finance cost	286.82	360.00	(73.18)	(20.33)
Operating profit	(268.47)	37.35	(305.82)	(818.80)
Other income	349.61	376.31	(26.70)	(7.10)
Reversal of CBL's profit (net)	-	(66.98)	66.98	100.00
Taxation	(32.20)	96.13	(128.33)	(133.50)
NPAT	113.34	250.55	(137.21)	(54.76)
EPS (Rs. per share)	1.42	3.57	(2.15)	(60.22)

## Financial Statements

As required under clause 5.19.4(a) of Pakistan Stock Exchange Rule Book, the Chief Executive Officer and the Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorize the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company, Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

## Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the year 2018. The Board Audit Committee and the Board of Directors of the Company

have recommended their appointment for shareholders consideration and approval at the forthcoming annual general meeting.

## Changes in the Board and Committees

The Board of Directors, fixed the number of Directors, at seven (7) for the fresh election at the Extra Ordinary General Meeting of the Company on May 16, 2017. Whereby, except for Mr. Muhammad Rafi, who retired and did not opt for re-election, six (6) retiring directors namely Mr. Ahmad Shafi, Mr. Amjad Mehmood, Mr. Anjum Muhammad Saleem, Mr. Khalid Bashir, Mr. Khurram Mazhar Karim and Mr. Muhammad Asif were re-elected and Mr. Shaukat Shafi was elected for a term of three (3) years commencing from May 17, 2017. Subsequent to election of directors, the Board unanimously appointed Mr. Muhammad Anwar as the Chief Executive Officer for a further period of three years commencing from June 01, 2017.

Detail of number of board and committee meetings held during the year and attendance by each director:

# DIRECTORS' REPORT

for the year ended June 30, 2017

Sr. No.	Name	Board of Directors' Meeting	Audit Committee Meeting	HR & R Committee Meeting
1	Mr. Ahmad Shafi	4/4		2/2
2	Mr. Amjad Mehmood	4/4		
3	Mr. Anjum Muhammad Saleem	1/4	3/5	1/2
4	Mr. Khalid Bashir	3/4	4/5	1/2
5	Mr. Khurram Mazhar Karim	3/4	4/5	
6	Mr. Muhammad Anwar	4/4		
7	Mr. Muhammad Asif	4/4		
8	Mr. Muhammad Rafi	3/4		

## Appropriations

The Board of Directors of the company feel that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend for the year ended June 30, 2017.

as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;

## Statement on Corporate and Financial Reporting Framework:

- Financial statements prepared by company's management present fairly its state of affairs, results of its operations, cash flows and changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards,

- System of internal control is sound in design and has been effectively implemented and monitored;
- The company has sound potentials to continue as going concern;
- There has been no material departure from best practices of corporate governance;
- Financial data of the last six years is attached;
- Pattern of Shareholding is attached;
- During the year, following transactions undertaken by the directors (including their spouses and minor children) in the shares of the company:

Name		No. of Shares
Mr. Ahmad Shafi	Purchase	82,000
Mr. Khalid Bashir	Purchase	200,000
Mr. Muhammad Anwar	Purchase	92,500
Mr. Muhammad Rafi	Sale	198,815

# DIRECTORS' REPORT

for the year ended June 30, 2017

The aforesaid information was also disclosed to Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) in accordance with the provisions of Pakistan Stock Exchange Rule Book and Securities Act, 2015. Other than that no trading in the shares of the Company was carried out by any Director, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, Executives and their spouses and minor children.

- k. One director of the Company had already completed Directors' Training Program (DTP) while remaining all directors met the criteria of exemption under code of corporate governance.
- l. Information about outstanding taxes and levies is given in Notes to Accounts; and
- m. Statement of value of investments in respect of employees' retirement plan has been given in Note 38 of the financial statements.

## Corporate Social Responsibility (CSR)

Over the year company has demonstrated its enduring commitment to play the role of responsible corporate citizen. Throughout of its more than 6 decades of its sustainable business operations this commitment is reflective an excellent relationship with all the stakeholders including Government, Semi Government agencies, Non-Government Organisations and all those

who have been connected to the social uplift of the community development. The collaboration and participation is diversified and extends in providing:

- Education to the underprivileged class of the society to enable them play role of responsible citizen.
- health and medical facilities to needy and poor citizens to discharge social and religious obligation.
- disaster relief and rehabilitation work for the affected community to aid restoration their normal life.
- sports and environmental activities to keep community and environment healthy and hazard free

## Education

Under the CSR commitment of the company has been partnering with The Citizen Foundation (TCF), welfare organization working under Government and Non-Government Organisations working for promotion of education in the rural areas. Company has been funding 03 Units primary sections of TCF, already built by company in remote area of Faisalabad, for annual running expense amounting to Rs. 6.0 million. Similarly, company is contributing regularly for educational societies and organizations involved in such noble cause. In addition to cash contribution senior officials have volunteered 280 hours to their structured programs throughout the year.

# DIRECTORS' REPORT

for the year ended June 30, 2017



## Health and medical care

Company has donated Rs.3.848 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society including Shaukat Khanum, Cancer Hospital and Research Centre, Chiniot Blood Bank and Dialysis Centre and Islamia Hospital Chiniot besides providing funds for purchase of essential medical equipments.

To ensure health and safety at the workplace employees are trained to protect themselves by occupational safety rules and procedures while performing jobs. Adequate training and awareness about technical jobs are given to all employees in the 'Training Centre' established by the company. They are familiarized with rules and regulations through visits of plant, IT Training, awareness campaigns and using on job safety instruments. A well equipped fire fighting department is looking after immediate fire

hazardous.

## Environmental protection

Conservation of environment and to protect its environment from hazard always remains on top priority for the company so that no vulnerable process emission can harm community at large. Operational facilities are continuously evaluated through required safety equipments to fulfill this commitment. Company had also installed ETP (Effluent Treatment Plant) for water being discharged from its fabric processing facilities.

Business and operations of the company are certified for compliance of international standards and regulatory requirements from national and international agencies. We have achieved third party certifications through the accredited agencies for following product, services, management and environmental systems standards:

# DIRECTORS' REPORT

for the year ended June 30, 2017

ISO 9001:2008	Quality Management Systems
ISO 14001:2004	Environment Management Systems
OCS 100	Product Standards, Organic Content Standard
GOTS	Product Standards, Global Organic Textiles
Oeko-Tex 100	Product Standards for Yarn, Human Ecology
Oeko-Tex 100	Product Standards for Fabric, Human Ecology
Oeko-Tex 100	Product Standards for Home Textiles, Human Ecology
SA 8000	Social accountability
SEDEX	Audit Data Bank for sharing with customers
SMETA/ETI	Code Ethical Trading Initiative
Ecolabelling Norway (SWAN)	Environmental, Health and Quality requirements

## Trees plantation

Trees and plants are the prime source of environmental purification and beautification. Trees inhale carbon dioxide and exhale oxygen, reduce temperature and create a healthy effect, both physically and psychologically, on human beings. In fact, forests are the only natural industry which produces oxygen. Today world is facing environmental problems like Global warming, ozone

depletion and pollution are burning issues. Solution to these problems lies in planting more trees.

During the year, we planted 3,192 trees. Over the years, our plantation size has increased to 15K trees. By planting trees we are reducing CO2 emissions and contributing towards healthy, natural living environment for all our employees and society at large.





# DIRECTORS' REPORT

for the year ended June 30, 2017

## Employment opportunities and industrial relations

Company has a long and established history of keeping its cordial relations across at all levels with mutual trust, respect, cooperation and confidence. This ensures and improves ultimate efficiency of the company. Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all levels beyond any racism, cast, sex or religion criteria and respects human rights ethics and standards. Upholding its social responsibility and commitment appropriate share of jobs is provided to the social persons. Reasonable opportunities are afforded to the workmen in participating Collective Bargaining Agent (CBA) activities and elect representatives of their choice under free and fair environment.

Every year through a demand notice raised by CBA company pays incentive bonuses besides profit bonus, bears Hajj expenses of 06 employees with 15 days paid leaves, allows maternity leaves to females employees, distributes cycle, fan, sewing machines on easy installments and has arranged Fair Price Shop/ Utility Stores, School Bus and Canteen facilities. To address grievances of employees a Work Council has established which conducts regular meetings. Company is also maintaining Workers Welfare Funds for needy / distressed employees.

Under the terms of agreement executed each year with CBA employees are provided financial aid for marriage of daughters and funeral expenses and also some kind of financial help to very needy cases. Company has been providing residential facilities to all its essential employment with provision of utilities according to cadre and status. To perform religious and sports affairs the company has mosque, club and ground inside its mills colony. For learning and growth of employees in-house and outside training courses are arranged at the time of hiring and then during job.

To keep work friendly environment company has set procedures, rules and regulations which regulate employment of all cadres. Harmonious working environment and cordial industrial relations prevailed during the year. The operations of the company were

carried out keeping in view the dignity, respect, support, protection as per national and international standards set to meet the working environment. All workmen performed their duties and jobs at standard hours and if they were required to put extra workings to meet exigencies and to fill man power shortage they were compensated and paid as per the legal criteria. There were no such complaints of any work abuse or not fulfilling requirements by the company. They were provided usual working environment and relations remained cordial.

## Efficient energy utilization

Company countered successfully the constrained energy resources by having option of both in house and outside energy and gas facilities. Looking at the main bottleneck for its smooth operations the company dispensed with most of air jet looms with dislocation of some of efficient looms at Hattar (Khyber Pakhtunkhwa) which not only saved it from more energy prone segment but also enabled it to use available energy resources more efficiently. This was done without compromising on the volume of business and keeping availability of required and cheaper option of fabric to the value added segments. Throughout the year no shutdowns were witnessed in any segments except due to routine overhaul and maintenance and rather efforts were made to optimize the use of gas, steady plant operations through monitoring of efficient utilization of energy by installing gauges and meters to avoid its losses.

## Contribution to national exchequer

During the year, the company contributed Rs.100 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US\$ 64 million through the export of its products.

## Employees' retirement benefits

Company established an 'Employees' Provident Fund Trust' to manage and control its financial affairs independently. Trust is recognized under Income Tax Laws and its income and contributions are exempt from tax. It receives subscription from employees with equal contribution from company. The value of investments of fund as per unaudited accounts on close of financial year, were Rs.1,562.977 million (FY 16 Rs.1,160.113 million).

# DIRECTORS' REPORT

for the year ended June 30, 2017

## Business growth and future planning

For sustaining quality of our products and get premium on selling prices we will continue to upgrade plant and machinery under BMR during ensuing year. Board has already approved a CapEX plan for FY2018 which we intend to implement after obtaining approval from financing institutions under SBP LTFF. For relocation of plant and machinery from existing premises to FIEDMC the necessary civil work has already started. The shifting of plant to FIEDMC is advantageous in many ways like availability of infrastructure, provision of utilities, availability of skilled labour in the area and the most importantly advantage of tax incentives due declaration of Estate as SEZ (Special Economic Zone) by Government of Pakistan for this purpose.

## Challenges and business outlook

Company faces challenges ahead in the form of bearish textile market both locally and internationally along risk of ever increasing cost of doing business. Overall fundamentals of industry have not changed and downside risk to business remains a real threat and to the survival of industry as well. In FY2018 the likely impact of textile package, if approved, may improve working but it remains to be seen if disbursement of subsidy, tax and drawback

refunds are available to the export industry promptly and quickly. So far no heeds have been paid by concerned corners to address real issues being confronted to industry. It also depends how earlier and fast the Government of Pakistan provides and ensures a level playing field to industry in terms of reduction in cost of utilities and free trade of cotton so that it can compete in the region.

Although challenges are high but we are committed to perform in best possible manner and add value to our stakeholders to meet the long term goals of company.

Board of directors of the company would like to express its appreciation for the efforts and dedication of employees to achieve the level of performance attained by the company during the year. We also recognize the contribution of our customers, vendors and Bankers for successful running the business of company and look forward to receive this support in the future years as well.

Lastly we appreciate the trust and confidence of our shareholders in company who have been loyal in all thick and thin times with us.

For and on behalf of the Board of Directors



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director



## ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2017ء کے لیے

آپ کی کمپنی کے ڈائریکٹرز آڈیٹوں کی رپورٹ اور کمپنی کے آڈٹ کردہ مالی بیانات کے ساتھ 30 جون، 2017 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### انڈسٹری کا جائزہ

اس سال انڈسٹری کی ترقی اور ٹیکسٹائل برآمدات کا وزن انڈسٹری کی کمزور بنیادوں کی وجہ سے 12.543 بلین امریکی ڈالر پر رہا ہے (سالانہ %0.04 کی بنیاد پر) کاروباری بڑھتی ہوئی لاگت خصوصاً پمپلیٹیز کی زیادہ لاگت، کم صلاحیت کے استعمال جیسا کہ غیر ادا شدہ ری فنڈز اور ترغیبات نے سیالیت کی کمی کو جنم دیا اور ٹیکسٹائل کے لیے سست عالمی ڈیمانڈ کی وجہ سے بھی سالہا سال سے انڈسٹری بہت زیادہ غیر مسابقتی شکل اختیار کر چکی ہے۔ خاص طور پر پنجاب کی انڈسٹری نے زیادہ مشکلات کا سامنا کیا کیونکہ ایل این جی کی بڑھتی ہوئی قیمتوں نے مقامی طور پر دوسرے صوبوں کی انڈسٹری سے مسابقت کو بھی مشکل بنا دیا تھا۔ وزیر اعظم کی طرف سے جنوری 2017 میں اعلان کردہ ایکسپورٹ پیکیج بھی برآمدات میں کمی کو روکنے میں ناکام ہو گیا کیونکہ اس کا نفاذ حقیقت سے کوسوں دور رہا۔ خام مال کی زیادہ قیمتوں اور کم از کم شرح اجرت کی وجہ سے ان پٹ لاگت زیادہ رہی جس نے اس کی عملی کامیابی کو متاثر کیا اور انڈسٹری کا مجموعی منافع سال کے دوران بہت ہی کم رہا۔

ٹیکسٹائل کی صنعت، جس کا ہلکی برآمدات میں حصہ 55 سے 60 فیصد ہے اور جو ہلکی افرادی قوت کی 40 فیصد کو روزگار فراہم کرتی ہے، ہلکی برآمدات میں اضافہ کے لئے اس صنعت کی بحالی اور بڑھوتری پر خاص توجہ دینے کی ضرورت ہے۔ غیر معاون کاروباری ماحول کی وجہ سے آہستہ آہستہ اور مرحلہ وار عمومی طور پر روایتی انڈسٹری کی بنیاد کمزور تھی جیسا کہ عالمی منڈی میں پاکستان کے ٹیکسٹائل کے حصہ میں مسلسل زوال سے ظاہر ہوا۔

### کمپنی کی کارکردگی

زیر جائزہ سال کے لیے سیلز ریونیو برقرار اور پچھلے مالی سال 2016 کی نسبت 2.78 فیصد زائد رہا۔ مالی سال 2017 کی پہلی ششماہی کے دوران سست طلب کی بناء پر برآمدات سالانہ 0.96 فیصد سالانہ کی بنیاد پر کم رہیں لیکن مقامی فروخت میں پر جوش اضافہ حاصل کیا خاص طور پر یارن سیلز میں کیونکہ سالانہ بنیادوں پر کاٹن کی قیمتوں میں اضافہ سے اسی نسبت سے یارن کی قیمتوں میں بھی اضافہ ہوا۔ مالی سال 2016 کے مقابلہ میں زیر جائزہ سال کے دوران کمپنی کا عملی منافع 52.44 فیصد کم ہوا اور بڑھتی ہوئی ان پٹ لاگت کی وجہ سے کاروبار کے تمام شعبوں میں مجموعی منافع بری طرح متاثر ہوا۔ اس کے نتیجے میں مجموعی طور پر مجموعی منافع میں کمی ہوئی؛ جو سالانہ بنیادوں پر 27.47 فیصد کم تھی۔ ہوم ٹیکسٹائل کے علاوہ کمپنی کے تمام شعبہ جات فروخت کے حجم سال کے دوران جزوی طور پر کم ہوئے کیونکہ برآمدی طلب بھی کم تھی اور BMR کے تحت درآمد کردہ مشینری کی تنصیب کی وجہ سے صلاحیتوں کا مکمل استعمال بھی نہیں ہو سکا۔

مالی سال 2016 کے مقابلہ میں کمپنی نے ہوم ٹیکسٹائل کی پیداوار میں بہتر سطح حاصل کرنے کا اہتمام کیا لیکن یہ سپینگ، ویونگ اور پراسیدنگ میں قدرے کم رہی جہاں نئی مشینری کی تنصیب اور مالی سال 2017 کی پہلی ششماہی کے دوران سست طلب نے کچھ وقت کے لیے ان شعبہ جات کی عملی صلاحیت کو کم کیا۔ مقامی مارکیٹ میں رسد کی رکاوٹوں کی وجہ سے خام مال کی قیمتیں، نیم تیار اشیاء کی شرح خرید اور ویونگ کے اخراجات زیادہ ہونے کے باعث پیداوار کی لاگت زیادہ رہی۔ کم از کم شرح اجرت میں اضافہ اور تیل کی عالمی بڑھتی قیمتوں کی وجہ سے ایندھن اور ایل این جی قیمتوں میں اضافہ کی وجہ سے مالی سال 2016 کے مقابلہ میں تنخواہوں اور پمپلیٹیز کی لاگت بھی بڑھی۔

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2017ء کے لیے

ہم نے سالانہ بنیادوں پر اپنی مصنوعات کی فروخت کی بہتر قیمتیں حاصل کی لیکن خام مال کی قیمتوں میں اضافہ اور دیگر ان پٹ جو کہ نیم تیار اشیاء کی شکل میں استعمال ہوئے نے ان قیمتوں کو بے معنی کر دیا جس کی وجہ سے طلب کم ہوئی اور بنیادی منافع جات بھی متاثر ہوئے۔ مجموعی منافع میں کافی کمی کے باوجود بعد از محصولات منافع میں کچھ استحکام حاصل ہوا جس کی بنیادی وجہ وزیر اعظم پیکیج کے تحت ترغیبات کا وقوع تھا جو 16 جنوری 2017 سے 30 جون 2017 کے دوران برآمدات پر نافذ ہوا اور کسی حد تک مالیاتی لاگت میں کمی اور پلانٹ و مشینری میں سرمایہ کاری پر محصولات سے بچت کے طریقہ نے بھی زیر جائزہ سال کے دوران مثبت نتائج ظاہر کرنے میں مدد دی۔

### پیداواری صلاحیت

سال 2016		سال 2017		سیٹ اپ		شعبہ جات	
فیصد	حقیقی	فیصد	حقیقی				
90.2	90,440	91.6	91,841			سپینڈلز	سپینڈلز
83.0	93	83.0	93			ایئر جیٹ لومز	ویونگ
94.4	27,200	93.5	26,937			ملین میٹر (پلچ، ڈائی، پرنٹ)	پراسینڈنگ
91.5	16,468	95.5	17,192			ملین میٹر (تیار)	ہوم ٹیکسٹائلز

