

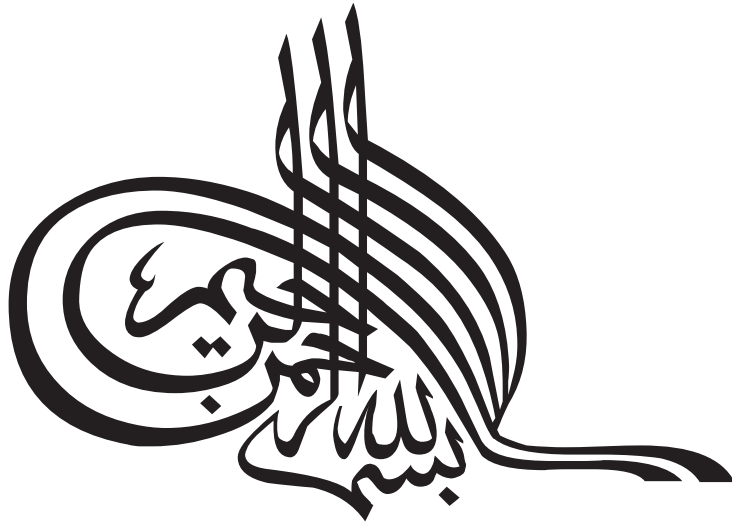
2021



ANNUAL REPORT



| The Crescent Textile Mills Limited



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COMPANY INFORMATION

Board of Directors		Bankers
Mr. Khalid Bashir	Chairman	Allied Bank Limited
Mr. Muhammad Anwar	Chief Executive Officer	Askari Bank Limited
Mr. Ahmad Shafi	Director	Habib Bank Limited
Mr. Amjad Mehmood	Director	MCB Bank Limited
Mr. Khurram Mazhar Karim	Director	MCB Islamic Bank Limited
Mr. Amin Anjum Saleem	Independent Director	National Bank of Pakistan
Mrs. Nazia Maqbool	Independent Director	Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited
Audit Committee		
Mr. Amin Anjum Saleem	Chairman	
Mr. Khalid Bashir	Member	
Mr. Khurram Mazhar Karim	Member	
HR & R Committee		
Mrs. Nazia Maqbool	Chairman	
Mr. Ahmad Shafi	Member	
Mr. Khurram Mazhar Karim	Member	
Chief Financial Officer		
Mr. Asim Siddique		
Company Secretary		Mills & Registered Office
Mr. Naseer Ahmad Chaudhary		Sargodha Road, Faisalabad, Pakistan
Head of Internal Audit		T: + 92-41-111-105-105
Mr. Usman Yaseen		F: + 92-41-8786525
		E: crestex@ctm.com.pk
Auditors		
Riaz Ahmad and Company		
Chartered Accountants		
Legal Advisor		
Syed Masroor Ahmad		
Stock Exchange Listing		Share Registrar
The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.		CorpTec Associates (Private) Limited, 503 - E, Johar Town, Lahore, Pakistan
The Company's shares are quoted in leading dailies under textile composite sector.		T: +92-42-35170336-37
		F: +92-42-35170338
		E: info@corptec.com.pk
		www.crescenttextile.com



ABOUT US

The Crescent Textile Mills Limited started its business as a Private Limited Company in 1950 and subsequently converted into a Public Listed Company. It is a state of the art vertically integrated textile manufacturing Company known for its world-class textile development and exports. We are engaged in manufacturing of supreme quality Yarn, Greige, Processed Fabrics, Home Textile, and Institutional Garments. We at Crestex have a passion for innovation and quality standardization which keeps us ready for today and tomorrow. Our infrastructure and services are backed by innovative products and solutions which deliver enhanced results to our customers.

Our HR Philosophy is to provide a conducive environment with a special focus on career development and making our employees enable to deal with the challenges of today and tomorrow. Indeed, Crestex is a fun place to work at! The Company sells its products to local as well as international markets.

VISION AND CORE VALUES

VISION

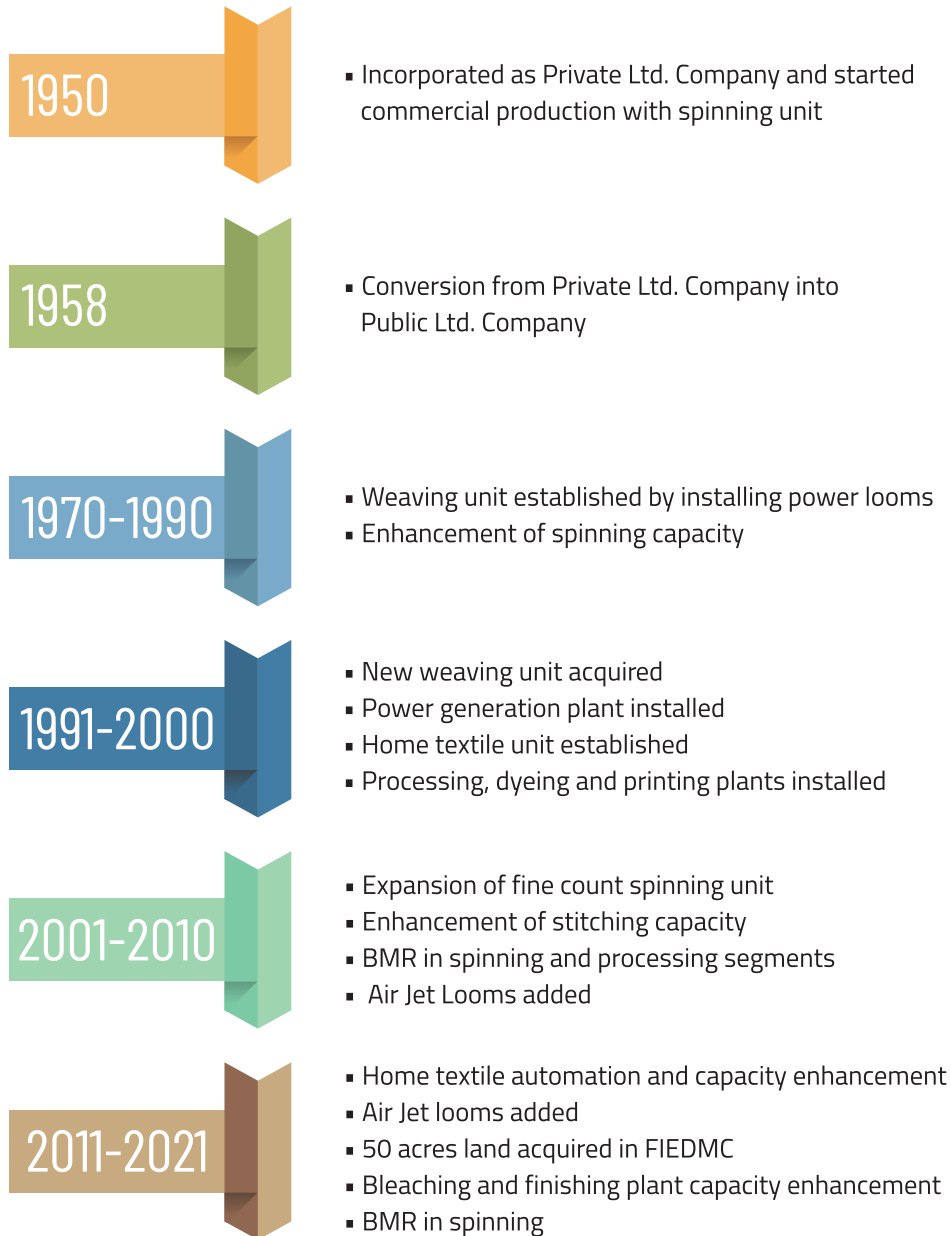
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

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

OUR JOURNEY



CERTIFICATIONS

With strong believe to be fully compliant, Crestex takes pride to serve the customers and partners with strong commitment towards quality, environment, community and sustainability.



GOTS
Global Organic
Textile Standard



OCS
Organic Content
Standard



EGYPTIAN
Cotton Trade Mark



NORDIC
Eco Label



NORDIC
Eco Label /Swan



SUSTAINABLE
COTTON



Guarantees
a better deal for third
world Producers



COTTON
Made in Africa



SEDEX
SMETA/SEDEX
4 Pillars



GRS
Global Recycled
Standard



1SO 9001
Quality Management
system



1SO 14001
Environment Management
system



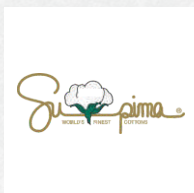
SA 8000
Social
Accountability



HIGG INDEX



COTTON USA COTTON
THE WORLD TRUSTS



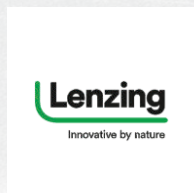
SUPIMA COTTON



OEKO-TEX
STANDARD 100
Yarn, Fabric, Home textile.



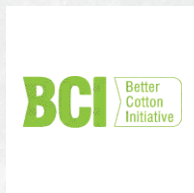
MADE IN GREEN
Oeko-Tex STep



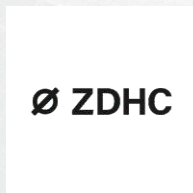
LENZING



US COTTON TRUST
PROTOCOL



BCI
Better Cotton
Initiative



ZDHC

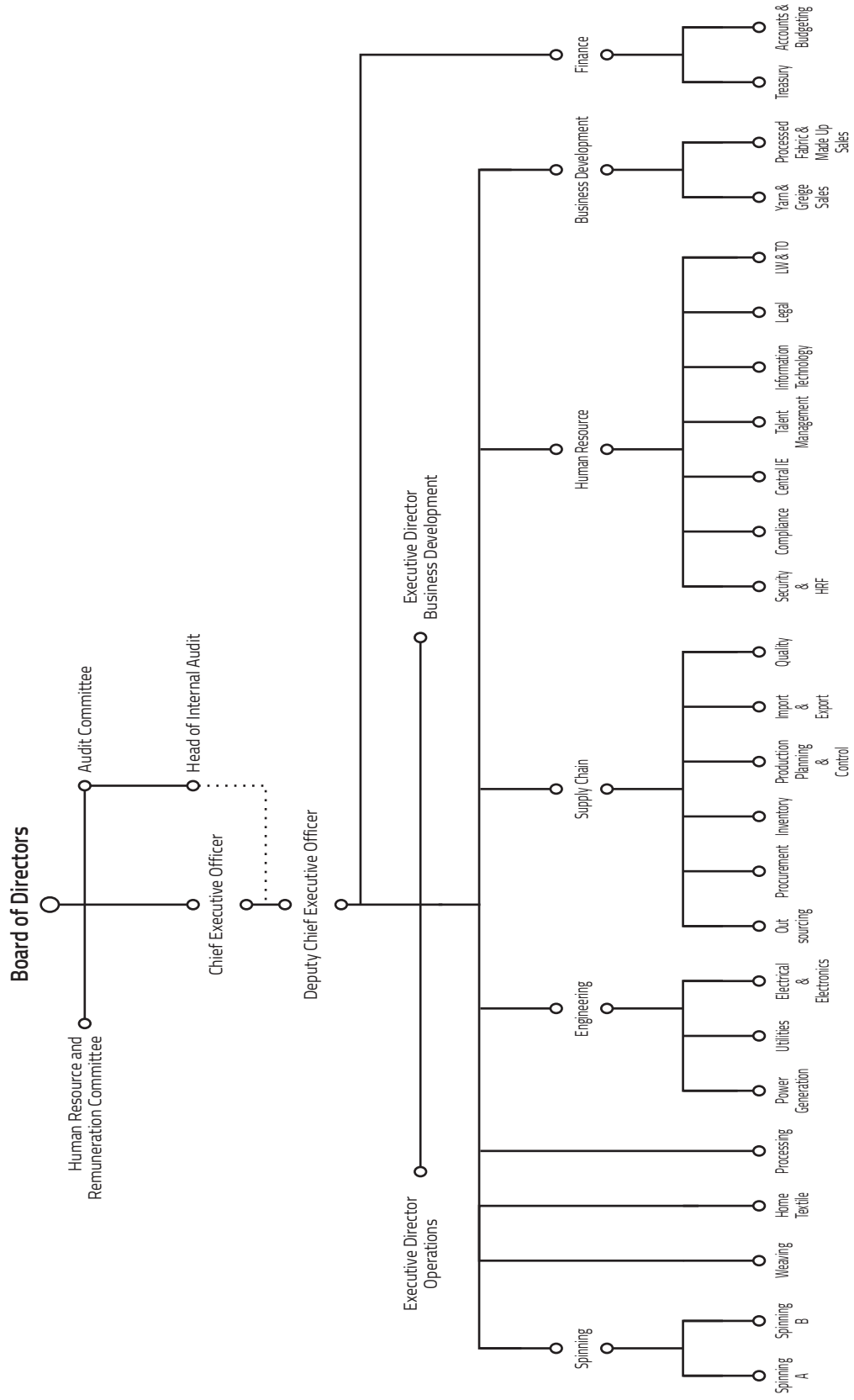


CALENDAR

of Corporate and Notable Events July 2020-June 2021

▪ BOD meeting for the annual accounts	September 30, 2020
▪ Annual general meeting	October 28, 2020
▪ BOD meeting for 1 st quarter accounts	October 28, 2020
▪ Training session on inventory & supply chain management	November 11, 2020
▪ Corporate briefing session	November 26, 2020
▪ Lets talk session with management	January 06, 2021
▪ Crestex wilderness adventure tour to trail 5, Islamabad	January 17, 2021
▪ Crestex star award distribution ceremony	January 23, 2021
▪ Celebrating ever highest export of the Company	February 18, 2021
▪ Training session on care & growth	February 19, 2021
▪ BOD meeting for half year ended accounts	February 23, 2021
▪ BOD meeting for the 3 rd quarter ended accounts	April 29, 2021
▪ Declaration of 25% right issue	April 29, 2021
▪ Crestex adventure tour for female employee	May 01, 2021
▪ Training session on compliance certifications' awareness	June 02, 2021
▪ FIEDMC project's groundbreaking ceremony	June 04, 2021

MANAGEMENT STRUCTURE / ORGANIZATION CHART



















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-  Company Verification
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-  FAQs Answered

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(based on live feed from KSE)
-  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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 jamapunji.pk

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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, 2021

It gives me immense pleasure to present this report to the shareholders of The Crescent Textile Mills Limited pertaining to the overall performance of the Board and the effectiveness of its role in attaining Company's objectives. During the year the Board committees continued to work with a great measure of proficiency. The Audit Committee has focused in particular on the management and control of risks associated with the business. The Human Resource and Remuneration Committee has ensured that the HR policies regarding performance management, HR staffing, compensation and benefits are market driven and are properly aligned to the Company's performance, shareholders' interests and the long-term success of the company.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has developed a mechanism for the evaluation of performance of the Board of Directors. During the year a comprehensive questionnaire was circulated among all members of the board for the evaluation of performance of the Board of Directors. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2021, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of the Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

On an overall basis, I believe that the strategic direction of the Company is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of Company's objectives are commendable.