مالی سال 2016 کے مقابلہ میں زیادہ تر مالی سال 2017 کی پہلی ششماہی کے دوران ویلیو ایڈڈ کے علاوہ دیگر شعبہ جات میں کارکردگی درمیانہ درجہ کی تمل پذیر رہی کیونکہ کمزور طلب اور سست مارکیٹ کنڈیشنز کی وجہ سے قیمتیں دباؤ کا شکار ہیں۔

### عملی صورت حال

ہوم ٹیکسٹائلز		پراسینڈنگ		ویونگ		سپینڈنگ		شعبہ جات	
فیصد	میٹرز	فیصد	میٹرز	فیصد	میٹرز	فیصد	کلوگرام		
100.0	21,427	100.0	26,937	30.6	8,541	82.1	17,189		پیداوار
-	-	-	-	61.7	17,236	-	-		بیرونی ویونگ
-	-	-	-	7.8	2,168	17.9	3,740		خریداریاں
100.0	21,427	100.0	26,937	100.0	27,944	100.0	20,929		استعمال کے لیے دستیاب
4.1	869	7.5	2,018	3.6	1,014	55.8	11,679		مقامی
95.9	20,559	14.3	3,853	1.4	399	0.7	145		برآمد
-	-	78.2	21,066	94.9	26,532	43.5	9,104		مقامی استعمال
100.0	21,427	100.0	26,937	100.0	27,944	100.0	20,929		میزان

ڈائریکٹران کی رپورٹ  
مالی سال ختمہ 30 جون 2017ء کے لیے

ہوم ٹیکسٹائلز		پراسینگ		ویونگ		سپننگ		شعبہ جات
فیصد	میٹرز	فیصد	میٹرز	فیصد	میٹرز	فیصد	کلوگرام	
100.0	20,910	100.0	27,200	31.2	9,276	87.6	18,892	پیداوار
-	-	-	-	58.2	17,309	-	-	بیرونی ویونگ
-	-	-	-	10.6	3,166	12.4	2,667	خریداریاں
100.0	20,910	100.0	27,200	100.0	29,750	100.0	21,559	استعمال کے لیے دستیاب
2.2	453	6.5	1,781	2.5	751	56.8	12,239	مقامی
97.8	20,457	16.4	4,449	8.0	2,370	3.2	697	برآمد
-	-	77.1	20,971	89.5	26,630	40.0	8,623	مقامی استعمال
100.0	20,910	100.0	27,200	100.0	29,750	100.0	21,559	میزان

FY 2016

فرق		سال 2016	سال 2017	پیمائش کا پیمانہ	فروخت کے حجم
فیصد	مقدار	مقدار	مقدار		
					برآمدات
(79.17)	(551,804)	696,956	145,152	کلوگرام	یارن
(83.18)	(1,971,232)	2,369,942	398,710	میٹرز	گرے فیبرک
(13.40)	(596,064)	4,448,814	3,852,750	میٹرز	پراسین شدہ فیبرک
0.50	101,705	20,457,130	20,558,835	میٹرز	ہوم ٹیکسٹائلز
					مقامی
(4.57)	(559,786)	12,239,015	11,679,229	کلوگرام	یارن
35.07	263,356	750,863	1,014,219	میٹرز	گرے فیبرک
13.34	237,491	1,780,617	2,018,108	میٹرز	پراسین شدہ فیبرک
91.66	415,397	453,169	868,566	میٹرز	ہوم ٹیکسٹائلز

ڈائریکٹران کی رپورٹ  
مالی سال ختمہ 30 جون 2017ء کے لیے

قیمت	پیمائش کا پیمانہ	سال 2017	سال 2016	فرق
		یونٹ پرائس	روپے	فیصد
خریداریاں				
کائٹن	روپے فی من	6,695	5,592	19.72
پولیسٹر	روپے فی کلو	117.6	113.9	3.25
یارن	روپے فی کلو	130.9	99.3	31.82
گرے فیبرک	روپے فی میٹر	208.0	198.0	5.05
ویونگ کے اخراجات	روپے فی میٹر	23.8	22.3	6.73
فروختگی				
مقامی				
یارن	روپے فی کلو	138.6	120.9	14.64
گرے فیبرک	روپے فی میٹر	106.4	88.5	20.23
پرائیس فیبرک	روپے فی میٹر	62.9	80.2	(24.06)
ہوم ٹیکسٹائلز	روپے فی میٹر	23.2	27.6	(15.94)
برآمدات				
یارن	روپے فی کلو	129.0	110.0	17.27
گرے فیبرک	روپے فی میٹر	184.4	146.5	25.87
پرائیس فیبرک	روپے فی میٹر	194.2	186.5	4.13
ہوم ٹیکسٹائلز	روپے فی میٹر	254.8	255.5	(0.27)

شپنگ لائسنز کی طرف سے زیادہ کرایوں کی وجہ سے فروخت اور تقسیم کی لاگت میں اضافہ ہوا۔ تنخواہوں، قانونی اخراجات اور انکریمنٹس، گیس، انکم ٹیکس کے خلاف دائر کردہ اپیل کیسز میں مشیران اور وکیلوں کو ادا کیے گئے مشاورت اور فیسوں کے اخراجات اور دیگر معاملات کی مد میں اخراجات کی وجہ سے انتظامی لاگت 5.91 فیصد زیادہ رہی۔ مالی سال 2016 کے مقابلہ میں رہائشی حصہ کے بجلی، سینٹری اور متفرق اخراجات زیادہ ہونے کی وجہ سے دیگر اخراجات بھی زیادہ رہے۔ مالی سال 2016 کے مقابلہ میں کمپنی کے دیگر عملی آمدنی اور اخراجات کم رہے کیونکہ ناقابل انتقال اثاثہ جات کی فروخت، شکر گنج لمیٹڈ کے ترجیحی شیئرز کی فروخت اور متعلقہ پارٹنرز سے زیادہ ڈیویڈنڈ آمدنی پچھلے سال دستیاب رہی اور زیر جائزہ سال کے دوران کمپنی کی عملی نقصان میں ہونے کی وجہ سے ورکرز پرافٹ پارٹنیشن فنڈ (5 فیصد) میں کوئی حصہ نہیں ڈالا گیا۔

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2017ء کے لیے

ایکسپورٹ ری فنانس 2 کے زیادہ استعمال، ڈالر میں قرض کے استعمال کے کم تبادلہ نقصان اور پلانٹ اور مشینری میں سرمایہ کاری پر محصولات کے فوائد کے ساتھ ساتھ حالیہ سال کے دوران مقامی فروخت میں نقصان پر بہت زیادہ معطل محصولات کے فوائد کی وجہ سے مالی سال 2016 کے مقابلہ میں کمپنی کی مالیاتی لاگت اور محصولات کے اخراجات کم رہے۔

مالیاتی کارکردگی:

کمپنی کی مالیاتی کارکردگی کا پچھلے سالوں کے ساتھ مجموعی جائزہ پیش خدمت ہے:

روپے (ملین میں)	سال 2017	سال 2016	فرق	فیصد
ریونیو	10,872.76	10,578.81	293.95	2.78
مجموعی منافع	971.99	1,340.17	(368.18)	(27.47)
عوامل کی کاسٹ	953.65	942.82	10.83	1.15
مالیاتی لاگت	286.82	360.00	(73.18)	(20.33)
عوامل کا نفع	(268.47)	37.35	(305.82)	(818.80)
دیگر آمدنی	349.61	376.31	(26.70)	(7.10)
CBL کے منافع کی واپسی	-	(66.98)	66.98	100.00
محصولات	(32.20)	96.13	(128.33)	(133.50)
خالص منافع بعد از محصولات	113.34	250.55	(137.21)	(54.76)
نفع فی شیئر (روپے فی شیئر)	1.42	3.57	(2.15)	(60.22)

مالیاتی سٹیٹمنٹس

پاکستان سٹاک ایکسچینج رول بک کی شق (a) 5.19.4 کے تحت چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اپنے دستخطوں کے ہمراہ مالیاتی سٹیٹمنٹس بورڈ آف ڈائریکٹرز اور بورڈ کی طرف سے غور اور منظوری کے لیے پیش کرتے ہیں۔ غور و خوض اور منظوری کے بعد دستخط کردہ مالیاتی سٹیٹمنٹس کو اجراء اور اشاعت کی اجازت دیتے ہیں۔ کمپنی کی مالیاتی سٹیٹمنٹس کمپنی کے آڈیٹرز میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹینٹس کی طرف سے اچھی طرح آڈٹ اور بغیر کسی اعتراض کے منظور کی گئی ہیں اور ان کی رپورٹ مالیاتی سٹیٹمنٹس کے ساتھ لف ہے۔ مالی سال جس سے یہ بیننس شیٹ تعلق رکھتی ہے اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلی اور کمیٹمنٹ وقوع پذیر نہیں ہوئی۔

## ڈائریکٹران کی رپورٹ مالی سال ختمہ 30 جون 2017ء کے لیے

### آڈیٹران

آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2018 کے لیے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا۔ آڈٹ کمیٹی بورڈ اور کمپنی کے بورڈ آف ڈائریکٹرز نے پیش آمدہ سالانہ عمومی اجلاس پر سینئر ہولڈرز کی طرف سے غور اور منظوری پر ان کی تعیناتی کی سفارش کی ہے۔

### بورڈ اور کمیٹی میں تبدیلیاں

کمپنی کے غیر معمولی اجلاس عام منعقدہ 16 مئی 2017 میں تازہ انتخابات کے لیے بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی تعداد سات پر فہس کر دی ہے۔ تاہم مسٹر محمد رفیع جو ریٹائر ہوئے اور انہوں نے دوبارہ منتخب ہونے پر آمادگی ظاہر نہیں کی، کے علاوہ چوہدری ریٹائر ہونے والے ڈائریکٹرز مسٹر احمد شفیع، مسٹر امجد محمود، مسٹر انجم محمد سلیم، مسٹر خالد بشیر، مسٹر خرم مظہر کریم اور مسٹر محمد آصف کو دوبارہ منتخب کر لیا گیا جبکہ مسٹر شوکت شفیع کو 17 مئی 2017 سے آئندہ تین سال کی مدت کے لیے منتخب کیا گیا۔ بورڈ آف ڈائریکٹرز کے الیکشن کے ساتھ ہی بورڈ نے متفقہ طور پر مسٹر محمد انور کو یکم جون 2017 سے آئندہ تین سال کے لیے چیف ایگزیکٹو نامزد کر دیا۔

بورڈ اور کمیٹی کے سال کے دوران منعقدہ اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل:

نمبر شمار	نام	بورڈ آف ڈائریکٹرز کا اجلاس	آڈٹ کمیٹی کا اجلاس	ہیومن ریسورس اور اجرت کمیٹی کا اجلاس
1	مسٹر احمد شفیع	4/4		2/2
2	مسٹر امجد محمود	4/4		
3	مسٹر انجم محمد سلیم	1/4	3/5	1/2
4	مسٹر خالد بشیر	3/4	4/5	1/2
5	مسٹر خرم مظہر کریم	3/4	4/5	
6	مسٹر محمد انور	4/4		
7	مسٹر محمد آصف	4/4		
8	مسٹر محمد رفیع	3/4		

### اختصاص

کمپنی کا بورڈ آف ڈائریکٹرز محسوس کرتا ہے کہ کمپنی کی مستقبل کی ترقی کے پیش نظر منافع کی واپسی غیر دانشمندانہ اقدام ہے اور اور 30 جون 2017 کو ختم ہونے والی سال کے لیے کسی قسم کے ڈیویڈنڈ کی سفارش نہیں کرتا۔

## ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2017ء کے لیے

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹس منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔
- 2- اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔
- 3- مالیاتی سٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور ٹھوس فیصلوں پر مبنی ہیں۔
- 4- مالیاتی سٹیٹمنٹس کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ کے معیارات جیسے پاکستان میں لاگو ہیں، ان کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔
- 5- اندرونی کنٹرول کا نظام ڈیزائن میں محفوظ ہے اور اس کا نفاذ اور نگرانی مؤثر طریقے سے کی گئی ہے۔
- 6- کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔
- 7- کارپوریٹ نظام کے بہترین تجربہ سے مادی طور پر وگردانی ممکن نہیں۔
- 8- پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔
- 9- شیئر ہولڈنگ کا پیٹرن لف ہے۔
- 10- سال کے دوران کمپنی کے شیئرز میں ڈائریکٹرز (بشمول ان کی ازواج اور نابالغ بچے) درج ذیل لین دین عمل میں آیا:

نام	شیئرز کی تعداد
مسٹر احمد شفیع	82,000 خرید
مسٹر خالد بشیر	200,000 خرید
مسٹر محمد انور	92,500 خرید
مسٹر محمد رفیع	198,815 فروخت

پاکستان سٹاک ایکسچینج رول بک اینڈ سیکیورٹیز ایکٹ 2015 کے تحت متذکرہ بالا معلومات پاکستان سٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو فراہم کی گئی ہیں۔ ان کے علاوہ کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ایگزیکٹوز اور ان کی ازواج یا نابالغ بچوں کی طرف سے کمپنی کے شیئرز کو نہیں چھیڑا گیا۔

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2017ء کے لیے

- 11- کمپنی کے ایک ڈائریکٹر نے پہلے سے ہی ڈائریکٹرز ٹریننگ پروگرام مکمل کر رکھا ہے جبکہ باقی تمام ڈائریکٹرز کو ڈاؤن آف کارپوریٹ گورننس کے تحت استثناء کے طریقہ کار پر پورا اترتے ہیں۔
- 12- بقایا محصولات اور لیویز کے بارے میں معلومات اکاؤنٹس کے نوٹس میں فراہم کر دی گئی ہیں۔
- 13- ایمپلائز ریٹائرمنٹ پلان کے تناظر میں سرمایہ کاری کی قدر کا بیان مالیاتی سٹیٹمنٹس کے نوٹ نمبر 38 میں دیا گیا ہے۔

### ادارہ جاتی سماجی ذمہ داری

سال کے دوران کمپنی نے ذمہ دار کارپوریٹ شہری کا کردار ادا کرنے کے لیے عزم مصمم کا اظہار کیا ہے۔ چھ دنوں سے جاری اپنے پائیدار کاروباری عوامل سے یہ عزم ان تمام شرکاء کے ساتھ ایک بہترین تعلق میں ڈھلا ہے جن میں حکومتی، نیم حکومتی ادارے، غیر حکومتی تنظیمیں اور وہ تمام شامل ہیں جو کمیونٹی کی ترقی کے سماجی کردار سے منسلک ہیں۔ ان چیزوں میں تعاون اور شراکت متنوع اور وسیع ہے:

- معاشرے کے پسے ہوئے طبقہ کو تعلیم دینا تاکہ وہ ذمہ دار شہری کا کردار ادا کرنے کے قابل ہو سکیں
- مذہبی و سماجی تفریق کے بغیر غریب اور مستحق شہریوں کو صحت اور طب کی سہولتیں
- آفات سے متاثرہ کمیونٹی کے لیے امداد اور بحالی کا کام تاکہ وہ اپنی معمول کی زندگی شروع کر سکیں
- کمیونٹی اور ماحول کو صحت مند اور خطرات سے محفوظ رکھنے کے لیے کھیلوں سے متعلقہ اور ماحولیاتی سرگرمیاں

### تعلیم

CSR کمٹنٹ کے تحت کمپنی دیہاتی علاقوں میں تعلیم کے فروغ کے حکومتی و غیر حکومتی تنظیموں کے ہمراہ کام کرنے والی رفاہی تنظیم دی سٹیژن فاؤنڈیشن کے ساتھ شراکت کر رہی ہے۔ کمپنی فیصل آباد کے دور افتادہ علاقوں پہلے سے قائم TCF کے تین پرائمری سیکشنز کے لیے سالانہ رواداں اخراجات کی مد میں 60 لاکھ روپے عطیہ دے رہی ہے۔ اسی طرح کمپنی اس نیک مقصد میں مصروف عمل تعلیمی انجمنوں اور تنظیموں کے ساتھ مسلسل تعاون کر رہی ہے۔ نقد تعاون کے ساتھ ساتھ سینئر آفیشلز نے سال بھر کے دوران رضا کارانہ طور پر 280 گھنٹے بھی اپنے تشکیل کردہ پروگرامز کے لیے وقف کیے ہیں۔

### صحت اور طبی تحفظ

کمپنی نے ضروری طبی آلات کی خریداری کے لیے فنڈز فراہم کرنے کے علاوہ غریب اور مستحق مریضوں کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معتبر اداروں بشمول شوکت خاتم کینسر ہسپتال اینڈ ریسرچ سنٹر، چنیوٹ بلڈ بینک اینڈ ڈاکٹر سنٹر اور اسلامیا ہسپتال چنیوٹ کو 3.848 ملین روپے عطیہ کیے ہیں۔



## ڈائریکٹران کی رپورٹ مالی سال ختم شدہ 30 جون 2017ء کے لیے

کام کی جگہ پر صحت اور حفاظت کو یقینی بنانے کے لیے ملازمین کو تربیت دی گئی ہے کہ وہ اپنی ذمہ داریاں ادا کرنے کے دوران کس طرح حفاظتی اصول و ضوابط کو اپنا کر خود کو محفوظ رکھ سکتے ہیں۔ کمپنی کی طرف سے قائم کردہ ٹریننگ سنٹر میں تمام ملازمین کو تکنیکی ذمہ داریوں کے متعلق ضروری تربیت اور آگاہی فراہم کی گئی ہے۔ انہیں آگاہی مہمات، آئی ٹی ٹریننگ، پلانٹ کے دورے اور ملازمت کے دوران حفاظتی آلات کے استعمال کے ذریعے اصول و ضوابط سے آشنا کیا جا رہا ہے۔ ایک اچھی طرح سے لیس فائر فائٹنگ کاشعہ فوری آگ کے خطرہ سے نمٹنے پر مامور ہے۔

### ماحولیاتی حفاظت

ماحولیاتی تحفظ اور اپنے ماحول کو خطرات سے بچانا ہمیشہ کمپنی کی اولین ترجیح رہی ہے تاکہ کوئی بھی کمزور عمل کیونٹی کو بڑے پیمانے پر نقصان نہ پہنچا سکے۔ اس دعویٰ پر عمل کے لیے عملی سہولیات کو مطلوبہ حفاظتی آلات کی مدد سے مسلسل نظر میں رکھا جاتا ہے۔ کمپنی نے اپنے کپڑے کے پراسیسنگ کے شعبہ سے خارج ہونے والے پانی کے لیے ETP بھی نصب کر رکھا ہے۔

کمپنی کا کاروبار اور عوامی اور بین الاقوامی ایجنسیز کی طرف سے مطلوبہ عالمی معیار اور ریگولیشنز کی تعمیل کے لیے منظور شدہ ہیں۔ ہم نے درج ذیل مصنوعات، خدمات، انتظامات اور ماحولیاتی نظام کے معیارات کے لیے معتبر ایجنسیز کے ذریعے تھرڈ پارٹی سرٹیفیکیشن حاصل کر رکھی ہے۔