Khalid Bashir
Chairman

DIRECTORS' REPORT

for the year ended June 30, 2021

Directors of your Company are pleased to present the Annual Report along with audited Financial Statements of the Company and Auditors' Report thereon for the year ended 30 June, 2021.

Industry Overview

Pakistan's economy demonstrated V-shaped recovery as reflected by 3.9% GDP growth in FY 2021 from a contraction of 0.4% in FY 2020. The country's macroeconomic fundamentals, particularly the economic growth sharply rebounded, while the external account saw a massive improvement. Headline inflation closed at an average of 8.9% versus 10.7% of last year. On the monetary policy front, the State Bank of Pakistan (SBP) decided to keep the benchmark policy rate unchanged at 7%.

On the COVID-19 front, Pakistan's economy has weathered the pandemic shock well relative to peers. Government's successful implementation of a micro-lockdown strategy to target areas with a high infection ratio, helped flatten the corona curve without disrupting domestic activities.

Large Scale Manufacturing (LSM) output during FY 2021 grew by 14.6%. This increase is primarily attributable to revival in domestic consumption, easing of monetary policy and incentives provided by the government to the private sector. The growth in LSM was led by positive growth in Textiles (15.6%), Autos (47.8%) and Petroleum (16.2%). The country's exports during FY 2021 totaled USD

25.304 billion against USD 21.394 billion during the corresponding period of last year, showing an increase of 18.28%. Textile group exports have witnessed a growth of 22.9% during FY 2021 and remained at USD 15.4 billion.

Going forward, the government has envisaged GDP growth rate of 4.8%. The industrial sector is likely to remain floating due to enhanced export volumes. The economic growth outlook has improved as industrial growth surpasses expectations. Continuation of monetary policy along with negotiations with IMF to relax fiscal conditions will also provide impetus to economic growth.

Company's Performance

Despite the challenges owed, your Company managed uninterrupted business operations and was able to add value to shareholders through sustainable growth while maintaining the best standards of health and safety for its employees. The Management continued to focus on profitable avenues, maximizing efficiency in production activities and cost rationalization through various means. your Company has been able to improve profitability through persistent and diligent efforts. The Company recorded a net profit of Rs. 516 million (EPS: Rs. 6.45 per share), compared to net profit of Rs. 34 million (EPS: Rs. 0.42 per share) in the corresponding year. Sales have been increased by 34.3%. The Company was able to reap benefits of higher profit margins mainly due to increased sale volume and better selling rate particularly in spinning segment.

A brief financial analysis is presented as under:

(Rupees in million)	FY 2021	FY 2020	Variance	%
Revenue	17,817	13,264	4,553	34
Gross profit	2,453	1,549	904	58
Operating cost	1,322	1,009	313	31
Finance cost	452	481	(29)	(6)
Other income	131	117	14	12
Taxation	295	143	152	106
Net profit after tax	516	34	482	1418
EPS Basic (Rs. per share)	6.45	0.42	6.03	1418
EPS Diluted (Rs. per share)	6.16	0.40	5.76	1418

DIRECTORS' REPORT

for the year ended June 30, 2021

Your Company earned a gross profit of Rs. 2,453 million compared to gross profit of Rs. 1,549 million of previous financial year, witnessed 58% growth in gross profit. Upward trend in sales and gross profit was primarily due increase in sale prices and quantitative increase in sales. Operating cost increased by 31% due to large increases in ocean freight rates and export volume. Finance cost decreased by 6% in comparison to last year due decrease in average borrowing rates. Income tax provision increased by 106% due increase in turnover tax and deferred tax liability.

Business Segments

Spinning segment substantially improved over the previous year, due to increased margins owing to sharp increases in international cotton prices. The Company had managed to procure imported cotton at substantially lower rates that helped to post positive impact on bottom line of this segment. Spinning division produced 18 million Kgs of Yarn. Spinning production increased by 6.7% in comparison to last year. Major reason for enhanced production was increase in plant efficiency and number of days worked. In spinning segment average sales rate improved by 17%. Financial performance of spinning segment summarized as under:

	FY 2021 Rs million	FY 2020 Rs million	Change %
Sales	8,587	7,142	20
Cost of sales	7,536	6,802	11
Gross profit	1,051	340	209
Distribution and administrative expenses	199	170	17
Profit before unallocated expenses and income	852	170	401

Weaving segment mainly caters in-house requirement for Processing and Home Textile divisions. The Company's inhouse weaving facility produced 12 million meters of fabric that was increased by 19% in comparison to last year. Operational performance improved due better capacity utilization and increase in plant efficiency. During the year fabric purchase and fabric conversion from

outside was 22 million meters with 25% growth in comparison to last year. The company had planned to enhance weaving capacity by adding latest air jet looms and allied back process machines to reap the benefit of highly efficient plant and making high end quality products. Financial performance of weaving segment summarized as under:

	FY 2021 Rs million	FY 2020 Rs million	Change %
Sales	8,383	6,312	33
Cost of sales	8,265	6,208	33
Gross profit	118	104	13
Distribution and administrative expenses	53	50	6
Profit before unallocated expenses and income	65	54	20

Processing and Home Textile segment topline recorded 36% growth due quantitative increase in export sales. Sale volume increased to 33 million meters from 24 million meters of corresponding year. However, impact of substantial growth in topline couldn't be trickled down to bottom line due increase in yarn and fabric prices, exchange losses owing to PKR appreciation and increase

in shipping freight rates. Processed fabric and made-ups production increased by 30% and 42% respectively in comparison to last year. The company had started construction of leed certified building for its stitching operations at FIEDMC. This project will be completed by the last quarter of current financial year. Financial performance of this segment summarized as under:

DIRECTORS' REPORT

for the year ended June 30, 2021

	FY 2021 Rs million	FY 2020 Rs million	Change %
Sales	11,082	8,125	36
Cost of sales	9,830	7,046	40
Gross profit	1,252	1,079	16
Distribution and administrative expenses	937	721	30
Profit before unallocated expenses and income	316	358	(12)

Financial Statements

As required under regulation 25 of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG Regulations, 2019"), 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 (Board), after consideration and approval, the Board authorize the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited by the Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. They have issued an unqualified report to the members. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' Report.

Appropriations

The Board of Directors of the company feels that it is prudent to plough back the profits for future growth and enhanced working capital needs of the company and do not recommend any dividend for the year ended June 30, 2021. The Company will be able to provide sufficient returns to shareholders in the upcoming years.

Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the FY 2022. The Audit Committee has recommended their re-appointment which has been endorsed by the Board for shareholders consideration and approval at the forthcoming annual general meeting.

Related Party Transactions

All the related party transactions are entered on arm's

length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017. There are no materially significant related party transactions made by the Company with Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

All related party transactions during the FY 2021 were placed before the Board Audit Committee (BAC) and the Board for their review and approval. These transactions were reviewed by the BAC and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Composition of Board

In line with the requirements of the CCG Regulations, 2019, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board. The current composition of the Board is as follows:

Total number of Directors:

Male directors	6
Female director	1

Composition:

Independent directors	2
Other non-executive directors	3
Executive directors	2

Changes in the Board and Committees

During the year, composition of board and its committees remained unchanged. Detail of number of board and committee meetings held during the year and attendance by each director is as under:

DIRECTORS' REPORT

for the year ended June 30, 2021

S#	Name	Board of Directors Meeting	Audit Committee Meeting	HR & R Committee Meeting
1	Mr. Ahmad Shafi	4/4		1/1
2	Mr. Amin Anjum Saleem	4/4	4/4	
3	Mr. Amjad Mehmood	3/4		
4	Mr. Khalid Bashir	4/4	4/4	1/1
5	Mr. Khurram Mazhar Karim	4/4	4/4	
6	Mr. Muhammad Anwar	4/4		
7	Mrs. Nazia Maqbool	4/4		1/1

Leave of absence was granted to directors who could not attend some of the Board and Committee meetings.

Directors' Remuneration

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and CCG Regulations, 2019.

Principal Risks and Uncertainties

The Company is exposed to certain inherent risks and uncertainties. Major risks and challenges faced by the company are as follows:

- Significant competition in our product categories
- Adverse movement in foreign exchange rates and commodity prices
- Availability of cheaper energy mix
- Retention of key employees

The Company works with internal and external stakeholders to mitigate these risks and to reduce these to acceptable level.

Performance Evaluation of Board of Directors

The evaluation of the Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation and planning for sustainable operation;
- The Board's independence and effectiveness

Individual feedback was obtained and on the basis of that

feedback, the average rating of the performance of the Board and role of the Chairman regarding governing the Board was found up to the mark.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company

Statement on Corporate and Financial Reporting Framework:

- a. Financial statements prepared by Company's management present fairly its state of affairs, results of its operations, cash flows and changes in equity;
- b. Proper books of accounts have been maintained;
- c. Appropriate accounting policies have been consistently applied, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards (IFRSs) and Islamic Financial Accounting Standards (IFASs), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- e. The Company has sound potentials to continue as going concern;

DIRECTORS' REPORT

for the year ended June 30, 2021

- f. There has been no material departure from best practices of corporate governance;
- g. Financial data of the last six years is attached;
- h. Pattern of Shareholding is attached;
- i. Outstanding taxes and levies are given in the Notes to the Financial Statements;
- j. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of Directors. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Corporate Social Responsibility (CSR)

The company believe that reason for its existence is to bring about a positive change in the community. Its main areas of focus include Education, Health and Medical Care, and Environment protection.

Education

Under the CSR commitment, the Company has been partnering with The Citizen Foundation (TCF), welfare organization for promotion of education in the rural areas. Company has been funding three Units of primary sections of TCF, built by the Company in remote area of Faisalabad, during the year we paid annual running expense amounting to Rs. 7.8 million.

Health and Medical Care

In pursuit of our core values, we truly care for the well-being and the wellness of our employees. The Company collaborated with Punjab Health Department for the covid vaccination of all employees by arranging vaccine centers at its premises. The Company has donated Rs. 1.5 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society. 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.

Trees Plantation

Trees are a gift of nature they are essential for the environment and to combat climate change. Pakistan is the seventh most vulnerable country to climate change. We always remained at the forefront of taking collective action and thinking innovatively to combat climate change. We have planted 18,000 trees which are saving approximately 390 tons of CO₂ per year. By planting trees, we are reducing CO₂ emissions and contributing towards a healthy, natural living environment for all our employees and the society at large.

Environment Protection

The Company has signed an agreement with World Wide Fund (WWF-Pakistan) & ILO Pakistan for Water Stewardship and ILES. The both partners have the common intended objective for sustainable development of the textile sector aimed at promoting economic growth in Pakistan.

These projects aim to achieve sustainable environment friendly livelihoods by enhancing capacities of the textile sector to adopt smart practices to reduce water and energy use as well as hazardous chemicals.

Renewable Energy

The Company has made power purchase agreement to receive 3.5 MW solar energy. Solar plants will be installed at its production facilities located at Hattar and Faisalabad. Plant installations will be completed by December 2021. Solar installations will produce around 4.9 million units of clean and renewable electricity every year, resulting in a significant drop in the carbon footprint. The renewable energy source will not only help to ease burden on the national grid but will also impact the manufacturing costs in a positive way.

DIRECTORS' REPORT

for the year ended June 30, 2021

Contribution to National Exchequer

During the year, the Company contributed Rs. 366 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of USD 67.24 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 the Company. The value of investments of fund as per their financial statement was Rs. 680 million.

Future Outlook

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 the Company. For improving quality of our products and get premium on selling prices we will continue to upgrade plant and machinery with the prime objective of reducing imbalance and inefficiencies.

Acknowledgement

The Board of Directors would like to thank all stakeholders of the company including, customers, shareholders, vendors, government agencies, bankers and all other business associates for their continued support during the year. Board also recognizes the contribution made by a very dedicated team who served the Company with enthusiasm, and hopes that the same spirit of devotion shall remain intact in the future as well.

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 2021ء

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کے آڈٹ کردہ مالی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ 30 جون 2021ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

پاکستانی معیشت نے مالی سال 2021 میں 3.9 فیصد جی ڈی پی کی نمو کے ساتھ V شکل کی بحالی کا مظاہرہ کیا جو کہ مالی سال 2020 میں سکڑ کر 0.4 فیصد رہ گئی تھی۔ ملک کی بنیادی معیشت خصوصاً معاشی نمو میں تیزی سے اضافہ ہوا جبکہ بیرونی اکاؤنٹ میں بھی بہتری آئی۔ افریقا کا اشاریہ گزشتہ سال کے 10.7 فیصد کے مقابلہ میں 8.9 فیصد کی اوسط پر بند ہوا۔ مانیٹری پالیسی کے حوالے سے اسٹیٹ بینک آف پاکستان (ایس بی پی) نے بیچ مارک پالیسی کی شرح کو 7 فیصد پر برقرار رکھنے کا فیصلہ کیا۔

کوویڈ 19 کے محاذ پر پاکستان کی معیشت نے اپنے ہمسروں کی نسبت وبائی جھٹکا بہتر طریقے سے برداشت کیا۔ حکومت کی طرف سے وبا سے زیادہ متاثرہ علاقوں کو نارگٹ کر کے سمارٹ لاک ڈاؤن نافذ کرنے کی کامیاب حکمت عملی کی وجہ سے گھریلو سیکٹور میں خلل ڈالے بغیر کرنا سے نبرد آزما ہونے میں مدد ملی۔

مالی سال 2021 کے دوران بڑے پیمانے پر مینوفیکچرنگ (LSM) کی پیداوار میں 14.6 کا اضافہ ہوا۔ یہ اضافہ بنیادی طور پر مقامی کھپت کی بحالی، مالیاتی پالیسی میں نرمی اور حکومت کی جانب سے نجی شعبے کو دی جانے والی مراعات کا مہم ہون منت ہے۔ LSM میں اضافہ ٹیکسٹائل (15.6%)، آٹوز (47.8%) اور پیٹرولیم (16.2%) میں مثبت اضافہ کے باعث ہوا۔ مالی سال 2021 کے دوران ملکی برآمدات 25.304 ارب ڈالر ہیں جو گزشتہ سال کی اسی مدت کے دوران 21.394 ارب ڈالر تھیں جو کہ 18.28 فیصد اضافہ ظاہر کرتی ہیں۔ ٹیکسٹائل گروپ کی برآمدات میں مالی سال 2021 کے دوران 22.9 فیصد اضافہ دیکھنے میں آیا ہے اور یہ 15.4 ارب ڈالر رہا ہے۔

مزید برآں، حکومت نے جی ڈی پی کی پیداوار کی شرح 4.8 فیصد کا تصور کیا ہے۔ برآمدی حجم میں اضافے کی وجہ سے صنعتی شعبہ آسانی سے چلتے رہنے کا امکان ہے۔ معاشی ترقی کے نقطہ نظر میں بہتری آئی ہے کیونکہ صنعتی ترقی توقعات سے بڑھ گئی ہے۔ مالیاتی حالات میں نرمی کے لیے آئی ایم ایف کے ساتھ مذاکرات کے ساتھ مالیاتی پالیسی کا جاری رہنا بھی معاشی ترقی کو تحریک دے گا۔

کمپنی کی کارکردگی:

درپیش چیلنجز کے باوجود، آپ کی کمپنی نے بغیر کسی رکاوٹ کے کاروباری عوامل کا انتظام کیا اور اپنے ملازمین کے لیے صحت اور حفاظت کے بہترین معیارات کو برقرار رکھتے ہوئے پائیدار ترقی کے ذریعے حصص یافتگان کے لیے قدر میں اضافہ کرنے میں کامیاب رہی۔ انتظامیہ نے منافع بخش راستوں، پیداواری سرگرمیوں میں زیادہ سے زیادہ کارکردگی اور مختلف طریقوں سے لاگت کو معقول بنانے پر توجہ مرکوز رکھی۔ آپ کی کمپنی مسلسل اور مستعد کوششوں کے ذریعے منافع کو بہتر بنانے میں کامیاب رہی ہے۔ کمپنی نے پچھلے سال کے 34 ملین روپے (نی شیئر 0.42 روپے) کے مقابلے میں 516 ملین روپے (نی شیئر 6.45 روپے) کا خالص منافع حاصل کیا۔ فروخت میں 34.3 فیصد اضافہ ہوا ہے۔ کمپنی بنیادی طور پر فروخت کے حجم میں اضافے اور خصوصاً سپینگ کے شعبہ میں بہتر شرح فروخت کی وجہ سے زیادہ منافع کے فوائد حاصل کرنے میں کامیاب ہوئی۔

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کمپنی کی کارکردگی کا مختصر مالیاتی تجزیہ درج ذیل ہے:

ملین روپے	مالی سال 2021ء	مالی سال 2020ء	فرق	فیصد فرق
آمدنی	17,817	13,264	4,553	34
مجموعی منافع	2,453	1,549	904	58
عملی اخراجات	1,322	1,009	313	31
مالیاتی اخراجات	452	481	(29)	(6)
دیگر آمدنی	131	117	14	12
محصولات	295	143	152	106
خالص منافع بعد از محصولات	516	34	482	1418
فی حصص بنیادی آمدنی (روپے)	6.45	0.42	6.03	1418
فی حصص خالص آمدنی (روپے)	6.16	0.40	5.76	1418

آپ کی کمپنی نے پچھلے مالی سال کے 1,549 ملین روپے کے مجموعی منافع کے مقابلے میں 2,453 ملین روپے کا مجموعی منافع کمایا، مجموعی منافع میں 58 فیصد اضافہ دیکھا گیا۔ فروخت اور مجموعی منافع میں اضافے کا رجحان بنیادی طور پر فروخت کی قیمتوں میں اضافے اور فروخت کے حجم میں اضافے کی وجہ سے تھا۔ سمندری مال برداری کے ریٹس اور برآمدی حجم میں بڑے پیمانے پر اضافے کی وجہ سے عملی اخراجات میں 31 فیصد اضافہ ہوا۔ قرضوں کی اوسط شرح میں کمی کی وجہ سے مالیاتی لاگت میں گزشتہ سال کے مقابلے میں 6 فیصد کمی واقع ہوئی ہے۔ ٹرن اوور ٹیکس میں اضافہ اور موثر ٹیکس کی ذمہ داری کی وجہ سے انکم ٹیکس کی فراہمی میں 106 فیصد اضافہ ہوا۔

کاروباری شعبہ جات:

سپینگ:

کپاس کی بین الاقوامی قیمتوں میں تیزی سے اضافے کی وجہ سے بڑھتے ہوئے مارجن کی وجہ سے پچھلے سال کے مقابلے میں سپینگ کے شعبے میں کافی حد تک بہتری آئی ہے۔ کمپنی نے درآمدی کپاس کو کافی کم نرخوں پر خریدنے کا انتظام کیا جس کی وجہ سے اس شعبہ کے حتمی معیار پر مثبت اثر ڈالنے میں مدد ملی۔ سپینگ کے شعبہ نے 18 ملین کلوگرام یارن تیار کیا۔ پچھلے سال کے مقابلے میں سپینگ کی پیداوار میں 6.7 فیصد اضافہ ہوا۔ پیداوار بڑھانے کی ایک بڑی وجہ پلانٹ کی کارکردگی میں اضافہ اور کام کے دنوں کی تعداد تھی۔ سپینگ کے شعبہ میں اوسط قیمت فروخت کی شرح میں 17 فیصد اضافہ ہوا۔

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مالی سال ختم ہونے پر 30 جون 2021ء

سپینگ کے شعبہ کی مالی کارکردگی کا خلاصہ ذیل میں ہے:

تبدیلی (فیصد)	مالی سال 2020ء (ملین روپے)	مالی سال 2021ء (ملین روپے)	
20	7,142	8,587	فروخت
11	6,802	7,536	فروخت کی لاگت
209	340	1,051	مجموعی منافع
17	170	199	انتظامی و تقسیم کی لاگت
401	170	852	منافع قبل از غیر منقولہ اخراجات و آمدنی

ویونگ:

ویونگ کا شعبہ بنیادی طور پر پروسیسنگ اور ہوم ٹیکسٹائل کے شعبہ جات کے لیے مقامی ضروریات کو پورا کرتا ہے۔ کمپنی کی ذاتی ویونگ سہولت نے 12 ملین میٹر کپڑا تیار کیا جس میں گزشتہ سال کے مقابلے میں 19 فیصد اضافہ ہوا۔ بہتر صلاحیت کے استعمال اور پلانٹ کی کارکردگی میں اضافے کی وجہ سے عملی کارکردگی بہتر ہوئی۔ سال کے دوران کپڑے کی خریداری اور باہر سے کپڑے کی تبدیلی 22 ملین میٹر رہی جس میں گزشتہ سال کے مقابلے میں 25 فیصد اضافہ ہوا۔ کمپنی نے ویونگ کی صلاحیت بڑھانے کے لیے انتہائی موثر پلانٹ سے فائدہ اٹھانے اور اعلیٰ معیار کی مصنوعات کی پیداوار کے لیے جدید ایئر جیٹ لومز اور الائیڈ ہیک پروسس مشینوں کو شامل کرنے کا منصوبہ بنایا تھا۔

ویونگ کے شعبہ کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

تبدیلی (فیصد)	مالی سال 2020ء (ملین روپے)	مالی سال 2021ء (ملین روپے)	
33	6,312	8,383	فروخت
33	6,208	8,265	فروخت کی لاگت
13	104	118	مجموعی منافع
6	50	53	انتظامی و تقسیم کی لاگت
20	54	65	منافع قبل از غیر منقولہ اخراجات و آمدنی

پروسیسنگ اور ہوم ٹیکسٹائل:

پروسیسنگ اور ہوم ٹیکسٹائل شعبہ کی ٹاپ لائن نے برآمدی فروخت میں مقدار میں اضافے کی وجہ سے 36 فیصد اضافہ ریکارڈ کیا۔ فروخت کا حجم اسی سال کے 24 ملین میٹر سے بڑھ کر 33 ملین میٹر ہو گیا۔ تاہم، ٹاپ لائن میں خاطر خواہ نمونوں کے اثرات سوت اور کپڑے کی قیمتوں میں اضافے، روپے کی قدر میں اضافے کی وجہ سے آپیکھج نقصانات اور شپنگ فریٹ ریٹ میں اضافے کی وجہ معیاری سطح تک نہیں پہنچ سکے۔ پروسیسنگ فیکری اور میڈاپس کی پیداوار میں گزشتہ سال کے مقابلے میں بالترتیب 30 فیصد اور 42 فیصد اضافہ ہوا۔ کمپنی نے فیڈ مک میں اپنے سٹچنگ آپریشنز کے لیے لیڈ سرٹیفائیڈ بلڈنگ کی تعمیر شروع کی تھی۔ یہ منصوبہ رواں مالی سال کی آخری سہ ماہی تک مکمل ہو جائے گا۔

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اس شعبہ کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

تبدیلی (فیصد)	مالی سال 2020ء (ملین روپے)	مالی سال 2021ء (ملین روپے)	
36	8,125	11,082	فروخت
40	7,046	9,830	فروخت کی لاگت
16	1,079	1,252	مجموعی منافع
30	721	937	انتظامی و تقسیم کی لاگت
(12)	358	316	منافع قبل از غیر منقولہ اخراجات و آمدنی

مالیاتی اسٹیٹمنٹ:

مندرجہ کمپنیوں کے قواعد و ضوابط کوڈ آف کارپوریٹ گورننس 2019 (CCG Regulations, 2019) کے ضابطہ نمبر 25 کے تحت چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر اپنے دستخطوں کے ہمراہ مالیاتی اسٹیٹمنٹ 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 اسٹیٹمنٹ کو اجراء اور اشاعت کی اجازت دیتے ہیں۔

کمپنی کی مالیاتی اسٹیٹمنٹ کمپنی کے آڈیٹرز میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹینٹس کی طرف سے اچھی طرح آڈٹ کی گئی اور ان کی رپورٹ مالیاتی اسٹیٹمنٹ کے ساتھ لف ہے۔ انہوں نے ممبران کے لیے غیر مشروط رپورٹ جاری کی ہے۔ مالی سال جس سے یہ بیلسنٹ تعلق رکھتی ہے اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلی اور کمٹمنٹ وقوع پذیر نہیں ہوئی۔

اختصاص:

کمپنی کا بورڈ آف ڈائریکٹرز محسوس کرتا ہے کہ کمپنی کی مستقبل کی نمو اور بڑھتی ہوئی ورکنگ کمیٹیوں کی ضروریات کے پیش نظر منافع کی واپسی دانہمندانہ اقدام ہے اور 30 جون 2021 کو ختم ہونے والے سال کے لیے کسی قسم کے ڈیویڈنڈ کی سفارش نہیں کرتا۔ آنے والے سالوں میں کمپنی اپنے حصص یافتگان کو کافی منافع فراہم کرے گی۔

آڈیٹران:

آڈیٹرز میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2022 کے لیے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا۔ آڈٹ کمیٹی نے ان کی دوبارہ تعیناتی کی منظوری دی اور پیش آمدہ سالانہ عمومی اجلاس پر شیئرز ہولڈرز بورڈ نے بھی غور اور منظوری پر ان کی تعیناتی کی سفارش کی ہے۔

متعلقہ پارٹی کے معاملات:

عام کاروبار میں تمام متعلقہ پارٹیوں کے معاملات آزادانہ بنیادوں پر شامل کیے جاتے ہیں اور کمپنیز ایکٹ 2017ء کی قابل اطلاق دفعات کے مطابق ہیں۔ کمپنی نے مادی لحاظ سے اہم متعلقہ پارٹی کے معاملات ڈائریکٹرز یا کسی بڑی انتظامی شخصیت وغیرہ کیساتھ نہیں کیے جن سے کمپنی کے مفاد سے بڑے پیمانے پر تصادم ہو یا جس کیلئے شیئرز ہولڈرز کی منظوری کی قید ہو۔

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مالی سال 2021 کے دوران کے تمام متعلقہ پارٹیوں کے معاملات جائزہ اور توثیق کے لیے بورڈ آڈٹ کمیٹی (BAC) اور بورڈ کے روبرو پیش کیے گئے۔ ان معاملات کا بورڈ آڈٹ کمیٹی کی طرف سے جائزہ لیا گیا اور بورڈ سے منظور ہوئے۔ یہ تمام معاملات قیمتوں کے تبادلہ کے طریقہ کار اور بورڈ سے منظور شدہ متعلقہ پارٹیوں کی پالیسی کے مطابق پائے گئے۔

بورڈ کی ساخت:

CCG قواعد و ضوابط 2019ء کی ضروریات کے پیش نظر کمپنی بورڈ میں خود مختار اور غیر فعال ڈائریکٹرز کی نمائندگی کے ساتھ صنفی تنوع کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ ساخت درج ذیل ہے:

ممبران کی کل تعداد:

6	مرد ڈائریکٹران
1	خاتون ڈائریکٹر

ساخت:

2	خود مختار ڈائریکٹران
3	دیگر غیر فعال ڈائریکٹران
2	فعال ڈائریکٹران

بورڈ اور کمیٹی میں تبدیلیاں:

سال کے دوران بورڈ کی ساخت اور اس کی کمیٹیاں غیر تبدیل رہیں۔ بورڈ اور کمیٹی کے سال کے دوران منعقدہ اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