ISO 9001:2008	SA 8000
ISO 14001:2004	SEDEX
OCS 100	SMETA/ETI
GOTS	Ecolabelling Norway (SWAN)
Oeko-Tex 100 Yarn, Fabric & Home Textile	

### شجر کاری

درخت اور پودے ماحول کو صاف رکھنے اور خوبصورتی کا اہم ذریعہ ہیں۔ درخت کاربن ڈائی آکسائیڈ جذب کرتے ہیں اور آکسیجن خارج کرتے ہیں، درجہ حرارت میں کمی لاتے ہیں اور انسانوں پر جسمانی اور نفسیاتی طور پر ایک صحت مند تاثر پیدا کرتے ہیں۔ اصل میں جنگلات واحد قدرتی صنعت ہے جو آکسیجن پیدا کرتی ہے۔ آج دنیا آلودگی، اوزون میں کمی اور گلوبل وارمنگ جیسے اہم ماحولیاتی مسائل سے دوچار ہے۔ ان مسائل کا حل زیادہ سے زیادہ درخت لگانے میں ہے۔

## ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2017ء کے لیے

سال کے دوران ہم نے 3192 درخت لگائے۔ گزشتہ چند سال سے ہماری شجرکاری کا حجم 15 ہزار درختوں سے بڑھ گیا ہے۔ شجرکاری سے ہم کاربن ڈائی آکسائیڈ میں کمی اور اپنے تمام ملازمین اور بڑے پیمانے پر معاشرے کے لیے صحت مند، قدرتی ماحول کی فراہمی میں حصہ ڈال رہے ہیں۔

### روزگار کے مواقع اور صنعتی تعلقات

باہمی اعتماد، احترام، تعاون اور بھروسے کے ساتھ اپنے ہمدردانہ تعلقات ہر سطح پر برقرار رکھنے کی کمپنی کی ایک طویل اور مستقل تاریخ ہے۔ اس سے کمپنی کی حتمی کارکردگی یقینی اور بہتر ہوتی ہے۔ قومی اور بین الاقوامی قوانین کے مطابق مقرر کردہ اور مستند معیار کے تحت لوگوں کو ملازمت اور روزگار دیا جاتا ہے۔ اسے کسی بھی نسل پرستی، ذات پات، جنسی یا مذہبی معیار سے ہٹ کر ہر سطح پر دیکھا جاتا ہے اور انسانی حقوق کی اخلاقیات اور معیارات کے احترام پر مبنی ہے۔ اپنی سماجی ذمہ داری اور عزم کو فروغ دینے کے لیے ملازمتوں کا مناسب حصہ سماجی افراد کو مہیا کیا جاتا ہے۔ سی بی اے میں حصہ لینے والے اور ایک آزاد اور منصفانہ ماحول میں اپنی مرضی کے نمائندے منتخب کرنے کے لیے کارکنوں کو مناسب مواقع فراہم کیے جاتے ہیں۔

ہر سال سی بی اے کی جانب سے کیے گئے مطالبہ کے ذریعے کمپنی منافع پر بونس کے علاوہ ترغیبی بونس دیتی ہے، 15 دن کی ہاتخواہ چھٹی کے ہمراہ 6 افراد کے حج کا خرچ اٹھاتی ہے، ملازم خواتین کو زچگی کی تعطیلات دیتی ہے، آسان اقساط پر سائیکل، پگھلے اور سلامتی مشین فراہم کرتی ہے اور کمپنی نے فیئر پرائس شاپ، یوٹیلیٹی سٹور، سکول بس اور کینٹین کی سہولیات بھی فراہم کر رکھی ہیں۔ ملازمین کی شکایات کو دور کرنے کے لیے ایک ورک کونسل بھی قائم کی گئی ہے، جس کے باقاعدہ اجلاس منعقد ہوتے ہیں۔ کمپنی مستحق ملازمین کے لیے ورکرز ویلفیئر فنڈ بھی چلا رہی ہے۔

سی بی اے کے ساتھ طے شدہ معاہدہ کی شرائط کے تحت ہر سال ملازمین کو بچپوں کی شادی، جنازہ کے اخراجات اور بعض انتہائی مستحق افراد کو کئی قسم کی مالی امداد فراہم کی جاتی ہے۔ کمپنی اپنے خاص ملازمین کو یوٹیلیٹی کے بشمول گریڈ اور سٹیٹس کے مطابق رہائش کی سہولیات بھی فراہم کر رہی ہے۔ مذہبی اور کھیلوں کی سرگرمیاں انجام دینے کے لیے ملز کی کالونی میں مسجد، کلب اور گراؤنڈ موجود ہے۔ ملازمین کے سیکھنے اور علم میں اضافہ کے لیے کمپنی کے اندر اور باہر ملازمت کے آغاز کے وقت اور دوران ملازمت کو سرسز بھی کروائے جاتے ہیں۔

کام کا دوستانہ ماحول رکھنے کے لیے کمپنی نے طریقہ کار، اصول اور ضوابط طے کیے ہیں جو تمام گریڈز کے ملازمین کو ایک ضابطہ کا پابند بناتے ہیں۔ سال کے دوران ہم کام کا ہم آہنگ ماحول اور گرم جوش صنعتی تعلقات غالب رہے۔ کمپنی کی عوامل قومی اور بین الاقوامی معیارات کے مطابق کام کرنے کے ماحول کو پورا کرنے کے لئے وقار، احترام، حمایت، تحفظ کو برقرار رکھنے کے لیے عمل میں لائے گئے۔ تمام کارکنوں نے اپنی ذمہ داریاں اور فرائض معیاری گھنٹوں کے مطابق ادا کیے اور اگر بیرونی عوامل سے عہدہ برآ ہونے اور افرادی قوت کی کمی کی وجہ سے ان سے زیادہ کام کروانے کی ضرورت پڑی تو انہیں اس کا نعم البدل دیا گیا اور قانونی طریقہ کار کے مطابق ادائیگی کی گئی۔ کمپنی کی طرف سے ضروریات کو پورا نہ کرنے یا کام میں بدعنوانی کی کوئی شکایت نہیں پائی گئی۔ انہیں کام کا عمومی ماحول فراہم کیا گیا اور گرم جوش تعلقات رہے۔

## ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2017ء کے لیے

### توانائی کا موثر استعمال

کمپنی نے توانائی اور گیس کی سہولیات کے اندرونی و بیرونی دونوں ذرائع کو استعمال کرتے ہوئے توانائی کے محدود وسائل پر کامیابی سے قابو پایا ہے۔ کمپنی نے اپنے مسلسل عوامل کو درپیش مشکلات کو پیش نظر رکھتے ہوئے اپنی متعدد انیئر جیٹ لومز کو حطار (جیئر پنچو پنچواہ) میں موجود موثر لومز سے تبدیل کیا۔ جس نے اسے نہ صرف زیادہ توانائی صرف کرنے والے شعبہ سے محفوظ رکھا بلکہ دستیاب توانائی کے وسائل کو زیادہ باصلاحیت انداز میں استعمال کرنے کے قابل بھی بنا یا۔ یہ سب کچھ کاروباری حجم پر کسی قسم کے سبھوتے کے بغیر اور ویلیو ایڈڈ شعبہ میں فیبرک کی سستی اور مطلوبہ فراہمی کو برقرار رکھتے ہوئے کیا گیا۔ پورے سال کے دوران کسی بھی شعبہ میں معمول کی اوور ہالنگ یا دیکھ بھال کے علاوہ کوئی بندش دیکھنے میں نہیں آئی۔ اس کے ساتھ ساتھ گیس کے استعمال کی اصلاح اور اس کے نقصان سے بچنے کے لیے یہاں آلات اور میٹرز کی تنصیب کر کے توانائی کے موثر استعمال کی نگرانی کے ذریعے مستحکم پلانٹ اپریشنز کی کوشش کی گئی۔

### قومی خزانے میں حصہ

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 100 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 64 ملین ڈالر کا قابل قدر فارن ایکسچینج حاصل کیا۔

### ملازمین کے ریٹائرمنٹ کے فوائد

کمپنی نے اپنے مالی معاملات آزادانہ طور پر انجام دینے کے لیے ایک "ایمپلائز پراویڈنٹ فنڈ ٹرسٹ" قائم کیا۔ یہ ٹرسٹ انکم ٹیکس قوانین کے تحت منظور شدہ ہے اور اس کی آمدنی اور تعاون محصولات سے مستثنیٰ ہیں۔ یہ ملازمین کی طرف سے پیشگی رکنیت اور کمپنی سے اس کے برابر حصہ وصول کرتا ہے۔ مالی سال کے اختتام پر غیر آڈٹ شدہ اکاؤنٹس کے مطابق فنڈ کی سرمایہ کاری کی قدر 1562.977 ملین روپے تھی۔ (مالی سال 2016 میں 1160.113 ملین)

### کاروبار میں بڑھوتری اور مستقبل کی منصوبہ بندی

اپنی مصنوعات کا معیار برقرار رکھنے اور قیمت فروخت پر منافع حاصل کرنے کے لیے ہم آئندہ سال بھی BMR کے تحت پلانٹ اور مشینری کو اپ گریڈ کرنا جاری رکھیں گے۔ بورڈ نے پہلے سے ہی مالی سال 2018 کے لیے ایک CapEX پلان کی منظوری دے دی ہے جسے سٹیٹ بینک آف پاکستان کے لانگ ٹرم فناننگ فیسیٹی کے تحت فناننگ کے اداروں کی طرف سے منظوری حاصل کرنے کے بعد لاگو کر دیا جائے گا۔ موجودہ مقام سے FIEDMC میں پلانٹ اور مشینری کی منتقلی کے لیے سول ورک کا آغاز ہو چکا ہے۔ پلانٹ کی فیڈ ٹک میں منتقلی کئی طریقوں سے فائدہ مند ہے جیسے انفراسٹرکچر کی موجودگی، پمپنگ کی فراہمی، علاقہ میں تجربہ کار لیبر کی دستیابی اور سب سے اہم فائدہ اس مقصد کے لیے حکومت پاکستان کی جانب سے انڈسٹریل اسٹیٹ کوئٹیشنل اکنامک زون قرار دینے کی وجہ سے محصولات پر ترغیبات۔

## ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2017ء کے لیے


چیلنجز اور بزنس آؤٹ لک


کمپنی کاروبار کی بڑھتی ہوئی لاگت کے ساتھ ساتھ مقامی اور بین الاقوامی طور پر ٹیکسٹائل مارکیٹ کی سختیوں کا مقابلہ کر رہی ہے۔ مجموعی طور پر انڈسٹری کے اصول تبدیل نہیں ہوئے اور کاروبار کو درپیش خطرات اور انڈسٹری کی بقاء کو ایک حقیقی خطرہ درپیش ہے۔ مالی سال 2018 کے دوران بھی اگر اسی طرح ٹیکسٹائل بیکنج منظور ہوا تو کام بہتر ہو سکتا ہے لیکن دیکھنا ہوگا کہ کیا ایکسپورٹ انڈسٹری کے لیے فوری اور تیز ترین رعایتیں، محصولات اور ڈرایبک ری فنڈز برقرار رہتے ہیں یا نہیں۔ ابھی تک متعلقہ حکام کی طرف سے انڈسٹری کو درپیش اصل مسائل سے نپٹنے کے لیے کوئی کوشش نہیں کی گئی۔ یہ اس پر بھی منحصر ہے کہ حکومت پاکستان خطے میں مقابلہ کرنے کے لیے انڈسٹری کو یوٹیلیٹی کی لاگت میں کمی اور کپاس کی فری ٹریڈ کی مد میں کتنی جلدی اور سرعت سے ایک میدان عمل مہیا کرتی ہے۔

اگرچہ چیلنجز بہت بڑے ہیں لیکن ہم ہر ممکن طریقے سے بہترین کارکردگی دکھانے اور اپنے سٹیک ہولڈرز کے ہمراہ کمپنی کے طویل مدتی اہداف کو پورا کرنے کے لیے مکمل طور پر یکسو ہیں۔

کمپنی کا بورڈ آف ڈائریکٹرز سال کے دوران کارکردگی کی سطح حاصل کرنے پر اپنے ملازمین کی کوششوں اور گلن کو خراج تحسین پیش کرتا ہے۔ ہم اپنے گاہکوں، فروخت کنندگان اور بیکنرز کی شراکت کو بھی تسلیم کرتے ہیں جنہوں نے کمپنی کا کاروبار کامیابی سے چلانے میں ہر ممکن مدد دی اور آئندہ سالوں میں بھی ان کی طرف سے تعاون کے منتظر ہیں۔

آخر میں ہم اپنی کمپنی کے شیئر ہولڈرز کے اعتماد اور یقین کو سراہتے ہیں جو ہر اچھے برے وقت میں ہمارے ساتھ رہے۔

  
خالد بشیر  
ڈائریکٹر

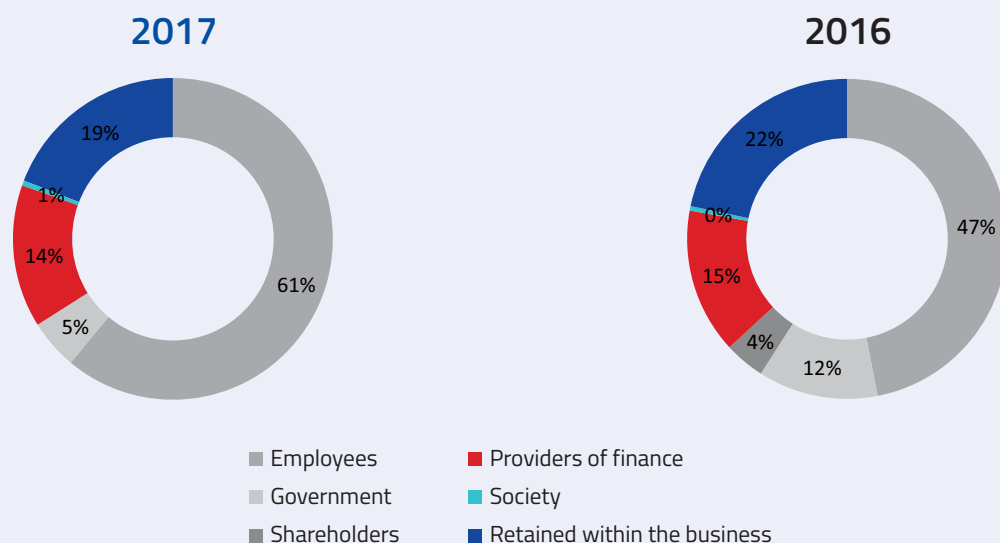
منجانب: بورڈ آف ڈائریکٹرز  
  
محمد انور  
چیف ایگزیکٹو آفیسر

# STATEMENT OF VALUE ADDITION

(Rupees in million)	2017	2016
<b>Wealth Generated</b>		
Revenue	10,873	10,579
Bought-in-material and services	8,885	8,129
	1,988	2,450
<b>Wealth Distributed</b>		
<b>To Employees</b>		
Salaries, wages and other benefits	1,212	1,150
<b>To Government</b>		
Taxes and duties	100	297
<b>To Shareholders</b>		
Dividend	-	100
<b>To Providers of Finance</b>		
Finance cost	287	360
<b>To Society</b>		
Donation towards health and education	10	11
<b>Retained within the business for future growth</b>		
Retained earnings and depreciation**	379	532
	1,988	2,450

\* Retained earnings excludes share of associate profit / loss and other comprehensive income.

## Distribution of Wealth



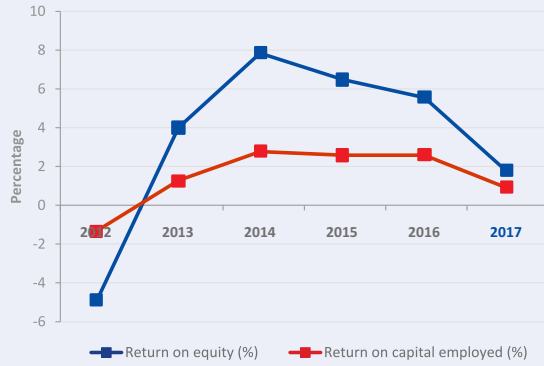
# PERFORMANCE INDICATORS

		2017	2016	2015	2014	2013	2012
<b>A. PROFITABILITY RATIOS</b>							
Gross profit ratio	%	8.94	12.67	12.37	11.08	11.22	11.89
Net profit to revenue	%	1.04	2.37	1.87	1.93	0.84	(0.92)
EBITDA margin to revenue *	%	5.83	8.71	8.32	8.32	8.04	7.81
Operating leverage ratio	%	(1,725)	100	67	30	283	(324)
Return on equity	%	1.80	5.51	6.39	7.76	3.96	(4.79)
Return on capital employed	%	0.95	2.60	2.56	2.76	1.26	(1.29)
<b>B. LIQUIDITY RATIOS</b>							
Current ratio	Times	0.90	0.90	0.81	0.76	0.71	0.77
Quick ratio	Times	0.59	0.62	0.58	0.51	0.48	0.57
Cash to current liabilities	%	0.06	0.14	0.08	0.11	0.08	0.29
Cash flow from operations to revenue	%	2.79	1.01	6.50	9.11	8.40	11.67
<b>C. ACTIVITY / TURNOVER RATIOS</b>							
Inventory turnover	Times	5	6	7	7	8	7
No. of days in inventory	Days	68	59	50	50	48	52
Debtors turnover	Times	5	4	5	5	4	3
No. of days in receivables	Days	77	85	75	69	91	108
Creditors turnover	Times	10	9	10	11	7	6
No. of days in payables	Days	35	39	37	33	52	59
Total assets turnover	Times	0.80	0.76	0.95	1.04	1.06	0.96
Property, plant and equipment turnover	Times	1.68	2.35	2.85	2.97	2.97	3.26
Operating cycle	Days	110	105	88	87	87	102
<b>D. INVESTMENT / MARKET RATIO</b>							
Basic and diluted earnings /(loss) per share	Rs.	1.41	3.57	3.89	4.68	2.27	(2.38)
Price earning ratio	Times	27	5.45	5.43	4.38	7.78	(3.74)
Dividend Yield ratio **	%	-	6.44	6.86	6.10	-	-
Dividend Payout ratio **	%	-	40.00	40.45	26.69	-	-
Dividend Cover ratio **	Times	-	2.85	2.68	3.75	-	-
Cash dividend **	%	-	12.55	14.50	12.50	-	-
Stock dividend **	%	-	-	-	-	-	-
Market value per share							
- At the end of the period	Rs.	37.45	19.48	21.15	20.49	17.70	8.90
- Highest during the period	Rs.	57.48	24.43	22.53	26.98	20.05	15.90
- Lowest during the period	Rs.	19.50	17.30	16.24	13.35	8.60	7.27
Break up value w/o surplus on revaluation	Rs.	78.50	56.90	56.05	62.55	57.43	49.62
Break up value with surplus on revaluation	Rs.	123.19	84.58	93.30	109.10	103.98	82.95
<b>E. CAPITAL STRUCTURE RATIOS</b>							
Financial leverage ratio	Times	1.12	1.32	1.54	1.74	2.15	2.61
Weighted average cost of debt	%	4.40	6.37	8.03	8.25	9.39	11.52
Long term debt to Equity ratio	%	16.93	9.78	3.22	4.00	10.16	20.43
Interest Cover ratio	Times	1.28	1.96	1.84	1.73	1.42	0.98

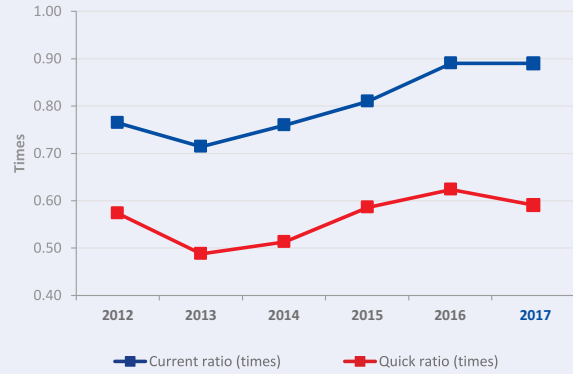
\* EBITDA stands for earning before interest, taxes, depreciation and amortization.