نمبر شمار	نام	بورڈ آف ڈائریکٹرز کا اجلاس	آڈٹ کمیٹی کا اجلاس	ہیومن ریسورس اور ریٹرنیشن کمیٹی کا اجلاس
1	مسٹر احمد شفیق	4/4		1/1
2	مسٹر امین انجم سلیم	4/4	4/4	
3	مسٹر امجد محمود	3/4		
4	مسٹر خالد بشیر	4/4	4/4	1/1
5	مسٹر خرم مظہر کریم	4/4	4/4	
6	مسٹر محمد انور	4/4		
7	مسز نازیہ مقبول	4/4		1/1

بورڈ اور کمیٹی کے اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو غیر حاضری کی رخصت عطا کر دی گئی۔

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ڈائریکٹرز کا مشاہرہ:

بورڈ سے منظور شدہ ڈائریکٹرز کے مشاہرے کی ایک رسمی پالیسی موجود ہے۔ پالیسی میں کمپنیز ایکٹ 2017 اور CCG کے مطابق ڈائریکٹرز کے مشاہرے کا شفاف طریقہ کار شامل ہے۔

نمایاں خطرات اور عدم یقینی:

کمپنی کچھ مقامی خدشات اور عدم یقینی کی صورت حال کا شکار ہے۔ تاہم ہم مندرجہ ذیل خطرات کو کلیدی خیال کرتے ہیں:

- مصنوعات کے زمرے میں نمایاں مقابلہ بازی
 - فارن ایچجینج ریٹس اور اجناس کی قیمتوں میں منفی تحریک
 - سستی توانائی کا حصول
 - کلیدی ملازمین کا استحکام
- کمپنی اندرونی اور بیرونی شراکت داروں کے ساتھ ان خدشات سے نمٹنے اور انہیں قابل برداشت سطح تک کم کرنے کے لیے کام کرتی ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا اندازہ:

بورڈ کے نگرانی کے کردار کا اندازہ اور اس کی موثرگی ایک مستقل عمل ہے جسے بورڈ خود تشخیص کرتا ہے۔ توجہ کے بنیادی شعبے درج ذیل ہیں:

- کمپنی کے ویژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی قطار بندی
 - پائیدار پریشن کے لیے حکمت عملی کی تشکیل اور منصوبہ بندی
 - بورڈ کی خود مختاری اور موثرگی
- انفرادی فیڈ بیک حاصل کی گئی اور اس فیڈ بیک کی بنیاد پر بورڈ کی کارکردگی کی اوسط رینٹنگ اور بورڈ کی قیادت کے سلسلہ میں چیئر مین کا کردار معیاری پایا گیا۔

اندرونی مالیاتی کنٹرولز:

ڈائریکٹرز اندرونی مالیاتی کنٹرولز کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور اندرونی و بیرونی آڈیٹرز کے ساتھ بات چیت کے ذریعے وہ یقینی بناتے ہیں کہ کمپنی نے مناسب کنٹرولز لاگو کر رکھے ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹ 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 سٹیٹمنٹ 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۔

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- 4۔ مالیاتی سٹیٹمنٹ کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) اور اسلامی مالیاتی اکاؤنٹنگ کے معیارات (IFASs) جیسے پاکستان میں لاگو ہیں، ان کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔
- 5۔ کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔
- 6۔ کارپوریٹ نظام کے بہترین تجربہ سے مادی طور پر گردانی ممکن نہیں۔
- 7۔ پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔
- 8۔ شیئرز ہولڈنگ کا پیٹرن لف ہے۔
- 9۔ واجب الادا محصولات اور لیویز کا اندراج مالیاتی سٹیٹمنٹ کے نوٹس میں کر دیا گیا ہے۔
- 10۔ بورڈ کے اکثر ممبران وہ مقرر کردہ اہلیت اور تجربہ رکھتے ہیں جو ڈائریکٹرز کے ٹریننگ پروگرام سے استثناء کے لیے مطلوب ہے۔ تمام ڈائریکٹران کارپوریٹ ادارے کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔

ادارہ جاتی سماجی ذمہ داری (CSR):

کمپنی اس بات پر یقین رکھتی ہے کہ معاشرے میں مثبت تبدیلی لانا بھی اس کے وجود کی ایک وجہ ہے۔ اس کی توجہ کے اہم شعبوں میں تعلیم، صحت اور طبی نگہداشت اور ماحولیاتی تحفظ شامل ہیں۔

تعلیم:

CSR ذمہ داری کے تحت کمپنی دیہاتی علاقوں میں تعلیم کے فروغ کے لیے رفاہی تنظیم دی سٹیزن فاؤنڈیشن کے ساتھ شراکت کر رہی ہے۔ کمپنی فیصل آباد کے دور افتادہ علاقوں میں کمپنی کی طرف سے پہلے سے تعمیر شدہ TCF کے پرائمری سکیشن کے 3 یونٹس کے لیے فنڈنگ کر رہی ہے۔ سال کے دوران ہم نے سالانہ رواں اخراجات کی مد میں 78 لاکھ روپے عطیہ کیے ہیں۔

ہیلتھ اور میڈیکل کیری:

اپنی بنیادی اقدار کی پاسداری میں ہم حقیقت میں اپنے ملازمین کی فلاح و بہبود کا خیال رکھتے ہیں۔ کمپنی نے محکمہ صحت پنجاب کے تعاون کے ساتھ تمام ملازمین کی کرونا ویکسینیشن کے لیے کمپنی کے احاطے میں ویکسین سنٹروں کا اہتمام کیا۔ کمپنی نے معاشرے کے غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معروف اداروں کو 15 لاکھ روپے عطیہ کیے ہیں۔ 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۔

شجر کاری:

درخت قدرت کا ایک تحفہ ہیں۔ یہ ماحول اور موسمیاتی تبدیلیوں سے مقابلہ کرنے کے لیے بہت ضروری ہیں۔ پاکستان موسمیاتی تبدیلیوں سے متاثرہ ممالک میں ساتویں نمبر پر ہے۔ ہم موسمیاتی تبدیلیوں سے مقابلہ کے لیے اختراعی غور و فکر اور اجتماعی کارروائی رو عمل لانے کے لیے ہمیشہ سب سے آگے رہے ہیں۔ ہم نے 18 ہزار درخت لگائے ہیں جو

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کاربن ڈائی آکسائیڈ میں سالانہ 390 ٹن کمی کا باعث ہیں۔ 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۔

ماحولیاتی تحفظ:

کمپنی نے پانی کے انتظام اور انٹرنیشنل لیبر اینڈ انوائزمنٹ سٹینڈرز (ILES) کے لیے ورلڈ وائیڈ فنڈ (WWF-Pakistan) اور انٹرنیشنل لیبر آرگنائزیشن پاکستان (ILO) کے ساتھ معاہدہ کیا ہے۔ دونوں شراکت داروں کا مشترکہ مقصد ٹیکسٹائل سیکٹور کی پائیدار ترقی کے ذریعے پاکستان میں معاشی ترقی کو فروغ دینا ہے۔

ان منصوبوں کا مقصد ٹیکسٹائل سیکٹور کی صلاحیتوں کو بڑھا کر پائیدار ماحول دوست معیشت حاصل کرنا ہے تاکہ پانی اور توانائی کے استعمال کے ساتھ ساتھ مضر کیمیکلز کو کم کرنے کے لیے سمارٹ طریقوں کو اپنایا جاسکے۔

قابل تجدید توانائی:

کمپنی نے 3.5 میگا واٹ شمسی توانائی حاصل کرنے کے لیے بجلی کی خریداری کا معاہدہ کیا ہے۔ حطار اور فیصل آباد میں واقع اس کی پیداواری سہولیات پر سولر پلانٹس لگائے جائیں گے۔ پلانٹ کی تنصیبات دسمبر 2021 تک مکمل ہو جائیں گی۔ شمسی تنصیبات ہر سال 4.9 ملین یونٹ صاف اور قابل تجدید بجلی پیدا کریں گی، جس کے نتیجے میں کاربن کے اثرات میں نمایاں کمی واقع ہوگی۔ قابل تجدید توانائی کا ذریعہ نہ صرف قومی گڑ پر بوجھ کم کرنے میں مدد دے گا بلکہ پیداواری لاگت کو مثبت انداز میں بھی متاثر کرے گا۔

قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 366 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 67.24 ملین ڈالر کا قابل قدر زرمبادلہ حاصل کیا۔

ملازمین کے ریٹائرمنٹ کے فوائد:

کمپنی نے اپنے مالی معاملات آزادانہ طور پر انجام دینے کے لیے ایک "ایمپلائز پرائیڈنٹ فنڈ ٹرسٹ" قائم کیا ہے۔ 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۔ ان کی مالیاتی سٹیٹمنٹ کے مطابق فنڈ کی سرمایہ کاری کی قدر 680 ملین روپے تھی۔

مستقبل کی منصوبہ بندی:

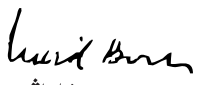
اگرچہ چیلنجز بہت بڑے ہیں لیکن ہم ہر ممکن طریقے سے بہترین کارکردگی کا مظاہرہ کرنے اور اپنے شراکت داروں کے ہمراہ کمپنی کے طویل مدتی اہداف کو پورا کرنے کے لیے پرعزم ہیں۔ اپنی مصنوعات کا معیار بہتر کرنے اور قیمت فروخت پر منافع حاصل کرنے کے لیے ہم عدم توازن اور عدم استعداد کو کم کرنے کے ساتھ ساتھ پلانٹ اور مشینری کو بہتر کرنا جاری رکھیں گے۔


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خدمات کا اعتراف:

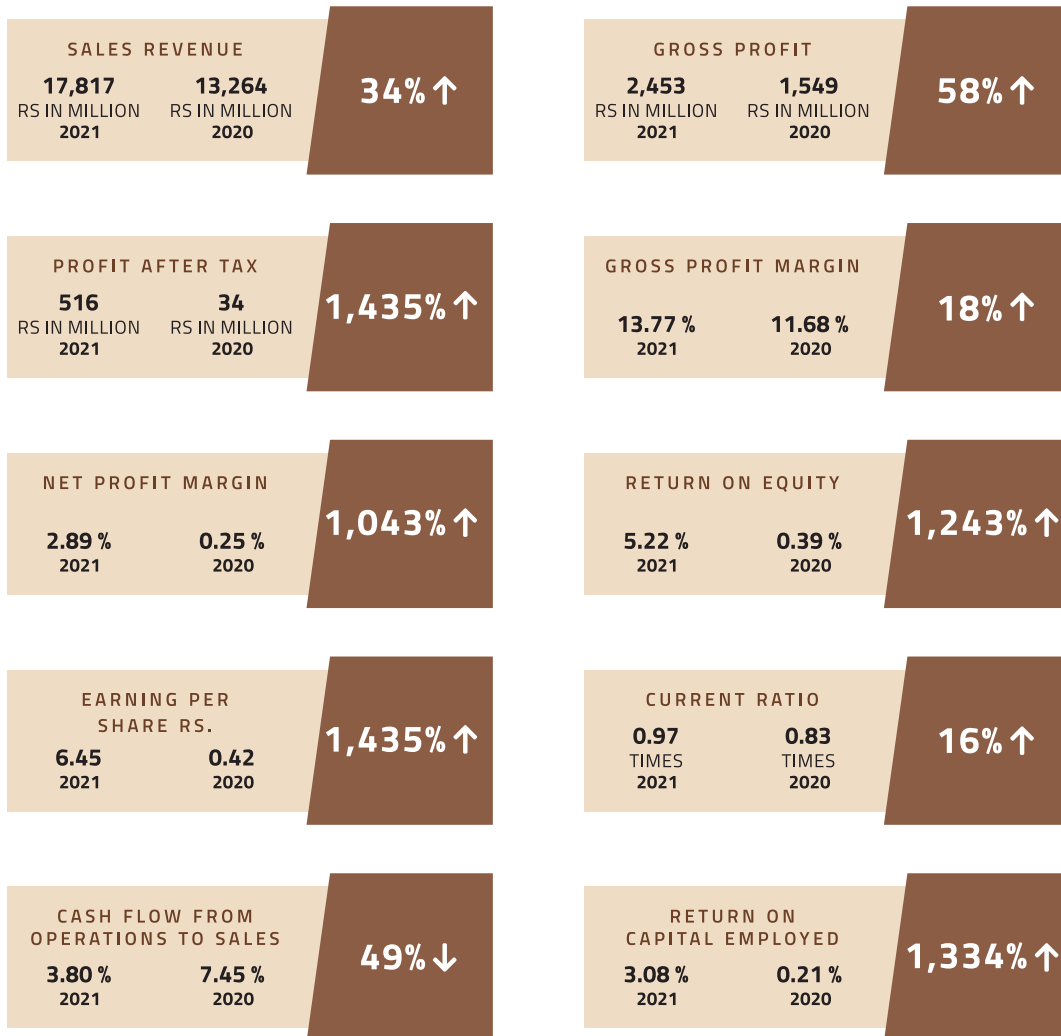
بورڈ آف ڈائریکٹرز کمپنی کے تمام شراکت داروں بشمول خریداران، حصص یافتگان، فروخت کنندگان، حکومتی ایجنسیوں، بینکاروں اور تمام دیگر تجارتی رفقاء کے مسلسل تعاون پر ان کا مشکور ہے۔ بورڈ ایک بہت ہی مخلص ٹیم کی جانب سے دی گئی شراکت کو بھی تسلیم کرتا ہے جس نے جوش و خروش کے ساتھ کمپنی کی خدمت کی، اور امید ہے کہ خلوص کا یہی جذبہ مستقبل میں بھی برقرار رہے گا۔


خالد بن
ڈائریکٹر

منجانب: بورڈ آف ڈائریکٹرز

محمد انور
چیف ایگزیکٹو آفیسر

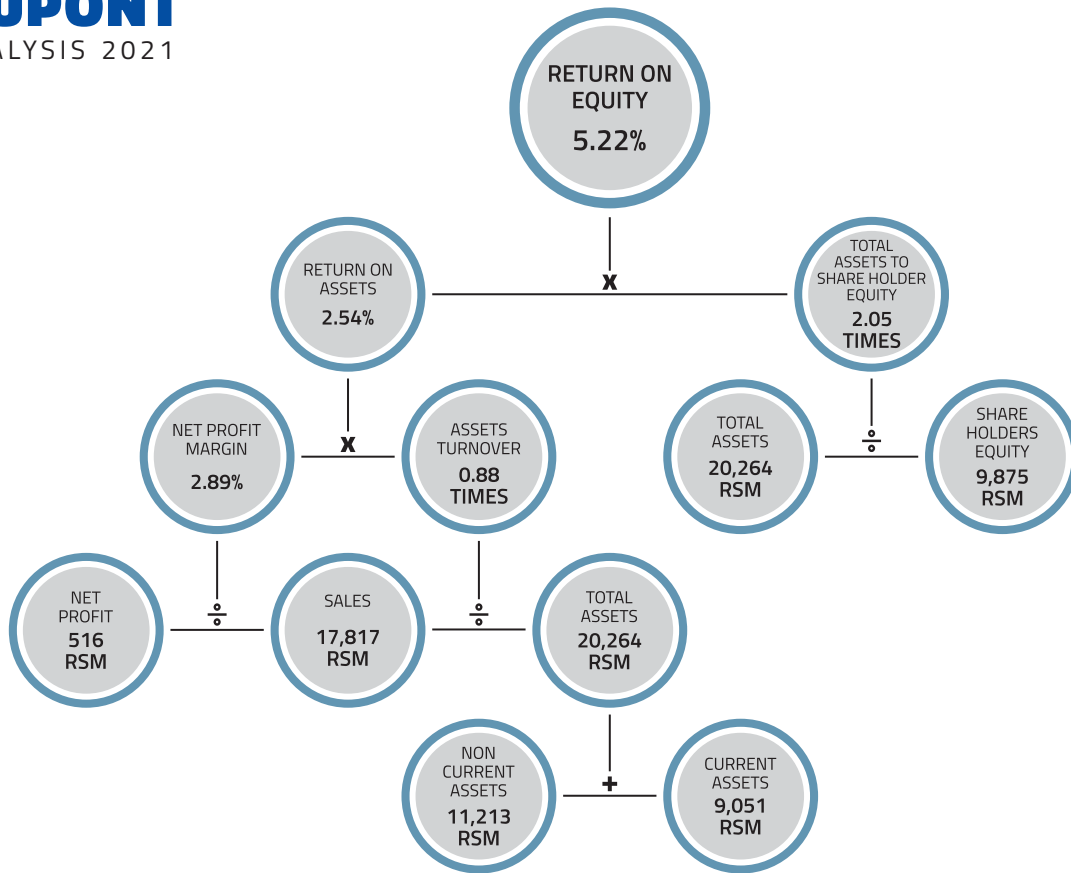


2021 YEAR AT GLANCE





DUPONT ANALYSIS 2021



Summary of Dupont Analysis	FY 2021	FY 2020
Return on equity (%)	5.22	0.39
Net profit margin (%)	2.89	0.25
Return on assets (%)	2.54	0.18
Assets turnover (times)	0.88	0.71
Total assets to shareholders' equity (times)	2.05	2.18

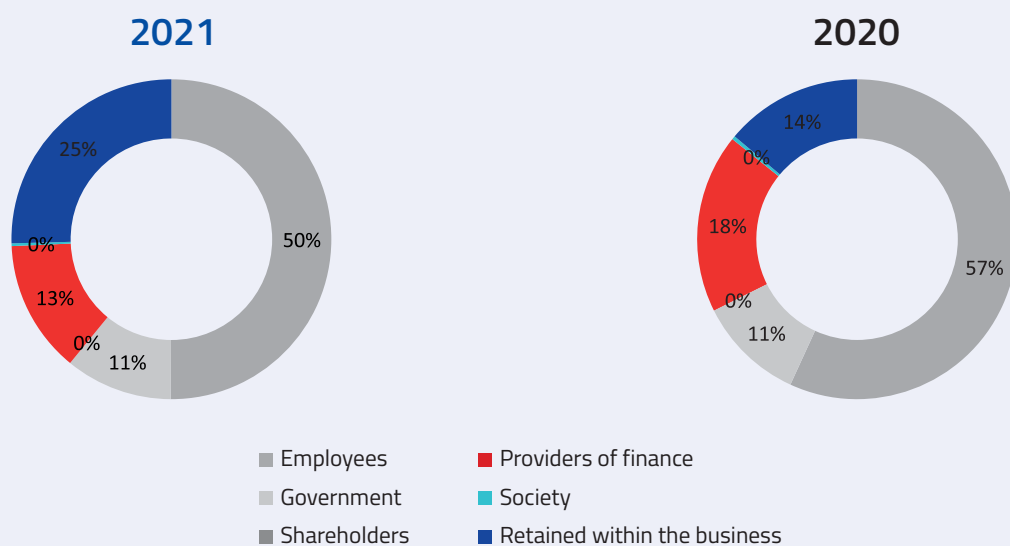
Comments:

Sales have been increased by 34% due to increase in sales volume and better sales prices, which consequently increase the net profit margin, return on equity and return on assets. Assets turnover increased by 24% because of increase in production due to better utilization of capacity.

STATEMENT OF VALUE ADDITION

(Rupees in million)	2021	%	2020	%
WEALTH GENERATED				
Revenue	17,817	100%	13,264	100%
Bought-in-material and services	14,444	81%	10,613	80%
	3,373	19%	2,651	20%
WEALTH DISTRIBUTED				
TO EMPLOYEES				
Salaries, wages and other benefits	1,689	50%	1,507	57%
TO GOVERNMENT				
Taxes and duties	366	11%	286	11%
TO SHAREHOLDERS				
Dividend	-	0%	-	0%
TO PROVIDERS OF FINANCE				
Finance cost	452	13%	481	18%
TO SOCIETY				
Donation toward health and education	9	0%	9	0%
RETAINED WITHIN THE BUSINESS FOR FUTURE GROWTH				
Retained earning and depreciation	857	25%	368	14%
	3,373	100%	2,651	100%

Distribution of Wealth



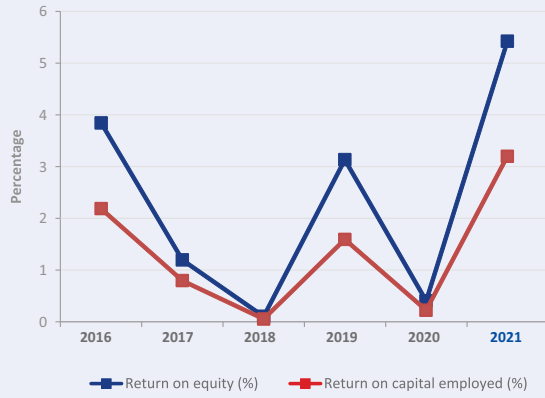
PERFORMANCE INDICATORS

		2021	2020	2019	2018	2017	2016
A. PROFITABILITY RATIOS							
Gross profit ratio	%	13.77	11.68	11.74	9.72	8.94	12.67
Net profit to sales	%	2.89	0.25	1.71	0.07	1.04	2.37
EBITDA margin to sales *	%	9.00	7.48	8.65	8.40	5.83	8.71
Return on equity	%	5.22	0.39	3.02	0.10	1.15	3.70
Return on capital employed	%	3.08	0.21	1.53	0.05	0.76	2.11
B. LIQUIDITY RATIOS							
Current ratio	Times	0.97	0.83	0.80	0.88	0.90	0.90
Quick ratio	Times	0.55	0.46	0.50	0.55	0.59	0.62
Cash to current liabilities	%	3.60	0.43	0.05	0.04	0.05	0.14
Cash flow from operations to sales	%	3.80	7.45	11.08	3.97	2.79	1.01
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	4	4	5	4	5	6
Number of days in inventory	Days	82	85	72	83	68	59
Debtors turnover	Times	7	5	6	5	5	4
Number of days in receivables	Days	52	70	65	74	77	85
Creditors turnover	Times	8	6	8	8	10	9
Number of days in payables	Days	46	64	47	44	35	38
Total assets turnover	Times	0.88	0.71	0.80	0.64	0.60	0.76
Property, plant and equipment turnover	Times	2.42	1.79	2.07	1.79	1.68	2.35
Operating cycle	Days	89	91	91	112	110	105
D. INVESTMENT / MARKET RATIO							
Basic and diluted earning per share	Rs	6.45	0.42	2.98	0.11	1.42	3.57
Price earning ratio	Times	4	50	7	238	26	5
Dividend Yield ratio **	%	-	-	2.76	-	-	6.44
Dividend Payout ratio **	%	-	-	20.12	-	-	40.07
Dividend Cover ratio **	Times	-	-	4.97	-	-	2.84
Cash dividend **	%	-	-	6.00	-	-	12.55
Market value per share							
- At the end of the period	Rs	27.29	20.82	21.76	25.20	37.45	19.48
- Highest during the period	Rs	39.96	26.30	38.53	43.93	57.48	24.43
- Lowest during the period	Rs	18.54	17.25	20.51	24.48	19.50	17.30
Break up value	Rs	118.05	108.00	98.83	104.63	123.19	84.57
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	0.77	0.86	0.93	0.90	0.71	0.89
Weighted average cost of debt	%	6.04	6.53	6.82	8.76	4.40	6.37
Long term debt to Equity ratio	%	9.77	12.97	14.17	10.10	10.79	6.58
Interest Cover ratio	Times	2.79	1.37	1.78	1.02	1.28	1.96

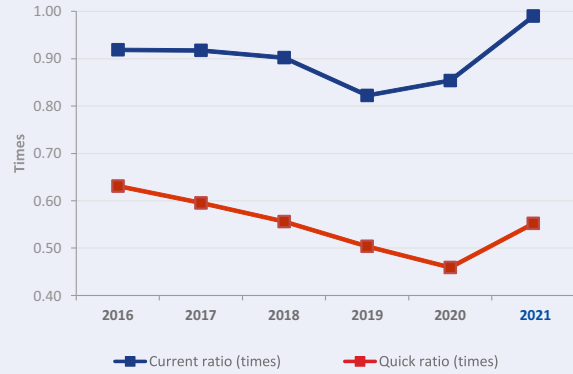
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