\*\* This includes final dividend recommended by Board of Directors subsequent to year end.

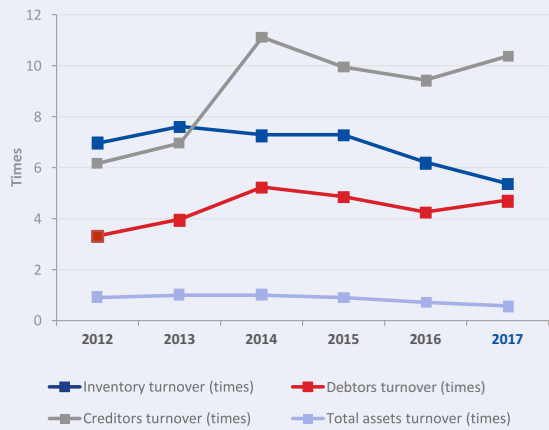
### RETURN ON CAPITAL AND EQUITY



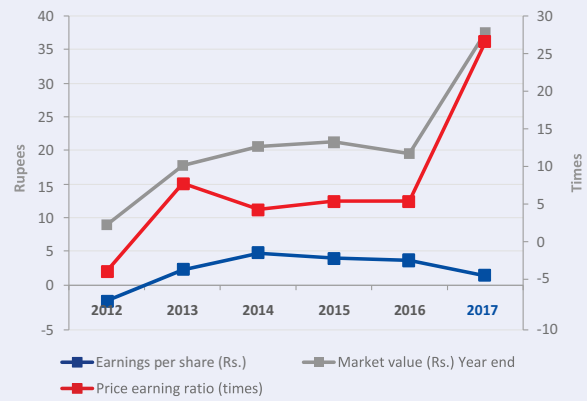
### LIQUIDITY



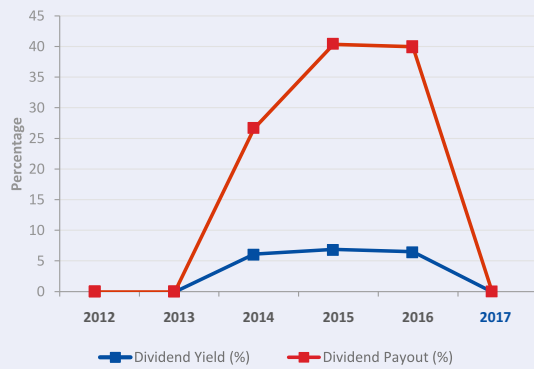
### ASSET MANAGEMENT



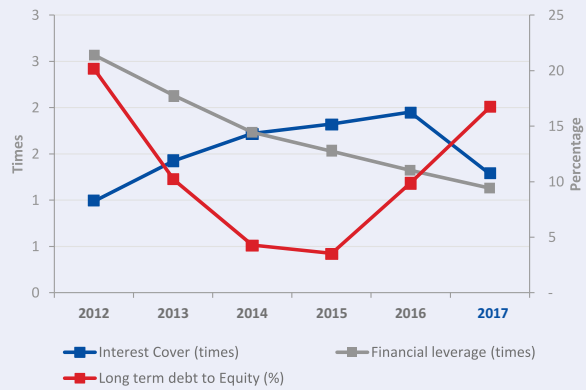
### PER SHARE RESULT



### DIVIDEND AND RETURNS



### DEBT MANAGEMENT

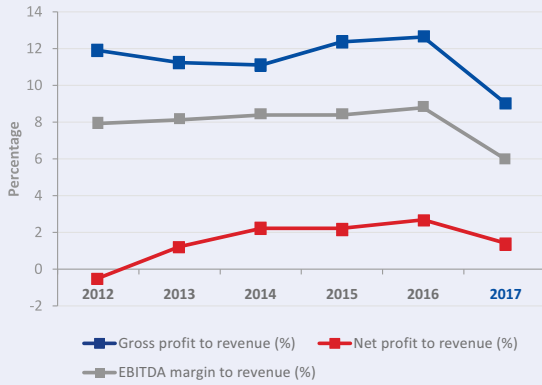


# KEY OPERATING AND FINANCIAL DATA

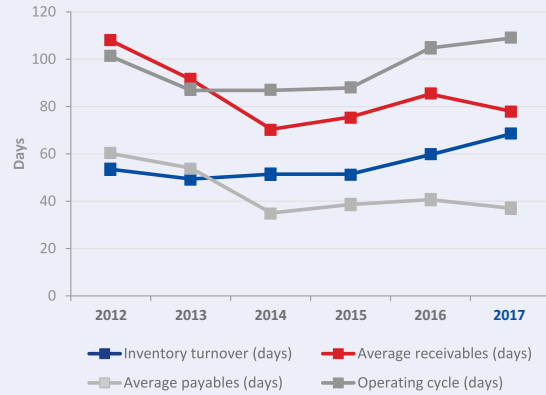
(Rupees in million)	2017	2016	2015	2014	2013	2012
<b>SUMMARY OF PROFIT AND LOSS ACCOUNT</b>						
Revenue	10,873	10,579	11,779	12,411	13,262	12,729
Gross profit	972	1,340	1,457	1,375	1,488	1,514
Profit from operations	368	774	761	863	802	866
Share of profit / (loss) from associate	-	(67)	26	(48)	29	(123)
Profit / (loss) before taxation	81	347	358	343	247	(18)
Profit / (loss) after taxation	113	251	220	239	112	(117)
<b>SUMMARY OF BALANCE SHEET</b>						
Property, plant and equipment	6,478	4,495	4,140	4,176	4,468	3,905
Stock in trade	2,029	1,636	1,338	1,490	1,541	1,550
Trade debts	2,236	2,366	2,567	2,248	2,476	4,173
Current assets	6,444	5,923	5,343	4,944	5,104	6,615
Non-Current asset held for sale	-	-	84	-	-	-
Total assets	18,114	13,875	12,453	11,983	12,543	13,213
Shareholders' equity	6,280	4,552	3,448	3,078	2,826	2,442
Surplus on revaluation of operating fixed assets	3,575	2,214	2,291	2,291	2,291	1,640
Long term financing	1,063	445	111	123	287	499
Trade and other payables	1,118	925	1,191	1,026	1,070	2,501
Short term borrowings	5,791	5,485	5,079	5,082	5,568	5,598
Current liabilities	7,196	6,606	6,571	6,491	7,139	8,632
Total equity and liabilities	18,114	13,875	12,453	11,983	12,543	13,213
<b>SUMMARY OF CASH FLOW STATEMENT</b>						
Cash and cash equivalents at the beginning of the year	9	5	7	6	25	19
Net cash (used in) / from operating activities	(268)	(547)	104	434	379	599
Net cash (used in) / from investing activities	(785)	(467)	(223)	274	(110)	(104)
Net cash from / (used in) financing activities	1,048	1,018	117	(707)	(288)	(489)
Net (decrease) / increase in cash and cash equivalents	(5)	4	(2)	1	(19)	6
Cash and cash equivalents at the end of the year	4	9	5	7	6	25



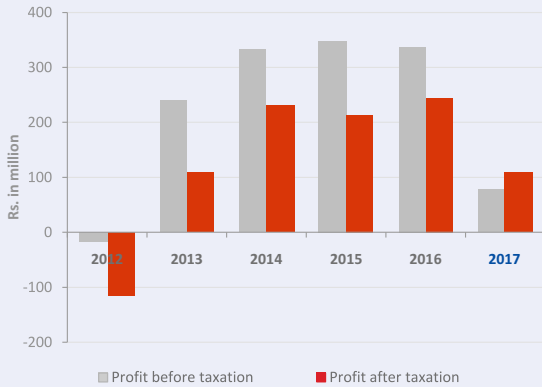
### PROFITABILITY



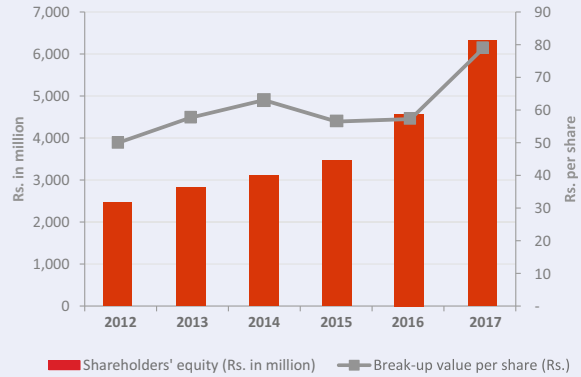
### MANAGEMENT OF WORKING CAPITAL



### PROFIT BEFORE AND AFTER TAX



### SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



# VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2017	%	2016	%	2015	%	2014	%	2013	%	2012	%
<b>BALANCE SHEET</b>												
Property, plant and equipment	6,478	35.8	4,495	32.4	4,140	33.2	4,176	34.8	4,468	35.6	3,905	29.6
Intangible assets	18	0.1	-	-	-	-	-	-	2	0.0	4	0.0
Investment in associate	-	-	-	-	336	2.7	311	2.6	358	2.9	329	2.5
Long term investments	5,167	28.5	3,449	24.9	2,541	20.4	2,540	21.2	2,553	20.4	2,287	17.3
Long term loans and advances	2	0.0	3	0.0	4	0.0	3	0.0	4	0.0	3	0.0
Long term deposits and prepayments	5	0.0	5	0.0	5	0.0	7	0.1	7	0.1	7	0.1
Deferred income tax asset	-	-	-	-	-	-	2	0.0	47	0.4	63	0.5
Stores, spare parts and loose tools	192	1.1	185	1.3	177	1.4	157	1.3	124	1.0	152	1.2
Stock in trade	2,029	11.2	1,636	11.8	1,338	10.7	1,490	12.4	1,541	12.3	1,550	11.7
Trade debts	2,236	12.3	2,366	17.1	2,567	20.6	2,248	18.8	2,476	19.7	4,173	31.6
Loans and advances	576	3.2	469	3.4	418	3.4	364	3.0	305	2.4	267	2.0
Short term deposits and prepayments	62	0.3	29	0.2	23	0.2	21	0.2	25	0.2	41	0.3
Accrued interest	4	0.0	4	0.0	5	0.0	4	0.0	5	0.0	4	0.0
Other receivables	1,253	6.9	1,131	8.2	744	6.0	571	4.8	566	4.5	353	2.7
Short term investments	88	0.5	94	0.7	66	0.5	82	0.7	56	0.4	50	0.4
Cash & bank balances	4	0.0	9	0.1	5	0.0	7	0.1	6	0.0	25	0.2
Non-Current asset held for sale	-	-	-	-	84	0.7	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>18,114</b>	<b>100</b>	<b>13,875</b>	<b>100</b>	<b>12,453</b>	<b>100</b>	<b>11,983</b>	<b>100</b>	<b>12,543</b>	<b>100</b>	<b>13,213</b>	<b>100</b>
Issued, subscribed and paid up share capital	800	4.4	800	5.8	615	4.9	492	4.1	492	3.9	492	3.7
Reserves	5,480	30.3	3,752	27.0	2,833	22.7	2,586	21.6	2,334	18.6	1,950	14.8
Shareholders' equity	6,280	34.7	4,552	32.8	3,448	27.7	3,078	25.7	2,826	22.5	2,442	18.5
Surplus on revaluation of operating fixed assets	3,575	19.7	2,214	16.0	2,291	18.4	2,291	19.1	2,291	18.3	1,640	12.4
Long term financing	1,063	5.9	445	3.2	100	0.8	79	0.7	210	1.7	401	3.0
Liabilities against assets subject to finance lease	-	-	-	-	11	0.1	44	0.4	77	0.6	98	0.7
Deferred liability	-	-	58	0.4	32	0.3	-	-	-	-	-	-
Trade and other payables	1,118	6.2	925	6.7	1,191	9.6	1,026	8.6	1,070	8.5	2,501	18.9
Accrued mark-up	66	0.4	60	0.4	85	0.7	97	0.8	161	1.3	145	1.1
Short term borrowings	5,791	32.0	5,485	39.5	5,079	40.8	5,082	42.4	5,568	44.4	5,598	42.4
Current portion of non-current liabilities	190	1.0	66	0.5	112	0.9	164	1.4	221	1.8	267	2.0
Provision for taxation	31	0.2	70	0.5	104	0.8	122	1.0	119	0.9	121	0.9
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,114</b>	<b>100</b>	<b>13,875</b>	<b>100</b>	<b>12,453</b>	<b>100</b>	<b>11,983</b>	<b>100</b>	<b>12,543</b>	<b>100</b>	<b>13,213</b>	<b>100</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Revenue	10,873	100.0	10,579	100.0	11,779	100.0	12,411	100.0	13,262	100.0	12,729	100.0
Cost of sales	9,901	91.1	9,239	87.3	10,322	87.6	11,036	88.9	11,774	88.8	11,215	88.1
Gross profit	972	8.9	1,340	12.7	1,457	12.4	1,375	11.1	1,488	11.2	1,514	11.9
Distribution cost	644	5.9	633	6.0	648	5.5	611	4.9	686	5.2	629	4.9
Administrative expenses	300	2.8	283	2.7	234	2.0	195	1.6	187	1.4	200	1.6
Other expenses	10	0.1	26	0.2	63	0.5	67	0.5	19	0.1	13	0.1
Other income	350	3.2	376	3.6	249	2.1	361	2.9	206	1.6	194	1.5
Profit from operations	368	3.4	774	7.3	761	6.5	863	7.0	802	6.0	866	6.8
Finance cost	287	2.6	360	3.4	429	3.6	472	3.8	584	4.4	761	6.0
Share of profit / (loss) from associate	-	-	(67)	(0.6)	26	0.2	(48)	(0.4)	29	0.2	(123)	(1.0)
Profit / (loss) before taxation	81	0.7	347	3.3	358	3.0	343	2.8	247	1.9	(18)	(0.1)
Taxation	(32)	(0.3)	96	0.9	138	1.2	104	0.8	135	1.0	99	0.8
Profit / (loss) after taxation	113	1.0	251	2.4	220	1.9	239	1.9	112	0.8	(117)	(0.9)

# HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2017	%	2016	%	2015	%	2014	%	2013	%	2012	%
<b>BALANCE SHEET</b>												
Property, plant and equipment	6,478	44.1	4,495	8.6	4,140	(0.9)	4,176	(6.5)	4,468	14.4	3,905	(3.2)
Intangible assets	18	100.0	-	-	-	-	(100.0)	2	(50.0)	4	100.0	
Investment in associate	-	-	(100.0)	336	8.0	311	(13.1)	358	8.8	329	(27.1)	
Long term investments	5,167	49.8	3,449	35.7	2,541	0.0	2,540	(0.5)	2,553	11.6	2,287	1.4
Long term loans and advances	2	(33.3)	3	(25.0)	4	33.3	3	(25.0)	4	33.3	3	10.0
Long term deposits and prepayments	5	-	5	-	5	(28.6)	7	-	7	-	7	177.8
Deferred income tax asset	-	-	-	-	(100.0)	2	(95.7)	47	(25.4)	63	48.8	
Stores, spare parts and loose tools	192	3.8	185	4.5	177	12.7	157	26.6	124	(18.4)	152	(5.1)
Stock in trade	2,029	24.0	1,636	22.3	1,338	(10.2)	1,490	(3.3)	1,541	(0.6)	1,550	(6.5)
Trade debts	2,236	(5.5)	2,366	(7.8)	2,567	14.2	2,248	(9.2)	2,476	(40.7)	4,173	23.0
Loans and advances	576	22.8	469	12.2	418	14.8	364	19.3	305	14.2	267	(13.6)
Short term deposits and prepayments	62	113.8	29	26.1	23	9.5	21	(16.0)	25	(39.0)	41	(38.9)
Accrued interest	4	-	4	(20.0)	5	25.0	4	(20.0)	5	25	4	42.6
Other receivables	1,253	10.8	1,131	52.0	744	30.3	571	0.9	566	60.3	353	94.1
Short term investments	88	(6.4)	94	42.4	66	(19.5)	82	46.4	56	12.0	50	33.5
Cash & bank balances	4	(55.6)	9	80.0	5	(28.6)	7	16.7	6	(76.0)	25	34.9
Non-Current asset held for sale	-	-	(100.0)	84	100.0	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>18,114</b>	<b>30.6</b>	<b>13,875</b>	<b>11.4</b>	<b>12,453</b>	<b>3.9</b>	<b>11,983</b>	<b>(4.5)</b>	<b>12,543</b>	<b>(5.1)</b>	<b>13,213</b>	<b>4.7</b>
Issued, subscribed and paid up share capital	800	-	800	30.1	615	25.0	492	-	492	-	492	-
Reserves	5,480	46.1	3,752	32.4	2,833	9.6	2,586	10.8	2,334	19.7	1,950	(3.5)
Shareholders' equity	6,280	38.0	4,552	32.0	3,448	12.0	3,078	8.9	2,826	15.7	2,442	(2.8)
Surplus on revaluation of operating fixed assets	3,575	61.5	2,214	(3.4)	2,291	-	2,291	-	2,291	39.7	1,640	(0.0)
Long term financing	1,063	138.9	445	345.0	100	26.6	79	(62.4)	210	(47.6)	401	(21.7)
Liabilities against assets subject to finance lease	-	-	(100.0)	11	(75.0)	44	(42.9)	77	(21.4)	98	79.4	
Deferred liability	(100.0)	58	81.3	32	100.0	-	-	-	-	-	-	-
Trade and other payables	1,118	20.9	925	(22.3)	1,191	16.1	1,026	(4.1)	1,070	(57.2)	2,501	89.7
Accrued mark-up	66	10.0	60	(29.4)	85	(12.4)	97	(39.8)	161	11.0	145	3.0
Short term borrowings	5,791	5.6	5,485	8.0	5,079	(0.1)	5,082	(8.7)	5,568	(0.5)	5,598	(5.7)
Current portion of non-current liabilities	190	187.9	66	(41.1)	112	(31.7)	164	(25.8)	221	(17.2)	267	(23.8)
Provision for taxation	31	(55.7)	70	(32.7)	104	(14.8)	122	2.5	119	(1.7)	121	(19.9)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,114</b>	<b>30.6</b>	<b>13,875</b>	<b>11.4</b>	<b>12,453</b>	<b>3.9</b>	<b>11,983</b>	<b>(4.5)</b>	<b>12,543</b>	<b>(5.1)</b>	<b>13,213</b>	<b>4.7</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Revenue	10,873	2.8	10,579	(10.2)	11,779	(5.1)	12,411	(6.4)	13,262	4.2	12,729	(13.8)
Cost of sales	9,901	7.2	9,239	(10.5)	10,322	(6.5)	11,036	(6.3)	11,774	5.0	11,215	(16.3)
Gross profit	972	(27.5)	1,340	(8.0)	1,457	6.0	1,375	(7.6)	1,488	(1.7)	1,514	10.9
Distribution cost	644	1.7	633	(2.3)	648	6.1	611	(10.9)	686	9.1	629	(1.9)
Administrative expenses	300	6.0	283	20.9	234	20.0	195	4.3	187	(6.5)	200	(1.4)
Other expenses	10	(61.5)	26	(58.7)	63	(6.0)	67	252.6	19	46.2	13	(68.2)
Other income	350	(6.9)	376	51.0	249	(31.0)	361	75.2	206	6.2	194	8.4
Profit from operations	368	(52.5)	774	1.7	761	(11.8)	863	7.6	802	(7.4)	866	31.5
Finance cost	287	(20.3)	360	(16.0)	429	(9.2)	472	(19.2)	584	(23.3)	761	44.4
Share of profit / (loss) from associate	(100.0)	(67)	(357.7)	26	(154.2)	(48)	(265.5)	29	(123.6)	(123)	(15.2)	
Profit / (loss) before taxation	81	(76.7)	347	(3.2)	358	4.5	343	38.9	247	(1,472.2)	(18)	33.7
Taxation	(32)	(133.3)	96	(30.4)	138	32.7	104	(23.0)	135	36.4	99	(1.0)
Profit / (loss) after taxation	113	(55.0)	251	13.8	220	(7.7)	239	113.5	112	(195.7)	(117)	3.1

# STATEMENT OF COMPLIANCE

## with Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best Practices of Corporate Governance.

Company has applied the principles contained in the CCG in the following manner:

- 1 Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. Since there was no contestant for independent director so shareholders didn't elect. At present Board includes:

Category	Name
Executive Directors	Mr. Ahmad Shafi
	Mr. Muhammad Anwar
Non-Executive Directors	Mr. Amjad Mehmood
	Mr. Anjum Muhammad Saleem
	Mr. Khalid Bashir
	Mr. Khurram Mazhar Karim
	Mr. Muhammad Asif
	Mr. Shaukat Shafi

- 2 Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 3 All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4 No casual vacancy has occurred in the Board during the year.
- 5 Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 6 Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with dates on which they were approved or amended has been maintained.
- 7 All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors have been taken by the board / shareholders.
- 8 Meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

# STATEMENT OF COMPLIANCE

## with Best Practices of Code of Corporate Governance

- 9 The Board remained fully compliant with the provision with regard to their training program. Out of total of 8 Directors seven directors are exempt from training as mentioned in proviso to clause 5.19.7 of the Pakistan Stock Exchange Regulations. Other one director has completed his training earlier.
- 10 Board has approved the terms of appointment and remuneration including terms and conditions of employment of Chief Financial Officer (CFO), Corporate Secretary and Head of Internal Audit as recommended by the Human Resources and Remuneration Committee of the Board.
- 11 Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12 Financial Statements of the company were duly endorsed by CEO and CFO before approval of the Board.
- 13 Directors, CEO and Executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
- 14 Company has complied with all corporate and financial reporting requirements of the CCG.
- 15 Board has formed an Audit Committee. It comprises three members, all of whom are non-executive Directors including Chairman of the Committee.
- 16 Meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17 Board has formed a Human Resource and Remuneration Committee. It comprises three members and two of them are non-executive Directors including the Chairman of the Committee.
- 18 Board has set-up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with policies and procedures of the company.
- 19 Statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 20 Statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21 The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

# STATEMENT OF COMPLIANCE

with Best Practices of Code of Corporate Governance

- 22 Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
- 23 The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from said list.
- 24 We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director

# REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE

with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of THE CRESCENT TEXTILE MILLS LIMITED ("the Company") for the year ended 30 June 2017 to comply with the requirements of Clause 5.19.24 (b) of the Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and reviews of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

As stated in paragraph no. 1 of the Statement of Compliance, there is no independent director on the Board of Directors of the Company which is required by rule 5.19.1(b) of the Regulations of Pakistan Stock Exchange Limited.

## RIAZ AHMAD & COMPANY

Chartered Accountants



Name of engagement partner:

Mubashar Mehmood

Date: October 02, 2017

Faisalabad

# AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of THE CRESCENT TEXTILE MILLS LIMITED ("the Company") as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- (b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

## RIAZ AHMAD & COMPANY

Chartered Accountants



Name of engagement partner:

Mubashar Mehmood

Date: October 02, 2017

Faisalabad



# BALANCE SHEET AS AT JUNE 30, 2017

(Rupees in '000)	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 100 000 000 (2016: 100 000 000) ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital	3	800,000	800,000
Reserves	4	5,480,186	3,751,934
<b>TOTAL EQUITY</b>		<b>6,280,186</b>	<b>4,551,934</b>
Surplus on revaluation of operating fixed assets - net of deferred income tax	5	3,575,108	2,214,012
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	1,063,253	445,371
Deferred income tax liability	7	261	58,026
		1,063,514	503,397
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,118,304	925,013
Accrued mark-up	9	65,388	59,941
Short term borrowings	10	5,790,390	5,484,784
Current portion of non-current liabilities	11	190,376	65,745
Provision for taxation		31,291	70,227
		7,195,749	6,605,710
<b>TOTAL LIABILITIES</b>		<b>8,259,263</b>	<b>7,109,107</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,114,557</b>	<b>13,875,053</b>

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



Muhammad Anwar  
Chief Executive Officer

# BALANCE SHEET AS AT JUNE 30, 2017

(Rupees in '000)	Note	2017	2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	6,478,358	4,494,639
Intangible asset	14	18,472	-
Long term investments	15	5,166,546	3,449,038
Long term loans and advances	16	1,924	2,867
Long term deposits		5,148	5,288
		11,670,448	7,951,832
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	17	191,530	185,062
Stock-in-trade	18	2,029,134	1,635,911
Trade debts	19	2,236,170	2,365,485
Loans and advances	20	576,628	469,018
Short term deposits and prepayments	21	62,086	29,450
Accrued interest	22	3,861	4,109
Other receivables	23	1,252,529	1,130,440
Short term investments	24	88,276	94,449
Cash and bank balances	25	3,895	9,297
		6,444,109	5,923,221
<b>TOTAL ASSETS</b>		<b>18,114,557</b>	<b>13,875,053</b>



Khalid Bashir  
Director



Sadiq Saleem  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

for the Year Ended June 30, 2017

(Rupees in '000)	Note	2017	2016
Revenue	26	10,872,762	10,578,809
Cost of sales	27	9,900,768	9,238,638
Gross profit		971,994	1,340,171
Distribution cost	28	643,674	633,356
Administrative expenses	29	299,804	283,063
Other expenses	30	10,169	26,396
		953,647	942,815
		18,347	397,356
Other income	31	349,609	376,305
Profit from operations		367,956	773,661
Finance cost	32	286,816	360,006
Share of profit from associate		-	59,520
Reversal of carrying amount of investment in associate		-	(126,500)
Profit before taxation		81,140	346,675
Taxation	33	32,199	(96,132)
Profit after taxation		113,339	250,543
Earnings per share - basic and diluted (Rupees)	34	1.42	3.57

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



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director



Sadiq Saleem  
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
Profit after taxation	113,339	250,543
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Surplus arising on remeasurement of available for sale investments to fair value	1,777,598	563,608
Reclassification adjustment for gain realized on redemption of available for sale investments	(62,310)	(21,537)
Other comprehensive income for the year	1,715,288	542,071
Total comprehensive income for the year	1,828,627	792,614

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



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director



Sadiq Saleem  
Chief Financial Officer

# CASH FLOW STATEMENT

for the Year Ended June 30, 2017

(Rupees in '000)	Note	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	35	302,928	106,451
Finance cost paid		(280,534)	(384,456)
Income tax paid		(177,658)	(167,635)
Dividend paid		(99,515)	(89,807)
Workers' profit participation fund paid		(14,387)	(12,152)
Net decrease in long term loans and advances		943	797
Net decrease in long term deposits		140	178
Net cash used in operating activities		(268,083)	(546,624)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(920,227)	(581,244)
Capital expenditure on intangible asset		(19,000)	-
Proceeds from sale of property, plant and equipment		44,483	50,235
Proceeds from non-current asset held for sale		-	144,129
Investments made		-	(130,643)
Proceeds from sale of available for sale investments		66,263	27,461
Dividend received		43,043	22,883
Net cash used in investing activities		(785,438)	(467,179)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of right shares		-	323,533
Proceeds from long term financing		808,258	400,111
Repayment of long term financing		(54,733)	(79,174)
Repayment of liabilities against assets subject to finance lease		(11,012)	(32,669)
Short term borrowings - net		305,606	406,104
Net cash from financing activities		1,048,119	1,017,905
Net (decrease) / increase in cash and cash equivalents		(5,402)	4,102
Cash and cash equivalents at the beginning of the year		9,297	5,195
Cash and cash equivalents at the end of the year (Note 25)		3,895	9,297

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



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director




Sadiq Saleem  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2017

(Rupees in '000)	SHARE CAPITAL	RESERVES							TOTAL EQUITY	
		CAPITAL RESERVES			REVENUE RESERVES					
		Premium on issue of right shares	Fair value	Sub total	General	Dividend equalization	Unappropriated profit	Sub total		TOTAL
Balance as at June 30, 2015	615,124	61,512	462,030	523,542	1,773,643	30,000	505,959	2,309,602	2,833,144	3,448,268
Transactions with owners:										
- Final dividend for the year ended June 30, 2015 at the rate of Rupees 1.45 per share	-	-	-	-	-	-	(89,193)	(89,193)	(89,193)	(89,193)
- Issue of 30.0551% right shares at premium of Rupees 7.50 per share	184,876	138,657	-	138,657	-	-	-	-	138,657	323,533
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	25	25	25	25
Transfer from surplus on revaluation of operating fixed assets on disposal of operating fixed asset	-	-	-	-	-	-	76,687	76,687	76,687	76,687
Profit for the year	-	-	-	-	-	-	250,543	250,543	250,543	250,543
Other comprehensive income for the year	-	-	542,071	542,071	-	-	-	-	542,071	542,071
Total comprehensive Income for the year	-	-	542,071	542,071	-	-	250,543	250,543	792,614	792,614
Balance as at June 30, 2016	800,000	200,169	1,004,101	1,204,270	1,773,643	30,000	744,021	2,547,664	3,751,934	4,551,934
Transaction with owners:										
- Final dividend for the year ended June 30, 2016 at the rate of Rupees 1.255 per share	-	-	-	-	-	-	(100,400)	(100,400)	(100,400)	(100,400)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	25	25	25	25
Profit for the year	-	-	-	-	-	-	113,339	113,339	113,339	113,339
Other comprehensive income for the year	-	-	1,715,288	1,715,288	-	-	-	-	1,715,288	1,715,288
Total comprehensive Income for the year	-	-	1,715,288	1,715,288	-	-	113,339	113,339	1,828,627	1,828,627
Balance as at June 30, 2017	800,000	200,169	2,719,389	2,919,558	1,773,643	30,000	756,985	2,560,628	5,480,186	6,280,186

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

  
Muhammad Anwar  
Chief Executive Officer

  
Khalid Bashir  
Director

  
Sadiq Saleem  
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 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 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore. Its shares are quoted on Pakistan Stock Exchange Limited. 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. The Company also operates a cold storage unit.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

### 2.1 Basis of preparation

#### a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on May 30, 2017. Securities and Exchange Commission of Pakistan (SECP) vide its Circular 17 of 2017 and its press release dated July 20, 2017 has clarified that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

#### b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the freehold and leasehold land measured at revalued amounts and certain financial instruments carried at fair value.

#### c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

#### Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

## Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

## Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

## Provision for doubtful debts

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

## d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after July 01, 2016:

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 01, 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after January 01, 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

IAS 38 (Amendments) 'Intangible Assets' (effective for annual periods beginning on or after January 1, 2016). The amendments introduce severe restrictions on the use of revenue-based amortization for intangible assets. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible assets are highly correlated, or when the intangible asset is expressed as a measure of revenue.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) *Amendments to published approved accounting standards that are effective in current year but not relevant to the Company*

There are other amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) *Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company*

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2017 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after January 01, 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 01, 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31 'Revenue-Barter Transactions Involving Advertising Services'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

IFRS 16 'Lease' (effective for annual periods beginning on or after January 01, 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases—Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 01, 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after January 01, 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments) 'Income Tax' (effective for annual periods beginning on or after January 01, 2018). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 01, 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not likely to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after July 01, 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## 2.2 Employees retirement benefit

The Company operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 6.25 percent of the basic salary plus cost of living allowance. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss account as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

## 2.3 Liabilities against assets subject to finance lease

Leases, where the Company has substantially all the risks and rewards of ownership of assets are classified as finance leases. At inception, finance leases are recorded at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit and loss account over the lease term.

## 2.4 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

## 2.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

## 2.6 Taxation

### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.7 Property, plant and equipment

### 2.7.1 Operating fixed assets and depreciation

#### a) Cost / Revalued amount

Fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss and leasehold land which is stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. All transfers from surplus on revaluation of operating fixed assets are net of applicable deferred taxation.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

b) Depreciation

Depreciation on operating fixed assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

Depreciation is charged to profit and loss account on reducing balance method, except leasehold land on which depreciation is charged on straight line method to write off the cost of operating fixed assets over their expected useful lives at the rates mentioned in Note 13.1. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.7.2 Assets subject to finance lease

These are initially recognized at lower of present value of minimum lease payments under the lease agreements and fair value of assets. Subsequently, these assets are stated at cost less accumulated depreciation and any identified impairment loss. Assets so acquired are depreciated over their expected useful lives. Depreciation of leased assets is charged to profit and loss account.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

2.7.3 Assets subject to operating lease

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss account on a straight line basis over the lease term.

2.8 Non-current assets held for sale

Non-current assets classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.9 Intangible asset

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to profit and loss account on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible asset is amortized over a period of three years.

The Company assesses at each balance sheet date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in profit and loss account currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

## 2.10 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in associate, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

### 2.10.1 Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

### 2.10.2 Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

### 2.10.3 Available for sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

#### Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

stock exchange quoted market bids at the close of business on the balance sheet date.

## Unquoted

The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to after initial recognition are carried at cost less any identified impairment loss.

### 2.10.4 Investment in associate

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The profit and loss account reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

### 2.11 Inventories

Inventories, except for stock in transit and waste materials, are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale. Cost is determined as follows:

#### Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items-in-transit are stated at invoice amount plus other charges paid thereon.

#### Stock-in-trade

Stock of raw materials, except for stock-in-transit, is valued principally at the lower of weighted average cost and net realizable value.

Stocks-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Cost of work-in-process and finished goods comprises of cost of direct materials, labour and appropriate manufacturing overheads.

Stock of waste materials is stated at net realizable value.

### 2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

### 2.13 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Following specific recognition criteria must also be met before revenue is recognized:

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## Sale of goods and electricity

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the delivery of the goods. Related Government grant is recognized when there is reasonable assurance that Company will comply with the conditions attached to it and grant will be received. Revenue from sale of electricity is recognized at the time of transmission.

## Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

## Dividends

Dividend on equity instruments is recognized when right to receive the dividend is established.

## Rental income

Revenue is recognized when rent is accrued.

## 2.14 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, interest accrued, other receivables, cash and bank balances, long term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

## 2.15 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

## 2.16 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Known bad debts are written off and provision is made against debts considered doubtful when collection of the full amount is no longer probable.