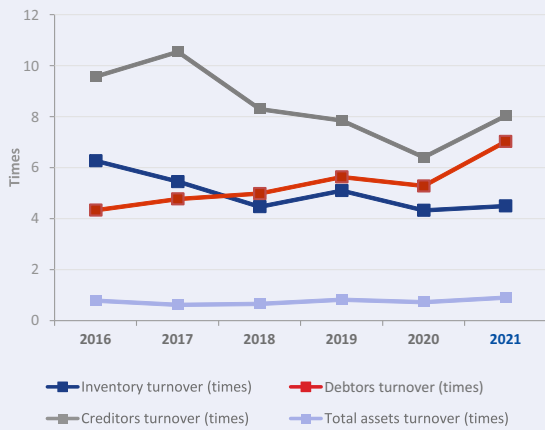
RETURN ON CAPITAL AND EQUITY



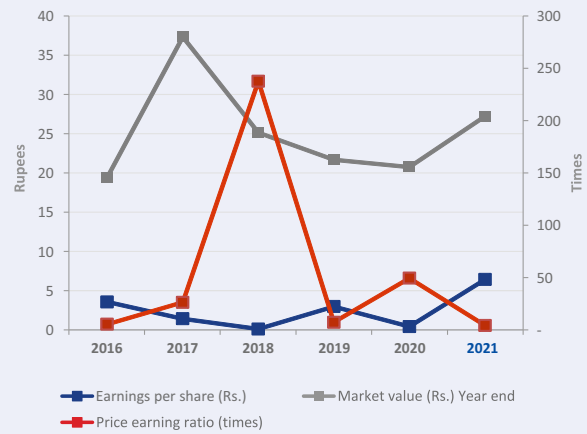
LIQUIDITY



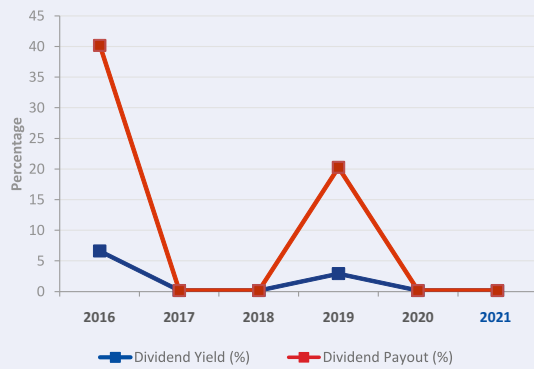
ASSET MANAGEMENT



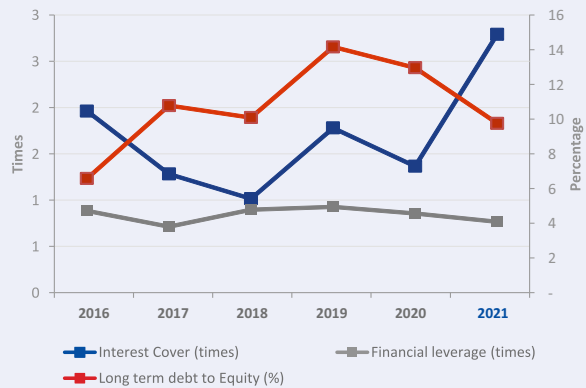
PER SHARE RESULT



DIVIDEND AND RETURNS



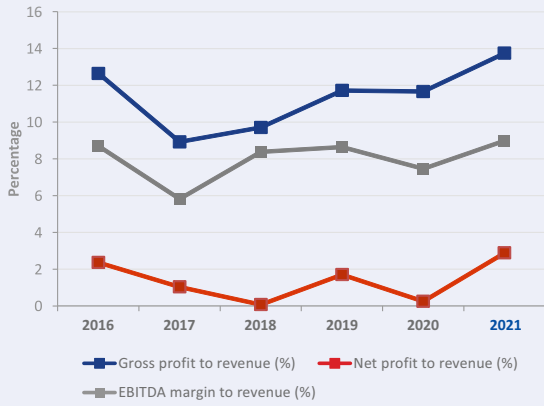
DEBT MANAGEMENT



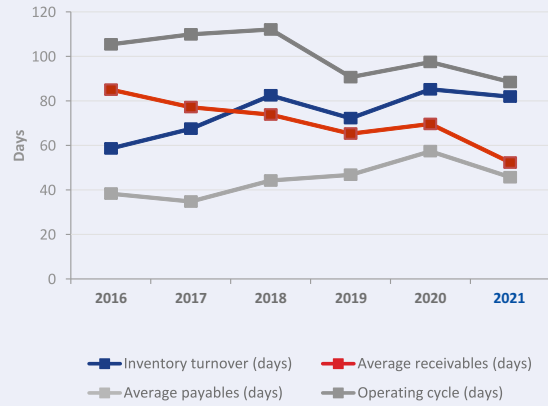
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2021	2020	2019	2018	2017	2016
SUMMARY OF STATEMENT OF PROFIT OR LOSS						
Revenue	17,817	13,264	13,946	11,314	10,873	10,579
Gross profit	2,453	1,549	1,637	1,100	972	1,340
Profit from operations	1,262	657	903	648	368	774
Share of loss from associate	-	-	-	-	-	(67)
Profit before taxation	810	177	396	10	81	347
Profit after taxation	516	34	239	8	113	251
SUMMARY OF STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	7,376	7,402	6,727	6,328	6,478	4,495
Intangible assets	13	20	6	12	18	0
Long term investments	3,807	3,693	3,792	3,736	5,167	3,449
Stock in trade	3,711	3,187	2,285	2,589	2,029	1,636
Trade debts	2,695	2,419	2,648	2,346	2,236	2,365
Current assets	9,051	7,541	6,713	7,398	6,444	5,923
Total assets	20,264	18,795	17,371	17,614	18,115	13,875
Total equity	9,875	8,640	7,907	8,370	9,855	6,766
Long term financing	964	1,120	1,120	845	1,063	445
Trade and other payables	2,060	2,027	1,866	1,488	1,109	916
Unclaimed Dividend	11	11	9	10	10	9
Short term borrowings	6,128	6,240	5,936	6,417	5,790	5,485
Current liabilities	9,379	9,035	8,344	8,399	7,196	6,606
Total equity and liabilities	20,264	18,795	17,371	17,614	18,115	13,875
SUMMARY OF STATEMENT OF CASH FLOWS						
Cash and cash equivalents at the beginning of the year	39	5	3	4	9	5
Net cash from / (used in) operating activities	98	257	864	(312)	(268)	(547)
Net cash (used in) / from investing activities	(297)	(286)	(674)	(164)	(785)	(467)
Net cash (used in) / from financing activities	499	64	(189)	476	1,048	1,018
Net increase / (decrease) in Cash and cash equivalents	299	35	1	(0)	(5)	4
Cash and cash equivalents at the end of the year	338	39	5	3	4	9

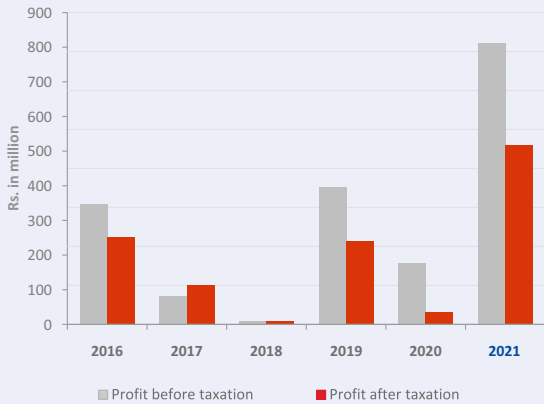
PROFITABILITY



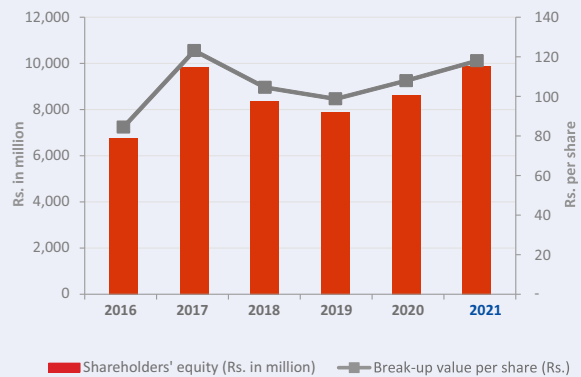
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2021	%	2020	%	2019	%	2018	%	2017	%	2016	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	7,376	36.4	7,402	39.4	6,727	38.7	6,328	35.9	6,478	35.8	4,495	32.4
Intangible assets	13	0.1	20	0.1	6	0.0	12	0.1	18	0.1	-	-
Long term investments	3,807	18.8	3,693	19.7	3,792	21.8	3,736	21.2	5,167	28.5	3,449	24.9
Long term loans and advances	0	0.0	0	0.0	1	0.0	1	0.0	2	0.0	3	0.0
Long term deposits and prepayments	15	0.1	29	0.2	30	0.2	10	0.1	5	0.0	5	0.0
Deferred income tax asset	1	0.0	110	0.6	103	0.6	128	0.7	-	-	-	-
Stores, spare parts and loose tools	225	1.1	234	1.2	265	1.5	198	1.1	192	1.1	185	1.3
Stock in trade	3,711	18.3	3,187	17.0	2,285	13.2	2,589	14.7	2,029	11.2	1,636	11.8
Trade debts	2,695	13.3	2,419	12.9	2,648	15.2	2,346	13.3	2,236	12.3	2,365	17.0
Loans and advances	42	0.2	22	0.1	17	0.1	9	0.1	17	0.1	22	0.2
Short term deposits and prepayments	131	0.6	84	0.4	71	0.4	61	0.3	62	0.3	29	0.2
Accrued interest	15	0.1	6	0.0	5	0.0	3	0.0	4	0.0	4	0.0
Income tax	737	3.6	778	4.1	736	4.2	678	3.8	560	3.1	447	3.2
Other receivables	366	1.8	296	1.6	291	1.7	1,416	8.0	1,253	6.9	1,130	8.1
Short term investments	792	3.9	477	2.5	390	2.2	94	0.5	88	0.5	94	0.7
Cash and bank balances	338	1.7	39	0.2	4	0.0	3	0.0	4	0.0	9	0.1
TOTAL ASSETS	20,264	100	18,795	100	17,371	100	17,614	100	18,115	100	13,875	100
Issued, subscribed and paid up share capital	800	3.9	800	4.3	800	4.6	800	4.5	800	4.4	800	5.8
Share Deposit Money	312	1.5	-	-	-	-	-	-	-	-	-	-
Premium on issue of right shares	200	1.0	200	1.1	200	1.2	200	1.1	200	1.1	200	1.4
Fair value reserve	1,080	5.3	673	3.6	524	3.0	1,226	7.0	2,719	15.0	1,004	7.2
Surplus on revaluation of operating fixed assets	4,161	20.5	4,161	22.1	3,567	20.5	3,568	20.3	3,575	19.7	2,214	16.0
Revenue reserves	3,322	16.4	2,805	14.9	2,815	16.2	2,577	14.6	2,561	14.1	2,548	18.4
Shareholders equity	9,875	48.7	8,640	46.0	7,907	45.5	8,370	47.5	9,855	54.4	6,766	48.8
Long term financing	964	4.8	1,120	6.0	1,120	6.4	845	4.8	1,063	5.9	445	3.2
Deferred liabilities	46	0.2	-	-	-	-	-	-	0	0.0	58	0.4
Trade and other payables	2,060	10.2	2,027	10.8	1,866	10.7	1,488	8.4	1,109	6.1	916	6.6
Unclaimed Dividend	11	0.1	11	0.1	9	0.1	10	0.1	10	0.1	9	0.1
Accrued mark-up	80	0.4	101	0.5	120	0.7	86	0.5	65	0.4	60	0.4
Short term borrowings	6,128	30.2	6,240	33.2	5,936	34.2	6,417	36.4	5,790	32.0	5,485	39.5
Current portion of long term financing	479	2.4	35	0.2	275	1.6	258	1.5	190	1.1	66	0.5
Current portion of deferred liabilities	407	2.0	456	2.4	-	-	-	-	-	-	-	-
Provision for taxation	215	1.1	166	0.9	138	0.8	141	0.8	31	0.2	70	0.5
TOTAL EQUITY AND LIABILITIES	20,264	100	18,795	100	17,371	100	17,614	100	18,115	100	13,875	100
STATEMENT OF PROFIT OR LOSS												
Revenue	17,817	100.0	13,264	100.0	13,946	100.0	11,314	100.0	10,873	100.0	10,579	100.0
Cost of sales	15,364	86.2	11,715	88.3	12,309	88.3	10,214	90.3	9,901	91.1	9,239	87.3
Gross profit	2,453	13.8	1,549	11.7	1,637	11.7	1,100	9.7	972	8.9	1,340	12.7
Distribution cost	769	4.3	574	4.3	679	4.9	468	4.1	644	5.9	633	6.0
Administrative expenses	447	2.5	392	3.0	345	2.5	295	2.6	300	2.8	283	2.7
Other expenses	106	0.6	43	0.3	42	0.3	14	0.1	10	0.1	26	0.2
Other income	131	0.7	117	0.9	330	2.4	325	2.9	350	3.2	376	3.6
Profit from operations	1,262	7.1	657	5.0	903	6.5	648	5.7	368	3.4	774	7.3
Finance cost	452	2.5	481	3.6	507	3.6	638	5.6	287	2.6	360	3.4
Share of loss from associate	-	-	-	-	-	-	-	-	-	-	(67)	(0.6)
Profit before taxation	810	4.5	177	1.3	396	2.8	10	0.1	81	0.7	347	3.3
Taxation	295	1.7	143	1.1	157	1.1	2	0.0	(32)	(0.3)	96	0.9
Profit after taxation	516	2.9	34	0.3	239	1.7	8	0.1	113	1.0	251	2.4

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
for the year ended 30 June 2021

The Crescent Textile Mills Limited (the "company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (the "Regulations") in the following manner:

1. The total number of directors are seven as per the following.
 - a. Male: Six
 - b. Female: One

2. The composition of the Board of Directors ("the Board") is as follows:

Category	Name
Independent Director	Mr. Amin Anjum Saleem
	Mrs. Nazia Maqbool (female)
Executive Directors	Mr. Ahmad Shafi
	Mr. Muhammad Anwar
Non-Executive Directors	Mr. Amjad Mehmood
	Mr. Khalid Bashir
	Mr. Khurram Mazhar Karim

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
4. The 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.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their training program. Four members of the Board have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 19(2) of the CCG. Two directors have completed Directors' Training Program. One independent director will complete her DTP within the time limit as allowed under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
for the year ended 30 June 2021

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 - a) Audit Committee

Mr. Amin Anjum Saleem	(Chairman)
Mr. Khalid Bashir	(Member)
Mr. Khurram Mazhar Karim	(Member)
 - b) HR and Remuneration Committee

Mrs. Nazia Maqbool	(Chairperson)
Mr. Ahmad Shafi	(Member)
Mr. Khurram Mazhar Karim	(Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four meetings during the financial year ended 30 June 2021
 - b) HR and Remuneration Committee: one meeting during the financial year ended 30 June 2021
15. The board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied

STATEMENT OF COMPLIANCE


with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended 30 June 2021

with, except for the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr.#	Requirement	Explanation for Non-compliance	Reg.#
1.	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.	29(1)
2.	Risk Management Committee: The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and appraises the Board accordingly.	30(1)
3.	Directors' Training Program: Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	Due to Covid-19 Directors' Training Program for female executives has been delayed and Company has now planned to arrange it next year.	19(3)

For and on behalf of the Board of Directors


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Chairman

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Crescent Textile Mills Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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 Regulations require 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. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

RIAZ AHMAD & COMPANY

Chartered Accountants



Date: September 14, 2021

Faisalabad

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of The Crescent Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2021 amounting to Rupees 3,936.097 million, break up of which is as follows:</p> <ul style="list-style-type: none">- Stores, spare parts and loose tools of Rupees 224.719 million- Stock-in-trade of Rupees 3,711.478 million <p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to their size, representing 19.42% of the total assets of the Company as at 30 June 2021, and the judgment involved in valuation.</p>	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <ul style="list-style-type: none">▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

For further information on inventories, refer to the following:

- Summary of significant accounting policies, Inventories (Note 2.11 to the financial statements).

Stores, spare parts and loose tools (Note 20) and Stock-in-trade (Note 21) to the financial statements.

- On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculations of the inventory write down, if any.
- We also made enquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
- We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.

2. Investments in equity securities

As at 30 June 2021, the Company carried its portfolio of investments as follows

- Quoted investments carried at fair value through other comprehensive income amounting to Rupees 1,357.077 million.
- Un-quoted investments carried at fair value through other comprehensive income amounting to Rupees 3,241.110 million.

Due to materiality of investments in the context of the financial statements as a whole and the requirements of applicable accounting and reporting standards relating to classification, measurement and disclosures of investments, they are considered to be the area which had the great effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Investments in unquoted equity securities are accounted for as financial assets at fair value through other comprehensive income and are subject to fair valuation at each reporting date. Significant un-quoted investments as at 30 June 2021 are valued on the basis of valuation carried out during the year by an independent professional valuer. With reference to the valuation, management estimated the fair value of

Our procedures included, but were not limited to:

- We documented and assessed the processes and controls in place to record investment transactions and to value the portfolio.
- We agreed the valuation of all of quoted investments from prices quoted on Pakistan Stock Exchange Limited.
- We agreed the holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited.
- We verified the accuracy of management's judgement used in classification of quoted investments.
- We evaluated the independent professional valuer's competence, capabilities and objectivity.
- We assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the investments.
- We checked, on a sample basis, the accuracy and reasonableness of the input data provided by

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

these un-quoted investments at Rupees 3,241.110 million at year end.

The fair value was determined based on the discounted cash flow method. The valuations involved significant judgements and estimates from management, including future business growth driven by future expansion plans, future products selling prices and operating costs of the investee, discount rate, etc. For further information, refer to the following:

- Summary of significant accounting policies, financial instruments-equity investments (Note 2.10 to the financial statements).
- Long term investments (Note 16 to the financial statements).
- Short term investments (Note 27 to the financial statements).

3. Revenue recognition

The Company recognized revenue of Rupees 17,817.252 million for the year ended 30 June 2021.

We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.

For further information on revenue recognition, refer to the following:

- Summary of significant accounting policies, Revenue from contracts with customers (Note 2.14 to the financial statements).
- Revenue (Note 29 to the financial statements).

management to the independent professional valuer.