## 2.17 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

and losses are recognized in profit and loss account when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

## 2.18 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

## 2.19 Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and forward currency swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit and loss account.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of cross currency swap contracts is determined by reference to market values for similar instruments.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

## 2.20 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

## 2.21 Impairment

### a) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

b) **Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.22 **Off setting**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.23 **Foreign currencies**

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.24 **Segment reporting**

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has five reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles), Power Generation (Generating and distributing power) and Cold Storage (Making of ice and warehousing of perishable goods).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2017 (Number of Shares)	2016 (Number of Shares)		2017 (Rupees in '000)	2016 (Rupees in '000)
50 571 213	50 571 213	Ordinary shares of Rupees 10 each fully paid in cash	505,712	505,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
80 000 000	80 000 000		800,000	800,000

### 3.1 Ordinary shares of the Company held by related parties:

(Number of Shares)	2017	2016
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	7 389 502	7 588 015
Crescent Foundation	-	1 675 858
Suraj Cotton Mills Limited	1 335 000	1 104 000
Premier Insurance Limited	755 985	755 985
Shakarganj Limited	5 898	5 898
	9 486 385	11 129 756

## 4. RESERVES

(Rupees in '000)	2017	2016
Composition of reserves is as follows:		
Capital reserves		
Premium on issue of right shares (Note 4.1)	200,169	200,169
Fair value reserve (Note 4.2)	2,719,389	1,004,101
	2,919,558	1,204,270
Revenue reserves		
Dividend equalization reserve	30,000	30,000
General reserve	1,773,643	1,773,643
Unappropriated profit	756,985	744,021
	2,560,628	2,547,664
	5,480,186	3,751,934

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

4.2 This represents the unrealized gain on remeasurement of available for sale investments at fair value and is not available for distribution. This will be transferred to profit and loss account on realization. Reconciliation of fair value reserve is as under:

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
Balance as at July 01	1,004,101	462,030
Fair value adjustment during the year	1,777,598	563,608
Reclassification adjustment for gain realized on sale of available for sale investment	(62,310)	(21,537)
Balance as at June 30	2,719,389	1,004,101
<b>5. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX</b>		
Surplus on revaluation of operating fixed assets as at July 01	2,214,302	2,291,018
Surplus arised on revaluation of operating fixed assets during the year	1,361,245	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	25	25
Adjustment of surplus on sale of operating fixed asset	-	76,687
Related deferred income tax liability	3	4
	28	76,716
	3,575,519	2,214,302
Less:		
Deferred income tax liability as at July 01	290	314
Adjustment of deferred income tax liability due surplus arised on revaluation of operating fixed assets	153	-
Adjustment of deferred income tax liability due to re-assessment at year end	(29)	(20)
Incremental depreciation charged during the year transferred to profit and loss account	(3)	(4)
	411	290
	3,575,108	2,214,012
<b>5.1</b>	This represents surplus resulting from revaluation of freehold land and leasehold land carried out on June 30, 2017 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP) as per the basis stated in Note 13.1.1 to the financial statements. Previously revaluation was carried out on June 30, 2013 and June 30, 2007 by an independent valuer.	
<b>6. LONG TERM FINANCING</b>		
Financing from banking companies - secured (Note 6.1)	1,253,629	500,104
Less: Current portion shown under current liabilities (Note 11)	190,376	54,733
	1,063,253	445,371

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

6.1	Lender	2017	2016	Rate of interest per annum	Number of installments	Date of repayment of first installment	Interest payable	Security
	<b>(Rupees in '000)</b>							
	Habib Bank Limited	-	4,598	SBP rate for LTF-EOP plus 3%	12 equal half yearly installments	June 08, 2011	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	United Bank Limited	-	7,895	3 months KIBOR plus 1.25 % without any floor or cap	19 equal quarterly installments	February 29, 2012	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	62,500	87,500	3 months KIBOR plus 2.75 % without any floor or cap	16 equal quarterly installments	January 03, 2016	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	187,500	200,000	SBP rate for LTFF plus 2.50%	16 equal quarterly installments	June 11, 2017	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	42,660	47,400	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	March 31, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	56,299	56,299	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	July 20, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	47,142	47,142	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	August 26, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	99,159	-	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	January 20, 2018	Quarterly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	49,270	49,270	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	September 27, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	46,793	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	October 11, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	14,959	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	October 11, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

Lender	2017	2016	Rate of interest per annum	Number of installments	Date of repayment of first installment	Interest payable	Security
<b>(Rupees in '000)</b>							
National Bank of Pakistan	8,998	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	November 25, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	25,122	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	December 05, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	204,376	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	January 13, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	225,492	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	January 25, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	24,642	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	January 26, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	19,270	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	January 26, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	61,758	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	February 07, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	46,063	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	February 14, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	31,626	-	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	April 23, 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	1,253,629	500,104					

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
<b>7. DEFERRED INCOME TAX LIABILITY</b>		
Taxable temporary differences on		
Tax depreciation allowance	159,791	154,873
Surplus on revaluation of operating fixed assets	409	290
	160,200	155,163
Deductible temporary differences on		
Provision for doubtful debts	(10,074)	(11,169)
Unused tax losses and minimum tax	(149,865)	(85,968)
	(159,939)	(97,137)
	261	58,026
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors (Note 8.1)	520,872	434,986
Accrued liabilities	564,848	440,727
Advances from customers	12,869	14,501
Retention money payable	1,459	1,409
Income tax deducted at source	1,396	2,461
Sales tax deducted at source	3,021	4,466
Unclaimed dividend	9,634	8,749
Payable to Employees' Provident Fund Trust	-	101
Workers' profit participation fund (Note 8.2)	3,028	16,580
Other payables	1,177	1,033
	1,118,304	925,013
8.1 This includes amount of Rupees 5.778 million (2016: Rupees 3.277 million) due to related parties.		
8.2 Workers' profit participation fund		
Balance as on July 01	16,580	14,559
Interest for the year (Note 32)	835	863
Provision for the year	-	13,310
	17,415	28,732
Less: Payments during the year	14,387	12,152
Balance as on June 30	3,028	16,580

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

8.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

(Rupees in '000)	2017	2016
<b>9. ACCRUED MARK-UP</b>		
Long term financing	14,597	3,989
Liabilities against assets subject to finance lease	-	13
Short term borrowings	50,791	55,939
	<b>65,388</b>	<b>59,941</b>
<b>10. SHORT TERM BORROWINGS</b>		
From banking companies - secured		
Short term finances (Note 10.1 and Note 10.4)	877,015	1,209,681
State Bank of Pakistan (SBP) refinance (Note 10.2 and Note 10.4)	3,105,000	2,115,600
Short term foreign currency finances (Note 10.3 and Note 10.4)	1,808,375	2,159,503
	<b>5,790,390</b>	<b>5,484,784</b>

10.1 The finances aggregating to Rupees 1,330 million (2016: Rupees 1,846 million) are obtained from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.50 to 3.00 percent (2016: KIBOR plus 1.75 to 3.00 percent) per annum.

10.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 2.90 to 3.00 percent (2016: 3.40 to 4.50 percent) per annum are payable. These form part of aggregate borrowing limits of Rupees 3,165 million (2016: Rupees 2,116 million).

10.3 Short term foreign currency finances amounting to Rupees 2,132 million (2016: Rupees 2,425 million) are available at mark-up ranging from LIBOR plus 0.82 to 2.65 percent (2016: LIBOR plus 1.34 to 2.75 percent) per annum.

10.4 The aggregate short term finances from banking companies are secured by way of joint pari passu charge over fixed and current assets of the Company.

<b>11. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Current portion of long term financing (Note 6)	190,376	54,733
Current portion of liabilities against assets subject to finance lease (Note 11.1)	-	11,012
	<b>190,376</b>	<b>65,745</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

11.1 During the year liabilities against assets subject to finance lease have been fully repaid. These carried mark-up at the rate of six month KIBOR plus 2.75 percent ranging from 8.82 percent to 8.92 percent (2016: six month KIBOR plus 2.75 percent ranging from 8.92 percent to 9.27 percent) per annum.

## 12. CONTINGENCIES AND COMMITMENTS

### a) Contingencies

- i) Guarantees of Rupees 199.764 million (2016: Rupees 157.232 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company against electricity connections.
- ii) Post dated cheques of Rupees 195.266 million (2016: Rupees 166.641 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iii) The Company has issued post dated cheques of Rupees 21.886 million (2016: Rupees Nil) favoring National Logistics Cell (NLC) against claim of demurrage under court orders due to detention of imported cotton by Custom Authorities at Wagha. The petition is currently pending before the Honorable Lahore High Court. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.
- iv) Commissioner Inland Revenue has filed appeals with Honourable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 16.673 million (2016: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

### b) Commitments

- i) Contracts for capital expenditure are of Rupees 377.285 million (2016: Rupees 920.181 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 54.201 million (2016: Rupees 84.016 million).
- iii) Ijarah (operating lease) commitments - Company as lessee

The Company obtained vehicles under ijarah (operating lease) agreement. The lease terms are of three years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.

The future aggregate minimum lease payments under ijarah (operating lease) are as follows:

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
Not later than one year	60	502
Later than one year and not later than five years	-	60
	60	562
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 13.1)		
-Owned	6,396,065	4,319,844
-Leased	-	47,983
Capital work-in-progress (Note 13.2)	82,293	126,812
	6,478,358	4,494,639

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 13.1 Operating fixed assets

(Rupees in '000)	Owned Assets												Leased Assets
	Land-Freehold	Land-Leasehold	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Factory tools and equipment	Gas and electric Installations	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total	Plant and machinery
At June 30, 2015													
Cost / revalued amount	2,217,852	7,133	348,400	78,367	4,189,038	21,071	70,695	50,183	6,145	26,937	113,523	7,129,344	164,747
Accumulated depreciation	-	(1,287)	(238,057)	(40,234)	(2,698,537)	(16,926)	(47,963)	(26,932)	(5,267)	(23,564)	(103,608)	(3,202,375)	(50,720)
Net book value	2,217,852	5,846	110,343	38,133	1,490,501	4,145	22,732	23,251	878	3,373	9,915	3,926,969	114,027
Year ended June 30, 2016													
Opening net book value	2,217,852	5,846	110,343	38,133	1,490,501	4,145	22,732	23,251	878	3,373	9,915	3,926,969	114,027
Additions	-	-	59,482	26,659	427,992	3,028	27,342	4,803	-	3,760	-	553,066	-
Assets transferred from leased assets to owned assets													
Cost	-	-	-	-	88,433	-	-	-	-	-	-	88,433	(88,433)
Accumulated depreciation	-	-	-	-	(32,683)	-	-	-	-	-	-	(32,683)	32,683
	-	-	-	-	55,750	-	-	-	-	-	-	55,750	(55,750)
Disposals:													
Cost	-	-	(111)	-	(65,083)	-	-	(6,873)	-	(40)	-	(72,107)	-
Accumulated depreciation	-	-	93	-	53,980	-	-	5,606	-	40	-	59,719	-
	-	-	(18)	-	(11,103)	-	-	(1,267)	-	-	-	(12,388)	-
Depreciation charge	-	(77)	(12,755)	(4,028)	(169,429)	(1,026)	(7,504)	(5,005)	(175)	(2,562)	(992)	(203,553)	(10,294)
Closing net book value	2,217,852	5,769	157,052	60,764	1,793,711	6,147	42,570	21,782	703	4,571	8,923	4,319,844	47,983
At June 30, 2016													
Cost / revalued amount	2,217,852	7,133	407,771	105,026	4,640,380	24,099	98,037	48,113	6,145	30,657	113,523	7,698,736	76,314
Accumulated depreciation	-	(1,364)	(250,719)	(44,262)	(2,846,669)	(17,952)	(55,467)	(26,331)	(5,442)	(26,086)	(104,600)	(3,378,892)	(28,331)
Net book value	2,217,852	5,769	157,052	60,764	1,793,711	6,147	42,570	21,782	703	4,571	8,923	4,319,844	47,983
Year ended June 30, 2017													
Opening net book value	2,217,852	5,769	157,052	60,764	1,793,711	6,147	42,570	21,782	703	4,571	8,923	4,319,844	47,983
Effect of surplus on revaluation as at June 30, 2017	1,359,937	1,308	-	-	-	-	-	-	-	-	-	1,361,245	-
Additions	-	-	-	7,005	942,318	2,142	1,081	7,775	1,102	3,323	-	964,746	-
Assets transferred from leased assets to owned assets													
Cost	-	-	-	-	76,314	-	-	-	-	-	-	76,314	(76,314)
Accumulated depreciation	-	-	-	-	(31,529)	-	-	-	-	-	-	(31,529)	31,529
	-	-	-	-	44,785	-	-	-	-	-	-	44,785	(44,785)
Disposals:													
Cost	-	-	(628)	-	(113,410)	-	-	(6,714)	-	(59)	-	(120,811)	-
Accumulated depreciation	-	-	585	-	83,520	-	-	4,506	-	59	-	88,670	-
	-	-	(43)	-	(29,890)	-	-	(2,208)	-	-	-	(32,141)	-
Depreciation charge	-	(77)	(14,043)	(5,763)	(223,465)	(1,494)	(8,608)	(4,579)	(213)	(3,280)	(892)	(262,414)	(3,198)
Closing net book value	3,577,789	7,000	142,966	62,006	2,527,459	6,795	35,043	22,770	1,592	4,614	8,031	6,396,065	-
At June 30, 2017													
Cost / revalued amount	3,577,789	8,441	407,143	112,031	5,545,602	26,241	99,118	49,174	7,247	33,921	113,523	9,980,230	-
Accumulated depreciation	-	(1,441)	(264,177)	(50,025)	(3,018,143)	(19,446)	(64,075)	(26,404)	(5,655)	(29,307)	(105,492)	(3,584,165)	-
Net book value	3,577,789	7,000	142,966	62,006	2,527,459	6,795	35,043	22,770	1,592	4,614	8,031	6,396,065	-
Annual rate of depreciation (%)	-	1.01	5.10	5.10	10	20	20	20	20	50	10		10

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

13.1.1 Land situated at Faisalabad granted to the Company by the Government of Punjab in 1958 under Land Acquisition Act, 1894 for the specific purpose of using it as an industrial undertaking had been revalued at Rupees 3,569.765 million taking into account conditions specified under various directives of the Government. Whereas land situated other than Faisalabad was revalued using the present market value at Rupees 15.024 million by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited as on June 30, 2017. The Company had revalued this land based on the advice from its legal counsel. Previously land of the Company was revalued on June 30, 2013 and June 30, 2007 by Messrs Hamid Mukhtar and Company (Private) Limited.

13.1.2 Fixed assets of the Company with carrying amount of Rupees 6,373 million (2016: Rupees 4,298 million) are subject to first pari passu charge to secured bank borrowings.

13.1.3 If the freehold land and leasehold land were measured using the cost model, the carrying amount would be as follows:

(Rupees in '000)	2017			2016		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	5,771	-	5,771	5,771	-	5,771
Land - Leasehold	4,719	1,218	3,501	4,719	1,171	3,548
	10,490	1,218	9,272	10,490	1,171	9,319

13.1.4 Depreciation charge for the year has been allocated as follows:

(Rupees in '000)	2017	2016
Cost of sales (Note 27)		
-Owned assets	252,170	193,470
-Leased assets	3,198	10,294
	255,368	203,764
Administrative expenses (Note 29)	10,244	10,083
	265,612	213,847

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

13.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
(Rupees in '000)							
Plant and Machinery							
Spinning Cards	17	37,032	34,944	2,088	8,500	Negotiation	Waqas Rafiq International, Kasur
Comber E-60 with unilap	6	26,814	12,282	14,532	7,350	Negotiation	Ghazi Fabrics, Lahore
Rice Husk Boiler	1	12,210	6,048	6,162	6,200	Negotiation	RC Textile, Faisalabad
Washing Range	1	11,621	8,444	3,177	3,825	Negotiation	Mr. Tahir Mahmood, Faisalabad
Cone Winder	2	4,396	3,641	755	2,267	Negotiation	Mr. Muhammad Ahmad, Faisalabad
Assembly Winding							
Machine	4	3,954	3,349	605	1,140	Negotiation	Mr. Khuram Hanif, Faisalabad
Cone Winder	1	659	566	93	1,117	Negotiation	Mr. Javed Tanveer, Faisalabad
Combers with unilap	5	3,098	2,648	450	1,000	Negotiation	Mr. Adnan Idrees, Faisalabad
Singeing Machine	1	8,422	7,186	1,236	800	Negotiation	Mr. Tahir Mahmood, Faisalabad
Twister Volkmann	1	1,283	1,087	196	495	Negotiation	Mr. Khuram Hanif, Faisalabad
Compressor with dryer	1	1,278	963	315	382	Negotiation	Mr. Haider Ali, Hattar
Chute Feed	1	353	266	87	175	Negotiation	Waqas Rafiq International, Kasur
		111,120	81,424	29,696	33,251		
Vehicles							
Honda Accord	1	4,222	3,532	690	2,250	Negotiation	Mr. Atif Munir, Faisalabad
Toyota Prius	1	2,260	743	1,517	1,625	Negotiation	Mr. Saif ur Rehman, Faisalabad
		6,482	4,275	2,207	3,875		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000							
		3,209	2,971	238	7,357		
		120,811	88,670	32,141	44,483		

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)		2017	2016
13.2	Capital work-in-progress		
	Buildings on freehold land	5,715	141
	Buildings on leasehold land	11,930	1,457
	Plant and machinery	10,361	67,428
	Advance against purchase of vehicle	4,275	-
	Advance against office equipment	101	-
	Advance against purchase of land	49,911	49,911
	Advance against Enterprise Resource Planning (ERP) implementation	-	7,875
		82,293	126,812
14.	INTANGIBLE ASSET		
	Computer Software		
	Opening net book value	-	-
	Addition during the year	19,000	-
	Amortization (Note 29)	(528)	-
	Closing net book value	18,472	-
	Cost	19,000	-
	Accumulated amortization	(528)	-
	Net book value	18,472	-
	Amortization rate (per annum)	33.33%	-
15.	LONG TERM INVESTMENTS		
	Available for sale		
	Related parties		
	Quoted		
	Crescent Jute Products Limited 2 738 637 (2016: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2016: 11.52%)	1,123	1,123
	Shams Textile Mills Limited 812 160 (2016: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2016: 9.40%)	4,629	4,629
	Premier Insurance Limited 128 703 (2016: 117 003) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2016: 0.28%) (Note 15.1)	35	35

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
Shakarganj Limited 7 937 328 (2016: 8 587 328) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2016: 7.81%) (Note 15.2)	48,270	52,223
Others		
Quoted		
Crescent Steel and Allied Products Limited 8 538 303 (2016: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2016: 11%)	190,669	190,669
Crescent Cotton Mills Limited 975 944 (2016: 975 944) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2016: 4.56%)	5,124	5,124
Jubilee Spinning and Weaving Mills Limited 182 629 (2016: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2016: 0.56%)	213	213
Crescent Fibres Limited 351 657 (2016: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2016: 2.83%)	2,162	2,162
Unquoted		
Crescent Bahuman Limited 26 926 433 (2016: 26 926 433) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2016: 19.80%)	269,264	269,264
197 600 000 (2016: 197 600 000) fully paid preference shares of Rupees 10 each. Equity held 73.37% (2016: 73.37%) (Note 15.3)	1,976,000	1,976,000
Premier Financial Services (Private) Limited 500 (2016: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2016: 2.22%)	500	500
Cresox (Private) Limited 4 199 792 (2016: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2016: 11.66%)	-	-
	2,497,989	2,501,942
Add: Fair value adjustment	2,668,557	947,096
	5,166,546	3,449,038

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

- 15.1 During the year 11 700 bonus shares were received from Premier Insurance Limited.
- 15.2 During the year 650 000 shares of Shakarganj Limited having book value of Rs 3.953 million were sold at fair value of Rs 66.263 million.
- 15.3 This represents unlisted non-voting cumulative and participatory preference shares carrying preference dividend at the rate of 5 percent per annum issued by Crescent Bahuman Limited. At the expiry of nine years from the date of issue (October 01, 2010), all outstanding preferences shares along with accumulated dividends, if any, will be converted into non-voting ordinary shares at a price of Rupees 10 per ordinary share.

(Rupees in '000)	2017	2016
<b>16. LONG TERM LOANS AND ADVANCES</b>		
Considered good - secured:		
Employees	5,025	6,079
Less: Current portion shown under current assets (Note 20)	3,101	3,212
	1,924	2,867

- 16.1 These represent interest free loans against household items given to employees and are secured against balance to the credit of employees in the provident fund trust. These are recoverable in equal monthly installments.
- 16.2 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

<b>17. STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores (Note 17.1)	165,583	157,955
Spare parts	25,430	26,826
Loose tools	517	281
	191,530	185,062

- 17.1 These include stores in transit of Rupees 21.249 million (2016: Rupees 24.752 million).

<b>18. STOCK-IN-TRADE</b>		
Raw materials (Note 18.1)	479,595	584,701
Work-in-process	131,695	107,784
Finished goods (Note 18.2)	1,404,191	938,090
Waste	13,653	5,336
	2,029,134	1,635,911

- 18.1 Raw materials include stock in transit of Rupees 87.636 million (2016: Rupees 363.937 million).



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

18.2 Finished goods include stock in transit of Rupees 97.134 million (2016: Rupees 62.890 million) and stock with third parties amounting to Rupees 194.903 million (2016: Rupees 176.359 million).