- We assessed the reasonableness of cash flows projection, performing audit procedures on management's assumptions such as the future business growth driven by future expansion plan, future products selling prices and operating costs, discount rate by comparing the assumptions to historical results and published market and industry data.
- We agreed holding of all un-quoted investments from physical share certificates in hand.
- We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.
- We verified the accuracy of management calculation used for the impairment testing.

Our procedures included, but were not limited to:

- We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;
- We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;
- We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers';
- We also considered the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

RIAZ AHMAD & COMPANY

Chartered Accountants



Date: September 14, 2021

Faisalabad

STATEMENT OF FINANCIAL POSITION

as at June 30, 2021

(Rupees in '000')	Note	2021	2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (2020: 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
Share deposit money	4	312,152	-
Reserves			
Capital reserves			
Premium on issue of right shares	5.1	200,169	200,169
Fair value reserve	5.1	1,079,509	673,438
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	4,160,718	4,160,766
		5,440,396	5,034,373
Revenue reserves	5.2	3,321,998	2,805,331
Total reserves		8,762,394	7,839,704
TOTAL EQUITY		9,874,546	8,639,704
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	964,336	1,120,213
Deferred liabilities	8	46,144	-
		1,010,480	1,120,213
CURRENT LIABILITIES			
Trade and other payables	9	2,059,812	2,026,720
Unclaimed dividend		11,109	11,232
Accrued mark-up	10	79,606	100,604
Short term borrowings	11	6,127,540	6,239,650
Current portion of long term financing	7	479,090	34,727
Current portion of deferred liabilities	12	407,040	455,824
Provision for taxation		215,248	166,194
		9,379,445	9,034,951
TOTAL LIABILITIES		10,389,925	10,155,164
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		20,264,471	18,794,868

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



Muhammad Anwar
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

as at June 30, 2021

(Rupees in '000')	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	7,376,131	7,401,664
Intangible asset	15	13,456	20,180
Long term investments	16	3,806,670	3,693,231
Long term loans and advances	17	307	310
Long term deposits and prepayments	18	15,208	28,737
Deferred income tax asset	19	1,362	109,643
		11,213,134	11,253,765
CURRENT ASSETS			
Stores, spare parts and loose tools	20	224,719	233,516
Stock-in-trade	21	3,711,478	3,186,554
Trade debts	22	2,694,954	2,419,493
Loans and advances	23	42,032	22,259
Short term deposits and prepayments	24	130,661	84,145
Accrued interest	25	14,621	5,651
Income tax		737,009	777,774
Other receivables	26	366,416	295,830
Short term investments	27	791,517	476,896
Cash and bank balances	28	337,930	38,985
		9,051,337	7,541,103
TOTAL ASSETS		20,264,471	18,794,868


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

for the Year Ended June 30, 2021

(Rupees in '000')	Note	2021	2020
Revenue	29	17,817,252	13,264,005
Cost of sales	30	(15,363,861)	(11,714,594)
Gross profit		2,453,391	1,549,411
Distribution cost	31	(769,112)	(573,546)
Administrative expenses	32	(447,277)	(391,788)
Other expenses	33	(106,032)	(43,465)
		(1,322,421)	(1,008,799)
		1,130,970	540,612
Other income	34	131,436	116,780
Profit from operations		1,262,406	657,392
Finance cost	35	(452,229)	(480,866)
Profit before taxation		810,177	176,526
Taxation	36	(294,527)	(142,927)
Profit after taxation		515,650	33,599
Earnings per share - basic (Rupees)	37.1	6.45	0.42
Earnings per share - diluted (Rupees)	37.2	6.16	0.40

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
Profit after taxation	515,650	33,599
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
Surplus on revaluation of operating fixed assets	-	594,381
Deferred income tax relating to surplus on revaluation of operating fixed assets	-	(1,033)
	-	593,348
Surplus arising on remeasurement of investments at fair value through other comprehensive income	429,446	162,923
Deferred income tax relating to investments at fair value through other comprehensive income	(22,507)	(8,901)
	406,939	154,022
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive income for the year - net of tax	406,939	747,370
Total comprehensive income for the year	922,589	780,969

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director




Asim Siddique
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2021

	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				TOTAL
			Premium on issue of right shares	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Unappropriated profit	Sub total		
(Rupees in '000')											
Balance as at 01 July 2019	800,000	-	200,169	523,811	3,567,457	4,291,437	1,803,643	1,011,655	2,815,298	7,106,735	7,906,735
Transaction with owners - Final dividend for the year ended 30 June 2019 at the rate of Rupee 0.60 per share	-	-	-	-	-	-	-	(48,000)	(48,000)	(48,000)	(48,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(39)	(39)	-	39	39	-	-
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(4,395)	-	(4,395)	-	4,395	4,395	-	-
Profit for the year	-	-	-	-	-	-	-	33,599	33,599	33,599	33,599
Other comprehensive income for the year	-	-	-	154,022	593,348	747,370	-	-	-	747,370	747,370
Total comprehensive income for the year	-	-	-	154,022	593,348	747,370	-	33,599	33,599	780,969	780,969
Balance as at 30 June 2020	800,000	-	200,169	673,438	4,160,766	5,034,373	1,803,643	1,001,688	2,805,331	7,839,704	8,639,704
Transaction with owners - Share deposit money received during the year against right shares at the rate of Rupees 20 per share	-	312,152	-	-	-	-	-	-	-	-	312,152
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(149)	(149)	-	149	149	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	101	101	-	-	-	101	101
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(868)	-	(868)	-	868	868	-	-
Profit for the year	-	-	-	-	-	-	-	515,650	515,650	515,650	515,650
Other comprehensive income for the year	-	-	-	406,939	-	406,939	-	-	-	406,939	406,939
Total comprehensive income for the year	-	-	-	406,939	-	406,939	-	515,650	515,650	922,589	922,589
Balance as at 30 June 2021	800,000	312,152	200,169	1,079,509	4,160,718	5,440,396	1,803,643	1,518,355	3,321,998	8,762,394	9,874,546

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

STATEMENT OF CASH FLOWS

for the Year Ended June 30, 2021

(Rupees in '000')	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	676,437	988,051
Finance cost paid		(473,138)	(499,287)
Income tax paid - net		(118,833)	(173,372)
Dividend paid		(123)	(46,203)
Workers' profit participation fund paid		(2)	(13,732)
Net decrease in long term loans and advances		3	190
Net decrease in long term deposits and prepayments		13,529	1,225
Net cash generated from operating activities		97,873	256,872
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant, equipment and intangible asset		(310,171)	(307,352)
Proceeds from sale of property, plant and equipment		375	12,775
Proceeds from sale of investment		1,386	7,507
Profit on saving accounts received		2,569	-
Dividends received		8,361	853
Net cash used in investing activities		(297,480)	(286,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		414,686	-
Share deposit money received		312,152	-
Repayment of long term financing		(116,176)	(240,131)
Short term borrowings - net		(112,110)	303,993
Net cash from financing activities		498,552	63,862
Net increase in cash and cash equivalents		298,945	34,517
Cash and cash equivalents at the beginning of the year		38,985	4,468
Cash and cash equivalents at the end of the year (note 28)		337,930	38,985

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited. 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. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except for the weaving unit which is situated at Industrial Estate, Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa, stitching unit which is situated at Lahore Road, Jaranwala, Punjab and liaison office situated at 8th Floor, Sidco Avenue Centre, 264-R.A. Lines, Stretchen Road, Karachi, Sindh.

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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

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:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Financial instruments – fair value

The fair value of some financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets including intangible asset for possible impairment on an annual basis.

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. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible asset 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.

Income tax

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.

Recovery of deferred income tax assets

Deferred income tax assets are recognized for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

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 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

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

There are amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2020 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) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 01 January 2022, clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'.

The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

appropriate) at the beginning of that earliest period presented. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 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 statement of profit or loss as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

2.3 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The Company follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received.

In subsequent years, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

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.

Deferred

Deferred tax is accounted for using the 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 reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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

Operating 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, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of deferred income tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss.

Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of deferred income tax, is reclassified from surplus on revaluation of operating fixed assets to unappropriated profit.

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 statement of profit or loss during the period in which they are incurred.

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 the statement of profit or loss 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 14.1. 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 statement of profit or loss in the year the asset is de-recognized.

2.8 **Assets subject to ijarah contracts**

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as ijarah contracts. Payments made under ijarah contracts are charged to the statement of profit or loss on a straight line basis over the lease term.

2.9 **Intangible asset and amortization**

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Amortization is charged to the statement of profit or loss 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 reporting 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 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 the statement of profit or loss. 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 Financial Instruments

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following measurement category:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method.

Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). The Company classifies its equity instruments into following measurement category:

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends from such investments are recognized in statement of profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are also subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in the statement of profit or loss.

iii) Impairment of financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

iv) De-recognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a 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.

2.11 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 and saving accounts along with 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

2.13 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowing using the effective interest method.

2.14 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Revenue is recognized when rent is accrued.

Sale of electricity

Revenue from sale of electricity is recognized at time of transmission

Dividend

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

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

iv) **Contract liabilities**

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.15 **Trade and other receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

"The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 **Trade and other payables**

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

2.17 **Derivative financial instruments**

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. These are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.18 **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 the statement of profit or loss.

2.19 **Share capital**

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.20 **Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.21 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.22 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's reportable business segments comprise of Spinning (Producing different quality of yarn using natural and artificial fibers), 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) and Power Generation (Generating and distributing power).

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.

2.23 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

2.24 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.25 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2021 (Number of Shares)	2020 (Number of Shares)		2021 (Rupees in '000')	2020 (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)	2021	2020
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	3 057 002	4 878 002
Suraj Cotton Mills Limited	1 648 500	1 648 500
Premier Insurance Limited	755 985	755 985
Crescent Group (Private) Limited	110	110
Shakarganj Limited	5 898	5 898
	5 467 495	7 288 495

4. SHARE DEPOSIT MONEY

Board of Directors (BOD) of the Company in its meeting held on 29 April 2021 resolved to increase the issued, subscribed and paid-up share capital of the Company from Rupees 800,000,000 to Rupees 1,000,000,000 by issue of 20,000,000 ordinary right shares at Rupees 20 per share including a premium of Rupees 10 per share in the proportion of 25 right shares for every 100 ordinary shares. Total size of right issue was Rupees 400,000,000. Share deposit money includes an amount of Rupees 250,000,000 deposited by directors of the Company as commitment for taking up unsubscribed portion of right issue, if any, pursuant to resolution of the BOD meeting mentioned above. The total funds generated from right issue has been made available to the Company subsequent to the reporting period on 12 July 2021 after fulfilling all regulatory requirements.

(Rupees in '000')	2021	2020
5. RESERVES		
Composition of reserves is as follows:		
5.1 Capital reserves		
Premium on issue of right shares (Note 5.1.1)	200,169	200,169
Fair value reserve of investments at FVTOCI - net of deferred income tax (Note 5.1.2)	1,079,509	673,438
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 6)	4,160,718	4,160,766
	5,440,396	5,034,373

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

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

5.1.2 This represents the unrealized gain on remeasurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

(Rupees in '000')	2021	2020
Balance as at 01 July	673,438	520,848
Fair value adjustment during the year	429,446	162,923
	1,102,884	683,771
Gain realized on disposal of equity investment at fair value through other comprehensive income	(868)	(4,395)
Deferred income tax relating to investments at fair value through other comprehensive income	(22,507)	(5,938)
	(23,375)	(10,333)
Balance as at 30 June	1,079,509	673,438
5.2 Revenue reserves		
General reserve	1,803,643	1,803,643
Unappropriated profit	1,518,355	1,001,688
	3,321,998	2,805,331
6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Surplus on revaluation of operating fixed assets as at 01 July	4,162,219	3,567,882
Surplus arising on revaluation during the year	-	594,381
Less:		
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	149	39
Related deferred income tax liability	20	5
	169	44
	4,162,050	4,162,219
Less:		
Deferred income tax liability as at 01 July	1,453	425
Adjustment of deferred income tax liability due to surplus arising on revaluation during the year	-	1,033
Adjustment of deferred income tax liability due to re-assessment at year end	(101)	-
Incremental depreciation charged during the year transferred to the statement of profit or loss	(20)	(5)
	1,332	1,453
	4,160,718	4,160,766

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

- 6.1 This represents surplus resulting from revaluation of freehold land and leasehold land carried out on 30 June 2020 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 14.1.1. Previously revaluation was carried out on 30 June 2017, 30 June 2013 and 30 June 2007 by an independent valuer.