18.3 Stock-in-trade of Rupees 13.653 million (2016: Rupees 5.336 million) is being carried at net realizable value.

(Rupees in '000)	2017	2016
<b>19. TRADE DEBTS</b>		
Considered good:		
Secured (against letters of credit)	414,823	407,733
Unsecured:		
Related party (Note 19.1)	93	5,649
Others (Note 19.2)	1,821,254	1,952,103
	2,236,170	2,365,485
Considered doubtful:		
Others - unsecured	41,203	41,203
Less: Provision for doubtful debts	(41,203)	(41,203)
	-	-

19.1 This represents amounts due from Suraj Cotton Mills Limited which were neither past due nor impaired.

19.2 As at June 30, 2017, trade debts due from other than related parties of Rupees 958.851 million (2016: Rupees 905.148 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Upto 1 month	198,736	240,996
1 to 6 months	129,476	92,545
More than 6 months	630,639	571,607
	958,851	905,148

19.3 As at June 30, 2017, trade debts of Rupees 41.203 million (2016: Rupees 41.203 million) were impaired and provided for. The ageing of these trade debts was more than three years. These trade debts do not include amounts due from related parties.

## 20. LOANS AND ADVANCES

Considered good:		
Employees against expenses	85	85
Current portion of long term loans and advances (Note 16)	3,101	3,212
Advances to suppliers	10,556	12,887
Letters of credit	3,127	6,107
Income tax	559,759	446,727
	576,628	469,018

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
Considered doubtful:		
Advances to suppliers	589	589
Less: Provision for doubtful loans and advances	(589)	(589)
	-	-
<b>21. SHORT TERM DEPOSITS AND PREPAYMENTS</b>		
Considered good:		
Margin deposits	61,840	27,529
Current portion of long term deposits	139	179
Prepayments	107	1,742
	62,086	29,450
<b>22. ACCRUED INTEREST</b>		
This includes interest receivable from Crescent Bahuman Limited on overdue receivable balance.		
<b>23. OTHER RECEIVABLES</b>		
Considered good:		
Due from related parties (Note 23.1)	77	525
Export rebate and claims	68,881	63,118
Duty drawback	173,721	-
Sales tax and special excise duty refundable	341,442	485,005
Dividends receivable (Note 23.2)	666,900	580,907
Miscellaneous	1,508	885
	1,252,529	1,130,440
Considered doubtful:		
Export rebate, sales tax and special excise duty refundable	44,308	43,987
Less: Provision for doubtful other receivables		
As at July 01	43,987	41,744
Add: Provision made during the year (Note 30)	321	2,243
As at June 30	44,308	43,987
	-	-
<b>23.1 This represents amounts due from following related parties:</b>		
Shams Textile Mills Limited	77	-
Premier Insurance Limited	-	525
	77	525

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

23.2 These include Rupees 666.900 million (2016: Rupees 568.100 million) accumulated preference dividend receivable from Crescent Bahuman Limited as mentioned in Note 15.3

(Rupees in '000)	2017	2016
<b>24. SHORT TERM INVESTMENT</b>		
Available for sale		
Others - quoted		
Samba Bank Limited		
12 346 238 (2016: 12 346 238) fully paid ordinary shares of Rupees 10 each. Equity held 1.22% (2016: 1.22%)	37,444	37,444
Add: Fair value adjustment	50,832	57,005
	<b>88,276</b>	<b>94,449</b>
<b>25. CASH AND BANK BALANCES</b>		
With banks:		
On current accounts		
Including US\$ 1,583 (2016: US\$ 4,180)	3,107	7,996
Cash in hand	788	1,301
	<b>3,895</b>	<b>9,297</b>
<b>26. REVENUE</b>		
Local (Note 26.1)	4,003,707	3,643,162
Export	6,641,528	6,880,439
Export rebate	51,310	49,130
Duty drawback	176,217	6,078
	<b>10,872,762</b>	<b>10,578,809</b>
<b>26.1 Local</b>		
Sales	3,839,499	3,605,149
Waste	162,893	137,657
Processing income	305	721
Cold storage	16,328	17,184
	<b>4,019,025</b>	<b>3,760,711</b>
Less: Sales tax	15,318	117,549
	<b>4,003,707</b>	<b>3,643,162</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
<b>27. COST OF SALES</b>		
Raw materials consumed (Note 27.1)	3,561,946	3,219,622
Cloth and yarn purchased	1,848,112	1,287,230
Stores, spare parts and loose tools consumed	611,356	622,918
Packing materials consumed	689,296	570,888
Processing and weaving charges	799,749	688,832
Salaries, wages and other benefits (Note 27.2)	964,009	918,418
Fuel and power	1,280,308	1,112,343
Repair and maintenance	56,077	71,772
Insurance	11,715	11,331
Depreciation (Note 13.1.4)	255,368	203,764
Other factory overheads	39,658	37,958
	10,117,594	8,745,076
Work-in-process		
Opening stock	107,784	102,549
Closing stock	(131,695)	(107,784)
	(23,911)	(5,235)
Cost of goods manufactured	10,093,683	8,739,841
Finished goods		
Opening stock	943,426	1,035,897
Closing stock	(1,417,844)	(943,426)
	(474,418)	92,471
	9,619,265	8,832,312
Cost of sales - purchased for resale	281,503	406,326
	9,900,768	9,238,638
<b>27.1 Raw materials consumed</b>		
Opening stock	584,701	199,078
Add: Purchased during the year	3,456,840	3,605,245
	4,041,541	3,804,323
Less: Closing stock	(479,595)	(584,701)
	3,561,946	3,219,622

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 15.873 million (2016: Rupees 14.896 million) by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
<b>28. DISTRIBUTION COST</b>		
Salaries, wages and other benefits (Note 28.1)	40,314	37,240
Freight and shipment	223,317	154,776
Duties and other charges	95,875	104,152
Commission to selling agents	283,467	335,168
Advertisement	701	2,020
	<b>643,674</b>	<b>633,356</b>

28.1 Salaries, wages and other benefits include provident fund contribution of Rupees 1.463 million (2016: Rupees 1.341 million) by the Company.

## 29. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 29.1)	208,146	194,267
Meeting fee to non-executive directors	620	700
Travelling, conveyance and entertainment	15,069	17,265
Rent, rates and taxes (Note 29.2)	3,416	3,622
Repair and maintenance	21,842	22,189
Insurance	1,167	1,362
Printing and stationery	1,965	2,789
Communication and advertisement	3,994	3,697
Subscription	10,986	10,365
Legal and professional	7,478	4,609
Auditors' remuneration (Note 29.3)	1,598	1,748
Amortization (Note 14)	528	-
Depreciation (Note 13.1.4)	10,244	10,083
Other charges	12,751	10,367
	<b>299,804</b>	<b>283,063</b>

29.1 Salaries, wages and other benefits include provident fund contribution of Rupees 6.372 million (2016: Rupees 6.005 million) by the Company.

29.2 This includes ijarah (operating lease) rentals amounting to Rupees 0.501 million (2016: Rupees 0.871 million) of vehicles.

### 29.3 Auditors' remuneration:

Audit fee	1,275	1,200
Half yearly review	250	250
Reimbursable expenses	48	48
Other certification fees	25	250
	<b>1,598</b>	<b>1,748</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
<b>30. OTHER EXPENSES</b>		
Donations (Note 30.1)	9,848	10,843
Provision for doubtful other receivables (Note 23)	321	2,243
Workers' profit participation fund	-	13,310
	<b>10,169</b>	<b>26,396</b>
<b>30.1</b> There is no interest of any director or his spouse in donees' fund.		
<b>31. OTHER INCOME</b>		
Income from financial assets		
Dividend income (Note 31.1)	129,036	134,490
Gain on sale of available for sale investments	62,310	-
Gain on redemption of preference shares	-	21,537
Net exchange gain on export bills	80,053	48,943
Mark-up on overdue receivables (Note 31.2)	48,250	52,411
	<b>319,649</b>	<b>257,381</b>
Income from non-financial assets		
Sale of empties and scrap	16,788	20,430
Rental income	830	836
Gain on sale of property, plant and equipment	12,342	37,847
Gain on sale of non-current asset held for sale	-	59,811
	<b>29,960</b>	<b>118,924</b>
	<b>349,609</b>	<b>376,305</b>
<b>31.1 Dividend income</b>		
From related parties:		
Crescent Bahuman Limited-Preference dividend	-	98,800
Crescent Steel and Allied Products Limited	-	30,396
Shakarganj Limited - Preference dividend	-	4,668
Premier Insurance Limited	-	98
	-	<b>133,962</b>
From others:		
Crescent Bahuman Limited-Preference dividend	98,800	-
Crescent Steel and Allied Products Limited	29,884	-
Crescent Fibres Limited	352	528
	<b>129,036</b>	<b>134,490</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

31.1.1 Crescent Bahuman Limited and Crescent Steel and Allied Products Limited ceased to be the related parties due to elimination of common directorship on June 29, 2016.

31.2 This relates to mark-up charged on overdue receivables from Crescent Bahuman Limited.

(Rupees in '000)	2017	2016
<b>32. FINANCE COST</b>		
Mark up on:		
Long term financing	59,612	21,962
Liabilities against assets subject to finance lease	361	2,233
Short term borrowings	214,993	315,253
Interest on workers' profit participation fund (Note 8.2)	835	863
Bank charges and commission	11,015	19,695
	<b>286,816</b>	<b>360,006</b>

32.1 Exchange loss on foreign currency loans of the Company amounting to Rupees 1.752 million (2016: Rupees 69.250 million) is adjusted against finance cost.

## 33. TAXATION

Charge for the year:		
Current (Note 33.1)	31,291	70,227
Prior year adjustment	(5,601)	(55)
	25,690	70,172
Deferred (Note 33.2)	(57,889)	25,960
	<b>(32,199)</b>	<b>96,132</b>

33.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales, tax on undistributed profits under Section 5A, tax on different heads of other income and tax credit available under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at June 30, 2017 are Rupees 345.964 million (2016: Rupees 182.600 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
33.2 Deferred income tax effect due to:		
Tax depreciation allowance	159,791	154,873
Unused tax losses and minimum tax	(149,865)	(85,968)
Provision for doubtful debts	(10,074)	(11,169)
Surplus on revaluation of operating fixed assets	409	290
	261	58,026
Opening balance as at July 01	(58,026)	(32,086)
Related to surplus on revaluation of operating fixed assets	(124)	20
	(57,889)	25,960
34. EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit for the year (Rupees in '000)	113,339	250,543
Weighted average number of ordinary shares (Numbers)	80 000 000	70 214 592
Earnings per share (Rupees)	1.42	3.57
35. CASH GENERATED FROM OPERATIONS		
Profit before taxation	81,140	346,675
Adjustments for non-cash charges and other items:		
Depreciation	265,612	213,847
Amortization	528	-
Gain on sale of property, plant and equipment	(12,342)	(37,847)
Gain on sale of investment	(62,310)	-
Gain on sale of non-current asset held for sale	-	(59,811)
Dividend income	(129,036)	(134,490)
Gain on redemption of preference shares	-	(21,537)
Provision for doubtful other receivables	321	2,243
Provision for workers' profit participation fund	-	13,310
Share of profit from associate	-	(59,520)
Adjustment of carrying amount of investment due to loss of significant influence in associate	-	126,500
Finance cost	286,816	360,006
Working capital changes (Note 35.1)	(127,801)	(642,925)
	302,928	106,451



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
35.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(6,468)	(8,071)
- Stock-in-trade	(393,223)	(298,387)
- Trade debts	129,315	201,222
- Loans and advances	5,422	12,665
- Short term deposits and prepayments	(32,636)	(6,649)
- Accrued interest	248	959
- Other receivables	(36,417)	(277,095)
	(333,759)	(375,356)
Increase / (decrease) in trade and other payables	205,958	(267,569)
	(127,801)	(642,925)

## 36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Director and Executives of the Company is as follows:

(Rupees in '000)	Chief Executive Officer		Director		Executives	
	2017	2016	2017	2016	2017	2016
Managerial remuneration	7,200	7,200	4,200	4,200	122,575	107,092
Allowances						
House rent	3,240	3,240	1,890	1,890	29,375	26,278
Cost of living	-	-	-	-	383	298
Utilities	720	720	-	-	10,398	8,849
Medical	-	-	-	-	9,557	8,009
Special	-	-	-	-	9,749	8,158
Reimbursable expenses	2,174	1,282	-	-	5,410	2,189
Contribution to provident fund	450	450	263	263	6,963	6,297
	13,784	12,892	6,353	6,353	194,410	167,170
Number of persons	1	1	1	1	87	69

36.1 Certain Executives are provided with rent free furnished accommodation and free use of Company maintained vehicles. The Chief Executive Officer and Director are provided with free use of the Company maintained vehicles.

36.2 Aggregate amount charged in the financial statements for meeting fee to six non-executive directors (2016: six non-executive directors) was Rupees 620,000 (2016: Rupees 700,000).

36.3 No remuneration was paid to non-executive directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	2017	2016
<b>37. EMPLOYEES' RETIREMENT BENEFITS</b>		
Contribution to Employees' Provident Fund Trust	23,708	22,242
Contribution to Employees' Old Age Benefit Institution	24,248	24,690
	47,956	46,932

<b>38. PROVIDENT FUND RELATED DISCLOSURES</b>		
Following information is based on un-audited financial statements of the provident fund		
Size of Fund - Total assets	1,564,593	1,160,213
Cost of investments	1,172,043	1,079,036
Percentage of investments made	99.90	99.99
Fair value of investments	1,562,977	1,160,113

38.1 The break-up of fair value of investments is as follows:

	2017 (Percentage)	2016	2017 (Rupees in '000)	2016
Bank deposits	4.57	34.46	71,447	399,824
Advances to members	1.63	2.30	25,484	26,662
Defence saving certificates	8.02	9.87	125,309	114,559
Listed securities	85.78	53.36	1,340,737	619,068
	100.00	100.00	1,562,977	1,160,113

38.2 The above investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose with the exception of investment in listed securities which exceeds the prescribed limit.

(Number of persons)	2017	2016
<b>39. NUMBER OF EMPLOYEES</b>		
Number of employees as on June 30	5 013	5 382
Average number of employees during the year	5 170	5 546

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 40. 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. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

(Rupees in '000)	2017	2016
<i>Associated companies</i>		
Purchase of goods and services	60,304	8,748
Sale of goods and services	99,436	416,787
Dividend income	-	133,962
Dividend paid	2,472	6,145
Insurance premium paid	18,014	26,612
Insurance claim received	5,240	6,448
Interest income	-	52,411
<i>Other related parties</i>		
Dividend paid	19,977	16,470
Contribution to Employees' Provident Fund Trust	23,708	22,242
(Number of Shares)	2017	2016
<i>Associated companies</i>		
Right shares issued	-	2 195 033
Right shares subscribed	-	4 867 500
Sale of shares	650 000	-
Bonus shares received	11 700	19 500
<i>Other related parties</i>		
Right shares issued	-	5 729 023

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Figures in '000)		2017	2016
41.	PLANT CAPACITY AND ACTUAL PRODUCTION		
	Spinning		
	100 % plant capacity converted to 20s count based on 3 shifts per day for 1 095 shifts (2016: 1 098 shifts) (Kgs.)	33 587	33 679
	Actual production converted to 20s count based on 3 shifts per day for 1 005 shifts (2016: 1 011 shifts) (Kgs.)	28 736	28 881
	Weaving		
	100 % plant capacity at 50 picks based on 3 shifts per day for 1 095 shifts (2016: 1 098 shifts) (Sq. Mtr.)	48 566	42 636
	Actual production converted to 50 picks based on 3 shifts per day for 1 045 shifts (2016: 1 050 shift) (Sq. Mtr.)	33 492	32 475
	Dyeing, Finishing and Home Textile		
	The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.		
	Power Plant		
	Generation capacity (MWH)	258	258
	Actual generation (MWH)	100	102

## 43.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to periodical scheduled maintenance and installation period for BMR activities carried out during the year. Actual power generation in comparison to installed capacity is low due to periodical scheduled / unscheduled maintenance and low demand.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 42. SEGMENT INFORMATION

(Rupees in '000)	Spinning		Weaving		Processing & Home Textile	
	2017	2016	2017	2016	2017	2016
Revenue						
External	3,711,938	3,543,790	238,589	433,780	6,905,907	6,584,055
Intersegment	1,652,719	1,553,331	4,491,203	3,778,217	-	-
	5,364,657	5,097,121	4,729,792	4,211,997	6,905,907	6,584,055
Cost of sales	5,312,837	5,024,653	4,649,726	4,089,001	6,092,198	5,466,209
Gross profit	51,820	72,468	80,066	122,996	813,709	1,117,846
Distribution cost	37,775	52,149	11,836	23,501	590,983	554,873
Administrative expenses	87,290	85,189	27,261	23,796	169,079	159,906
	125,065	137,338	39,097	47,297	760,062	714,779
(Loss) / profit before taxation and unallocated income and expenses	(73,245)	(64,870)	40,969	75,699	53,647	403,067
Unallocated income and expenses:						
Other expenses						
Other income						
Finance cost						
Share of profit from associate						
Reversal of carrying amount of investment in associate						
Taxation						
Profit after taxation						

### 42.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning		Weaving		Processing & Home Textile	
	2017	2016	2017	2016	2017	2016
Total assets for reportable segments	2,754,165	2,300,510	1,598,009	1,017,400	2,326,793	2,436,194
Unallocated assets						
Total assets as per balance sheet						
All segment assets are allocated to reportable segments other than those directly relating to corporate						
Total liabilities for reportable segments	3,635,370	3,151,599	905,557	700,195	2,445,231	2,057,772
Unallocated liabilities						
Total liabilities as per balance sheet						
All segment liabilities are allocated to reportable segments other than major portion of trade and other						



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 42.2 Geographical Information

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

(Rupees in '000)	2017	2016
Europe	5,603,042	4,886,493
America	246,664	921,912
Asia, Africa and Australia	1,019,349	1,127,242
Pakistan	4,003,707	3,643,162
	10,872,762	10,578,809

42.3 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

## 42.4 Revenue from major customers

Revenue from two major customers of Processing and Home textile segments of the Company represents Rupees 1,333 million and of Rupees 1,329 million respectively (2016: no major customer of the Company).

## 43. FINANCIAL RISK MANAGEMENT

### 45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of non-derivative financial instruments and investment of excess liquidity.

#### a) Market risk

##### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2017	2016
Cash at banks - USD	1,583	4,180
Trade debts - USD	11,677,699	13,513,470
Trade debts - Euro	993,203	766,247
Trade and other payables - USD	(245,160)	(289,630)
Short term borrowings - USD	(17,255,487)	(20,665,100)
Net exposure - USD	(5,821,365)	(7,437,080)
Net exposure - Euro	993,203	766,247

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	104.77	104.33
Reporting date rate	104.80	104.50
Rupees per Euro		
Average rate	114.13	115.81
Reporting date rate	119.91	116.08

#### Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 30.504 million (2016: Rupees 36.916 million) lower / higher and Rupees 5.955 million (2016: Rupees 4.225 million) higher / lower respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

#### ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

#### Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Company's profit after taxation for the year and on equity (fair value



# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index (Rupees in '000)	Impact on profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	2017	2016	2017	2016
PSX 100 (5% increase)	-	-	150,453	64,887
PSX 100 (5% decrease)	-	-	(150,453)	(64,887)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, liabilities against assets subject to finance lease, short term borrowings and trade debts of CBL. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

(Rupees in '000)	2017	2016
Fixed rate instruments		
Financial liabilities		
Long term financing	1,191,129	355,439
Short term borrowings	3,105,000	2,115,600
Floating rate instruments		
Financial assets		
Trade debts-CBL	685,070	641,403
Financial liabilities		
Long term financing	62,500	144,665
Liabilities against assets subject to finance lease	-	11,012
Short term borrowings	2,685,390	3,369,184

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

## Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 20.626 million (2016: Rupees 27.393 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet date were outstanding for the whole year.

### b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

(Rupees in '000)	2017	2016
Investments	5,254,822	3,543,487
Loans and advances	5,025	6,079
Deposits	66,988	32,817
Trade debts	2,236,170	2,365,485
Accrued interest	3,861	4,109
Other receivables	842,206	582,317
Bank balances	3,107	7,996
	8,412,179	6,542,290

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The Company kept its surplus funds with banks having good credit rating ranging from AAA to A.

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

### c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2017, the Company had Rupees 836 million (2016: Rupees 902 million) available borrowing limits from financial institutions and Rupees 3.895 million (2016: Rupees 9.297 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

Contractual maturities of financial liabilities as at June 30, 2017:

(Rupees in '000)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	1,253,629	1,439,826	96,300	154,698	299,243	889,585
Trade and other payables	1,097,990	1,097,990	1,097,990	-	-	-
Accrued mark-up	65,388	65,388	65,388	-	-	-
Short term borrowings	5,790,390	5,921,459	3,570,723	2,350,736	-	-
	8,207,397	8,524,663	4,830,401	2,505,434	299,243	889,585

Contractual maturities of financial liabilities as at June 30, 2016:

(Rupees in '000)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	500,104	582,116	39,897	43,375	136,560	362,284
Liabilities against assets subject to finance lease	11,012	11,391	8,528	2,863	-	-
Trade and other payables	886,904	886,904	886,904	-	-	-
Accrued mark-up	59,941	59,941	59,941	-	-	-
Short term borrowings	5,484,784	5,631,145	3,689,268	1,941,877	-	-
	6,942,745	7,171,497	4,684,538	1,988,115	136,560	362,284

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at June 30. The rates of interest / mark-up have been disclosed in Note 6 and 10 to these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 4.3.2 Financial instruments by categories

(Rupees in '000)	Loans and receivables	Available for sale	Total
As at June 30, 2017			
Assets as per balance sheet			
Investments	-	5,254,822	5,254,822
Loans and advances	5,025	-	5,025
Deposits	66,988	-	66,988
Trade debts	2,236,170	-	2,236,170
Accrued interest	3,861	-	3,861
Other receivables	842,206	-	842,206
Cash and bank balances	3,895	-	3,895
	3,158,145	5,254,822	8,412,967

(Rupees in '000)	At amortized cost		
Liabilities as per balance sheet			
Long term financing			1,253,629
Accrued mark-up			65,388
Short term borrowings			5,790,390
Trade and other payables			1,097,990
			8,207,397

(Rupees in '000)	Loans and receivables	Available for sale	Total
As at June 30, 2016			
Assets as per balance sheet			
Investments	-	3,543,487	3,543,487
Loans and advances	6,079	-	6,079
Deposits	32,817	-	32,817
Trade debts	2,365,485	-	2,365,485
Accrued interest	4,109	-	4,109
Other receivables	582,317	-	582,317
Cash and bank balances	9,297	-	9,297
	3,000,104	3,543,487	6,543,591

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(Rupees in '000)	At amortized cost
Liabilities as per balance sheet	
Long term financing	500,104
Liabilities against assets subject to finance lease	11,012
Accrued mark-up	59,941
Short term borrowings	5,484,784
Trade and other payables	886,904
	6,942,745

#### 43.3 Offsetting financial assets and financial liabilities

As on balance sheet date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

#### 43.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in Note 6 and 10 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Company's strategy which was unchanged from last year is to maintain a gearing ratio of 50% debt and 50% equity (2016: 50% debt and 50% equity).

(Rupees in '000)	2017	2016
Borrowings	7,044,019	5,995,900
Total equity	6,280,186	4,551,934
Total capital employed	13,324,205	10,547,834
Gearing ratio (Percentage)	52.87	56.84

The decrease in the gearing ratio resulted primarily from increase in fair value of investments of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

## 44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these 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:

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At June 30, 2017				
Available for sale financial assets	3,009,058	-	-	3,009,058
At June 30, 2016				
Available for sale financial assets	1,297,723	-	-	1,297,723

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 year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise 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 trading and available for sale 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 maximise 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

(ii) Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

(Rupees in '000)	Level 1	Level 2	Level 3	Total
At June 30, 2017				
Land - freehold	-	3,577,789	-	3,577,789
Land - leasehold	-	7,000	-	7,000
	-	3,584,789	-	3,584,789
At June 30, 2016				
Land - freehold	-	2,217,852	-	2,217,852
Land - leasehold	-	5,769	-	5,769
	-	2,223,621	-	2,223,621

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

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

(ii) Valuation techniques used to determine level 2 fair values

At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The fair value of freehold and leasehold land has been determined as on June 30, 2017 by Messers Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP) as per basis stated in Note 13.1.1 to the financial statements.

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 02, 2017 by the Board of Directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2017

47. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant rearrangement and reclassification have been made in these financial statements.

48. GENERAL

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



Muhammad Anwar  
Chief Executive Officer



Khalid Bashir  
Director



Sadiq Saleem  
Chief Financial Officer



# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2017

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
522	1	100	16,321	1	235,001	240,000	240,000
547	101	500	166,006	1	240,001	245,000	241,888
293	501	1,000	248,016	1	250,001	255,000	254,329
557	1,001	5,000	1,520,516	1	255,001	260,000	256,931
167	5,001	10,000	1,318,563	1	260,001	265,000	262,867
54	10,001	15,000	675,810	1	265,001	270,000	267,936
52	15,001	20,000	941,979	1	280,001	285,000	280,310
37	20,001	25,000	868,137	1	285,001	290,000	286,426
28	25,001	30,000	776,635	1	290,001	295,000	291,981
13	30,001	35,000	419,935	2	295,001	300,000	595,854
7	35,001	40,000	273,080	1	305,001	310,000	306,279
8	40,001	45,000	345,574	1	315,001	320,000	317,777
23	45,001	50,000	1,143,303	1	330,001	335,000	333,297
5	50,001	55,000	264,953	1	335,001	340,000	339,543
4	55,001	60,000	235,500	1	340,001	345,000	343,058
6	60,001	65,000	378,112	2	345,001	350,000	698,335
8	65,001	70,000	546,366	1	370,001	375,000	370,500
4	70,001	75,000	288,082	1	385,001	390,000	389,158
4	75,001	80,000	307,598	1	390,001	395,000	391,743
2	85,001	90,000	175,007	1	405,001	410,000	406,096
2	90,001	95,000	187,199	1	425,001	430,000	426,622
9	95,001	100,000	891,102	1	445,001	450,000	450,000
3	100,001	105,000	307,742	2	450,001	455,000	904,444
4	105,001	110,000	431,305	2	485,001	490,000	974,217
1	110,001	115,000	111,626	1	495,001	500,000	500,000
4	115,001	120,000	471,263	1	500,001	505,000	500,611
4	120,001	125,000	489,331	1	525,001	530,000	527,799
4	125,001	130,000	510,081	1	540,001	545,000	542,003
4	130,001	135,000	530,055	1	550,001	555,000	552,157
3	135,001	140,000	412,038	1	570,001	575,000	571,848
3	145,001	150,000	449,729	1	605,001	610,000	609,710
1	150,001	155,000	150,463	1	635,001	640,000	635,905
1	155,001	160,000	158,198	2	650,001	655,000	1,300,550
2	160,001	165,000	320,420	2	665,001	670,000	1,334,013
1	165,001	170,000	165,709	3	670,001	675,000	2,015,184
2	180,001	185,000	367,500	1	685,001	690,000	689,997
2	185,001	190,000	376,910	1	690,001	695,000	690,306
1	190,001	195,000	193,780	1	705,001	710,000	707,805
2	195,001	200,000	400,000	1	745,001	750,000	748,018
3	200,001	205,000	608,042	1	755,001	760,000	755,985
1	210,001	215,000	210,275	1	765,001	770,000	767,324
2	215,001	220,000	437,146	1	840,001	845,000	842,782
1	230,001	235,000	233,500	1	895,001	900,000	897,103

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2017

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
1	1,330,001	1,335,000	1,335,000	1	3,600,001	3,605,000	3,603,635
1	1,385,001	1,390,000	1,389,541	1	4,355,001	4,360,000	4,359,891
1	1,590,001	1,595,000	1,594,629	1	5,925,001	5,930,000	5,929,364
1	1,675,001	1,680,000	1,677,239	1	6,850,001	6,855,000	6,855,000
1	1,720,001	1,725,000	1,724,601	1	7,385,001	7,390,000	7,389,502
				2,462			80,000,000

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2017

Categories of Shareholders	Physical	CDC	Total	% age
	(Number of shares held)			
1 Directors, Chief Executive Officer, Their Spouses and Minor Children				
Chairman & Chief Executive Officer				
Mr. Shaukat Shafi	-	488,624	488,624	0.61
Mr. Muhammad Anwar	-	897,103	897,103	1.12
Directors				
Mr. Ahmad Shafi	-	3,603,635	3,603,635	4.50
Mr. Amjad Mahmood	-	102,589	102,589	0.13
Mr. Anjum Muhammad Saleem	130	542,003	542,133	0.68
Mr. Khalid Bashir	-	842,782	842,782	1.05
Mr. Khurram Mazhar Karim	-	165,709	165,709	0.21
Directors' Spouses and Their Minor Children				
Mrs. Naheed Amjad	-	426,622	426,622	0.53
Mrs. Tanveer Khalid Bashir	-	343,058	343,058	0.43
Mrs. Zahida Shaukat	-	218,366	218,366	0.27
Mrs. Saira Anjum Saleem	-	75,431	75,431	0.09
Mrs. Mehreen Ahmad	-	64,000	64,000	0.08
Mrs. Abida Anwar	-	33,326	33,326	0.04
	130	7,803,248	7,803,378	9.75
2 Executives	39,411	1,042,755	1,082,166	1.35
3 Associated Companies, Undertakings & Related Parties				
Shakarganj Limited	5,898	-	5,898	0.01
Premier Insurance Limited	-	755,985	755,985	0.94
Trustee - The Crescent Textile Mills Ltd				
Empl. Provident Fund	-	7,389,502	7,389,502	9.24
Suraj Cotton Mills Limited	-	1,335,000	1,335,000	1.67
	5,898	9,480,487	9,486,385	11.86
4 NIT & ICP (Name Wise Detail)				
CDC - Trustee National Investment (Unit) Trust	-	1,724,601	1,724,601	2.16
Trustee National Bank Of Pakistan Employees Pension Fund	-	188,340	188,340	0.24
Investment Corporation of Pakistan	9,000	-	9,000	0.01
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	-	6,609	6,609	0.01
	9,000	1,919,550	1,928,550	2.41
5. Mutual Fund (Name Wise Detail)				
Tri Star Mutual Fund Limited	-	25,383	25,383	0.03
	-	25,383	25,383	0.03

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2017

	Physical	CDC	Total	% age
	(Number of shares held)			
6 Banks, NBFCs, DFIs, Takaful, Pension Funds	9,666	871,174	880,840	1.10
7 Modarabas	242	-	242	0.00
8 Insurance Companies	704	341,981	342,685	0.43
9 Non-Residents	5,128	-	5,128	0.01
10 Other Companies, Corporate Bodies, Trust etc.	54,356	18,436,062	18,490,418	23.11
11 General Public	3,817,831	36,136,994	39,954,825	49.94
Grand total	3,942,366	76,057,634	80,000,000	100.00
Shareholders More Than 5.00%				
Trustee - The Crescent Textile Mills Ltd				
Empl. Provident Fund			7,389,502	9.24
Mr. Munaf Ibrahim			6,855,000	8.57
M/S CS Capital (Pvt) Limited			5,929,364	7.41
M/S Crescent Cotton Mills Limited			4,359,891	5.45

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting (AGM) of the shareholders of The Crescent Textile Mills Limited (the "Company") will be held on Saturday, October 28, 2017 at 9:00 am at the registered office of the Company, 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore, to transact the following Ordinary Business:-

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Chairman's Review Report, Directors' and Auditors' Reports thereon.
- 2 To appoint Auditors of the Company and fix their remuneration.

Registered Office:  
45-A, Off: Zafar Ali Road,  
Gulberg-V, Lahore:  
T: +92-042-111-245-245  
F: +92-042-111-222-245  
Dated: October 06, 2017

By Order of the Board  
Naseer Ahmad Chaudhary  
Corporate Secretary

## Notes:

1. The Share Transfer Books of the Company will remain closed from October 22, 2017 to October 28, 2017 (both days inclusive). Transfers received in order at Share Registrar's Office, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 21, 2017, will be treated in time for determining the entitlement of members to attend and vote at the meeting.
2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. The instrument appointing a proxy, in order to be effective, must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
  - a. For attending the meeting:
    - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
    - ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## b. For Appointing Proxies

- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- vi). The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

## 5. Submission of CNIC copies for Dividend Payments

As already notified to the shareholders from time to time, the directive of the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 831(I)/2012 dated July 05, 2012 requires that the dividend warrants should bear the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders. CNIC number of the shareholders is, therefore, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld which will be released upon submission of a valid copy of the CNIC. Shareholders who have not yet provided their CNICs are, therefore, once again advised to provide the attested copies of their CNICs directly to our Independent Share Registrar at the address given herein above.

## 6. Payment of Cash Dividend through Electronic Mode

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. Subsequently, vide Circular No. 18 of 2017 dated August 01, 2017, SECP has allowed one time relaxation till October 31, 2017 to pay cash dividend by dividend warrants. Accordingly, the shareholders holding physical shares are requested to provide electronic dividend mandate on E-Dividend Form available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

## 7. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2017 along with Chairman's Review, Auditors' and Directors' Reports thereon on its website: [www.ctm.com.pk](http://www.ctm.com.pk)

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Deduction of Income Tax from Dividend @ Revised Rates

Pursuant to the amendment in section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2017, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	15%
Income Tax Return Non Filer	20%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for deduction at reduced tax are requested to provide us valid tax certificate or documentary evidence as the case may be. Members desiring non-deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat, if not provided earlier.

The FBR has clarified that shareholders accounts jointly held by filers and Non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated individually as either a filer or a non-filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder
-----------------------	---------------------	------	--------------	--------------	-----------------------------

## 9. Circulation of Financial Statements to the Members

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated May 31, 2016, the shareholders of The Crescent Textile Mills Limited in 67th AGM of the Company held on October 31, 2016 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Form available on the Company's website: [www.ctm.com.pk](http://www.ctm.com.pk)

## 10. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

# NOTICE OF ANNUAL GENERAL MEETING

## 11. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein above at least 7 days prior to the date of the meeting on the Standard Request Form available on the Company's website: [www.ctm.com.pk](http://www.ctm.com.pk)





# PROXY FORM

I/We \_\_\_\_\_ being member(s) of  
The Crescent Textile Mills Limited and holder of \_\_\_\_\_ shares  
as per Registered Folio # / CDC Participant ID # / Sub A/C # / Investor A/C # \_\_\_\_\_  
do hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ who is also member of the Company vide Registered  
Folio # \_\_\_\_\_ as my/our Proxy to attend, speak and vote for me/us and on my/our  
behalf at the 68th Annual General Meeting of the Company to be held on Saturday the October 28, 2017 at 9:00  
a.m. at Registered Office 45-A, Off: Zafar Ali Road, Guliberg V, Lahore and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Witness's Signature

Name: \_\_\_\_\_  
CNIC: \_\_\_\_\_  
Address: \_\_\_\_\_

Witness's Signature

Name: \_\_\_\_\_  
CNIC: \_\_\_\_\_  
Address: \_\_\_\_\_

Affix Revenue Stamp of Rs. 5/-
Member's Signature

Date:

Place: Lahore

CDC A/C #																				
CNIC #																				

Note:

- 1 A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
- 2 CDC account holders will further have to follow the following guidelines:
  - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
  - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
  - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.







## مختار نامہ

میں / ہم \_\_\_\_\_  
کال کے \_\_\_\_\_  
بحیثیت رکن کریڈنٹ ٹیکسٹائل ملز لمیٹڈ اور حاصل حصص، برطانیہ شیئر رجسٹر فو لیو نمبر \_\_\_\_\_  
اور ایسی ڈی سی پارٹی پیمنٹ (شرکت آئی ڈی نمبر) \_\_\_\_\_  
اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر \_\_\_\_\_  
محترم / محترمہ \_\_\_\_\_  
کو اپنے / ہمارے ایما پر \_\_\_\_\_ مورخہ 28 اکتوبر 2017ء ہفتہ  
رجسٹرڈ آفس: 45-A، آف: ظفر علی روڈ، گلبرگ-V، لاہور۔  
بہ مقام: \_\_\_\_\_

منعقد ہونے والے کینی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں کرتے ہیں۔  
آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ 2017ء کو دستخط کئے گئے۔

### گواہان:

پانچ روپے مالیت کے رسید ٹکٹ پر دستخط

دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_

دستخط کینی کے نمونہ دستخط سے  
مماثل ہونے چاہئیں

دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_

### نوٹ:

- 1- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کر دے۔
- 2- سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
  - (الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ جس کی ٹیکس ریٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کینی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔
  - (ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
  - (ج) بینیفیشل اوٹرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔
  - (د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
  - (و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز قرارداد / مع نامزد کردہ شخص / انٹرنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کینی میں جمع کرانا ہوگا۔





# Book Post

If undelivered, please return to:

**Mills & Head office**

Sargodha Road,  
Faisalabad, Pakistan  
T: +92-41-111-105-105  
F: +92-41-8786525  
E: crestex@ctm.com.pk

**Registered office**

45-A, Off: Zafar Ali Road, Gulberg-V,  
Lahore, Pakistan  
T: +92-42-111-245-245  
F: +92-42-111-222-245  
E: crestex@ctm.com.pk

**Share Register**

CorpTec Associates (Pvt)Limited,  
503-E, Johar Town,  
Lahore, Pakistan  
T: +92-42-35170336-7  
F: +92-42-35170338  
E: info@corptec.com.pk

**www.ctm.com.pk**