(Rupees in '000')	2021	2020
7. LONG TERM FINANCING		
From banking companies - secured (Note 7.1)	1,443,426	1,154,940
Less: Current portion shown under current liabilities	479,090	34,727
	964,336	1,120,213

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

7.1	LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
	Pak Libya Holding Company (Private) Limited	37,500	50,000	SBP rate for LTFF plus 2.50%	16 equal quarterly installments	11 June 2017	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	14,220	16,590	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	31 March 2017	Quarterly	First pari passu charge over fixed assets of the Company.
	The Bank of Punjab	22,520	22,520	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	20 July 2017	Quarterly	First pari passu charge over fixed assets of the Company.
	The Bank of Punjab	18,857	21,214	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	26 August 2017	Quarterly	First pari passu charge over fixed assets of the Company.
	The Bank of Punjab	49,580	49,580	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	20 January 2018	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	24,635	24,635	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	27 September 2017	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	30,876	30,876	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	11 October 2017	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	4,499	4,499	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 November 2017	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	12,561	12,561	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	05 December 2017	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	119,219	119,219	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	13 January 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	131,537	131,537	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 January 2018	Half yearly	First pari passu charge over fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

7.1	LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
	National Bank of Pakistan	25,615	25,615	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	26 January 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	36,026	36,026	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	07 February 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	26,870	26,870	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	14 February 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	18,449	18,449	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	23 April 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	26,571	26,571	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	29 December 2018	Half yearly	First pari passu charge over fixed assets of the Company.
	Pak Libya Holding Company (Private) Limited	173,724	173,724	Pak Libya's spread 2% plus SBP's spread 2%	20 equal quarterly installments	23 December 2021	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	26,277	26,277	3 months KIBOR plus 2.5% without any floor or cap	22 equal quarterly installments	10 June 2022	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	212,776	224,596	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	27 March 2020	Quarterly	First pari passu charge over present and future fixed assets of the Company.
	The Bank of Punjab	107,901	113,581	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	03 May 2021	Quarterly	First pari passu charge over present and future fixed assets of the Company.
	Habib Bank Limited - Loan under SBP Refinance Scheme (Note 7.2)	223,872	-	SBP rate for LTFF plus 2%	08 equal quarterly installments	01 January 2021	Quarterly	Joint pari passu charge over all assets of the Company amounting to Rupees 416 million with 25% margin.
	MCB Bank Limited	62,678	-	SBP rate for LTFF plus 3%	28 equal quarterly installments	14 May 2021	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

7.1	LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
(Rupees in '000')								
	MCB Bank Limited	29,889	-	SBP rate for LTFF plus 3%	28 equal quarterly installments	20 May 2021	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
	MCB Bank Limited	1,483	-	SBP rate for LTFF plus 3%	28 equal quarterly installments	21 June 2021	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
	MCB Bank Limited	3,215	-	SBP rate for LTFF plus 3%	28 equal quarterly installments	06 July 2021	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
	MCB Bank Limited	2,076	-	SBP rate for LTFF plus 3%	28 equal quarterly installments	07 July 2021	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
		1,443,426	1,154,940					

- 7.2 This represents balance of long term financing obtained from Habib Bank Limited under State Bank of Pakistan (SBP) refinance scheme through IH&SMEFD Circular No. 06 of 2020 dated 10 April 2020 for payment of salaries and wages to the employees and workers of the Company. This loan is recognized in accordance with IFRS 9 'Financial Instruments' at present value using effective interest rate of 9.50% per annum. The differential mark-up of SBP's defined interest rate and effective interest rate has been recognized as deferred government grant as mentioned in Note 8.1 to these financial statements. The grant shall be amortized over the period of loan and amortization shall be recognized in the statement of profit or loss against related interest expense. Moreover, in accordance with the requirements of the lender there is restriction on distribution of dividend by the Company during the tenor of this facility.

	(Rupees in '000')	2021	2020
8. DEFERRED LIABILITIES			
	Deferred income - government grant (Note 8.1)	704	-
	Gas Infrastructure Development Cess (GIDC) (Note 8.2)	45,440	-
		46,144	-
	Deferred income - government grant		
	Recognized during the year	24,711	-
	Less: Amortization during the year	14,687	-
		10,024	-
	Less: Current portion shown under current liabilities (Note 12)	9,320	-
		704	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

8.1.1 This represents deferred government grant in respect of long term finance facilities obtained under SBP Salary Refinance Scheme as disclosed in Note 7.2 to the financial statements.

(Rupees in '000')	2021	2020
8.2 Gas Infrastructure Development Cess (GIDC) payable		
Balance at the beginning of the year	455,824	455,824
Less: Gain on remeasurement of GIDC (Note 34)	(38,032)	-
Add: Unwinding of discount on GIDC payable (Note 35)	25,368	-
	443,160	455,824
Less: Current portion shown under current liabilities (Note 12)	397,720	455,824
	45,440	-

8.2.1 This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) under Gas Infrastructure Development Cess Act, 2015. Honorable Supreme Court of Pakistan (SCP) through its judgment dated 13 August 2020, has declared GIDC Act, 2015 a valid legislation. Under this judgement, all gas consumers including the Company were ordered to pay the outstanding GIDC liability as at 31 July 2020 in 24 equal monthly installments. A review petition was filed against the said order before SCP which was disposed of on 02 November 2020, upheld the original judgement. The SCP in review petition elaborated that deliberation on any provision of GIDC Act, 2015 can be contested on appropriate forum and mentioned that Government of Pakistan is agreeable to recover GIDC in 48 monthly installments instead of 24 monthly installments. But Sui Northern Gas Pipelines Limited (SNGPL) continued to recover GIDC in 24 equal monthly installments. Meanwhile the Company along with other industrial gas consumers has obtained interim stay order dated 14 September 2020 from the Honorable Lahore High Court, Lahore which restrained SNGPL from recovering GIDC prior to promulgation of GIDC Act, 2015 and ordered to charge GIDC at the rate of Rupees 100 per MMBTU instead of Rupees 200 per MMBTU against captive gas connections till the final decision on this matter.

Company after considering the recent events and developments in GIDC case including the Judgements of honorable courts and guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) vide Circular No. 1/2021 dated 19 January 2021 has remeasured its previously undiscounted provision at its present value by using effective interest rate of 7.20% to incorporate the effect of time value of money arising from the expected settlement based on 24 monthly installments plan.

9. TRADE AND OTHER PAYABLES

Creditors (Note 9.1)	1,039,619	1,209,104
Accrued liabilities	928,363	749,234
Contract liabilities - unsecured	42,292	50,250
Payable to Employees' Provident Fund Trust	6,116	6,152
Retention money payable	843	1,857
Income tax deducted at source	6,318	4,921
Sales tax deducted at source	1,209	403
Workers' profit participation fund (Note 9.2)	32,731	2,818
Other payables	2,321	1,981
	2,059,812	2,026,720

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
9.1 These include amounts due to the following related parties:		
Suraj Cotton Mills Limited	-	16,069
Premier Insurance Limited	567	6,961
	567	23,030
9.2 Workers' profit participation fund		
Balance as on 01 July	2,818	14,797
Interest for the year (Note 35)	89	915
Provision for the year (Note 33)	29,826	838
	32,733	16,550
Less: Payments during the year	2	13,732
Balance as on 30 June	32,731	2,818
9.2.1 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.		
10. ACCRUED MARK-UP		
Long term financing	14,716	13,489
Short term borrowings	64,890	87,115
	79,606	100,604
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 11.1 and Note 11.4)	2,046,790	2,190,030
State Bank of Pakistan (SBP) refinance (Note 11.2 and Note 11.4)	3,364,000	3,716,000
Short term foreign currency finances (Note 11.3 and Note 11.4)	716,750	333,620
	6,127,540	6,239,650

11.1 The finances aggregating to Rupees 2,678 million (2020: Rupees 2,837 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.50 to 2.50 percent (2020: KIBOR plus 1.50 to 2.50 percent) per annum.

11.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 3.00 percent (2020: 3.00 percent) per annum are payable. Aggregate borrowing limits of these facilities are of Rupees 3,364 million (2020: Rupees 3,716 million).

11.3 Short term foreign currency finances amounting to Rupees 732 million (2020: Rupees 346 million) are available at mark-up ranging from LIBOR plus 1.25 to 2.00 percent (2020: LIBOR plus 1.00 to 3.61 percent) per annum.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

- 11.4 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.

(Rupees in '000')	2021	2020
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Deferred income - Government grant (Note 8.1)	9,320	-
GIDC payable (Note 8.2)	397,720	455,824
	407,040	455,824

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 248.691 million (2020: Rupees 245.736 million) are given by the banks of the Company to Collector of Customs against import of certain items, SNGPL against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections.
- ii) Guarantee of Rupees 2.000 million (2020: Rupees 2.000 million) is given by the bank of the Company to Total Parco Pakistan Limited against fuel cards.
- iii) Post dated cheques of Rupees 536.370 million (2020: Rupees 342.800 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.
- iv) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) Lahore, for the collection of PRA withholding tax amounting to Rupees 23.348 million (2020: Rupees 23.348 million). Appeal is pending for adjudication. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.
- v) The Company filed a petition in the Honorable Lahore High Court, Lahore on 24 March 2021 pertaining to the oppression of the Company as shareholder by Crescent Bahuman Limited. Any outcome of this petition will not have any financial impact on the Company. Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favorable decision.

b) Commitments

- i) Contracts for capital expenditure are of Rupees 250.660 million (2020: Rupees 384.177 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 426.643 million (2020: Rupees 447.143 million).
- iii) Ijarah commitments are of Rupees 68.847 million (2020: Rupees 38.023 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
The total of future ijarah payments under arrangement are as follows:		
Not later than one year	28,607	30,418
Later than one year and not later than five years	40,240	7,605
	68,847	38,023
14. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 14.1)	7,188,601	7,328,499
Capital work-in-progress (Note 14.2)	187,530	73,165
	7,376,131	7,401,664

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

14.1 Operating fixed assets

(Rupees in '000')	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
At 30 June 2019												
Cost / revalued amount	3,569,765	8,441	406,156	126,621	6,093,952	30,717	103,798	90,363	7,247	45,713	113,523	10,596,296
Accumulated depreciation	-	(1,631)	(287,497)	(59,304)	(3,344,919)	(23,362)	(77,403)	(32,388)	(6,228)	(37,648)	(107,017)	(3,977,397)
Net book value	3,569,765	6,810	118,659	67,317	2,749,033	7,355	26,395	57,975	1,019	8,065	6,506	6,618,899
Year ended 30 June 2020												
Opening net book value	3,569,765	6,810	118,659	67,317	2,749,033	7,355	26,395	57,975	1,019	8,065	6,506	6,618,899
Additions	99,783	-	89,268	-	213,804	2,434	224	40,807	-	3,517	-	449,837
Effect of surplus on revaluation												
as at 30 June 2020	586,095	8,286	-	-	-	-	-	-	-	-	-	594,381
Disposals:												
Cost	-	-	(192)	-	(16,309)	-	-	(6,955)	-	-	-	(23,456)
Accumulated depreciation	-	-	166	-	12,513	-	-	2,843	-	-	-	15,522
Depreciation charge	-	(95)	(12,703)	(6,098)	(278,023)	(1,773)	(5,299)	(16,702)	(204)	(5,136)	(651)	(326,684)
Closing net book value	4,255,643	15,001	195,198	61,219	2,681,018	8,016	21,320	77,968	815	6,446	5,855	7,328,499
At 30 June 2020												
Cost / revalued amount	4,255,643	16,727	495,232	126,621	6,291,447	33,151	104,022	124,215	7,247	49,230	113,523	11,617,058
Accumulated depreciation	-	(1,726)	(300,034)	(65,402)	(3,610,429)	(25,135)	(82,702)	(46,247)	(6,432)	(42,784)	(107,668)	(4,288,559)
Net book value	4,255,643	15,001	195,198	61,219	2,681,018	8,016	21,320	77,968	815	6,446	5,855	7,328,499
Year ended 30 June 2021												
Opening net book value	4,255,643	15,001	195,198	61,219	2,681,018	8,016	21,320	77,968	815	6,446	5,855	7,328,499
Additions	-	-	-	-	165,798	2,516	1,553	16,047	169	8,794	-	194,877
Disposals:												
Cost	-	-	-	-	(5,311)	-	-	-	-	(3,342)	-	(8,653)
Accumulated depreciation	-	-	-	-	4,066	-	-	-	-	3,325	-	7,391
Depreciation charge	-	(213)	(18,171)	(5,520)	(279,351)	(1,952)	(4,469)	(17,688)	(166)	(5,398)	(585)	(333,513)
Closing net book value	4,255,643	14,788	177,027	55,699	2,566,220	8,580	18,404	76,327	818	9,825	5,270	7,188,601
At 30 June 2021												
Cost / revalued amount	4,255,643	16,727	495,232	126,621	6,451,934	35,667	105,575	140,262	7,416	54,682	113,523	11,803,282
Accumulated depreciation	-	(1,939)	(318,205)	(70,922)	(3,885,714)	(27,087)	(87,171)	(63,935)	(6,598)	(44,857)	(108,253)	(4,614,681)
Net book value	4,255,643	14,788	177,027	55,699	2,566,220	8,580	18,404	76,327	818	9,825	5,270	7,188,601
Annual rate of depreciation (%)	-	Remaining useful life	5, 10	5, 10	10	20	20	20	20	50	10	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

14.1.1 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 by taking into account conditions specified under various directives of the Government, whereas land situated other than Faisalabad was revalued using the present market value by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited as on 30 June 2020. Previously land of the Company was revalued on 30 June 2017, 30 June 2013 and 30 June 2007 by Messrs Hamid Mukhtar and Company (Private) Limited. Forced sale value of freehold land and leasehold land as per the last revaluation carried out on 30 June 2020 was Rupees 3,404.514 million and Rupees 12.000 million respectively.

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

(Rupees in '000')	2021			2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	105,076	-	105,076	105,076	-	105,076
Land - Leasehold	4,719	1,414	3,305	4,719	1,370	3,349
	109,795	1,414	108,381	109,795	1,370	108,425

14.1.3 Fixed assets of the Company with carrying amount of Rupees 7,062 million (2020: Rupees 7,121 million) are subject to first pari passu charge to secured bank borrowings.

14.1.4 The power of attorney instead of title of shops located at Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi having carrying valuing of Rupees 49.947 million is in the name of Company's representative.

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

(Rupees in '000')	2021	2020
Cost of sales (Note 30)	307,125	304,094
Administrative expenses (Note 32)	26,388	22,590
	333,513	326,684

14.1.6 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area Acres	Covered area Sq. Ft.
Manufacturing facility	Sargodha Road, Faisalabad, Punjab.	114.05	1 243 048
Manufacturing facility	Phase-III Industrial Estate Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa.	10.00	119 808
Land and building	Chak No. 66 J.B., Dhandra Road, Airport Chowk, Jhang Road, Faisalabad, Punjab.	1.05	29 183

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Particulars	Location	Area Acres	Covered area Sq. Ft.
Shops	Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi, Sindh.	0.10	4 500
Guest House	Pindi Point, Murree, Punjab.	2.99	5 302
		128.19	1 401 841

14.1.7 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Plant and machinery								
Inkjet Engraving China Model Dosun 3600R	1	3,369	2,222	1,147	225	(922)	Negotiation	Azam Javed Traders, Faisalabad
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000		5,284	5,169	115	150	35		
		8,653	7,391	1,262	375	(887)		

14.2 Capital work-in-progress

(Rupees in '000')	2021				2020			
	Balance as at 01 July 2020	Additions	Transfer to operating fixed assets	Balance as at 30 June 2021	Balance as at 01 July 2019	Additions	Transfer to operating fixed assets	Balance as at 30 June 2020
Buildings on freehold land	22,992	18,268	-	41,260	31,606	59,136	(67,750)	22,992
Plant and machinery	-	190,344	(165,798)	24,546	12,214	209,297	(221,511)	-
Advance against purchase of vehicles	-	29,073	(16,047)	13,026	1,359	-	(1,359)	-
Advance against office equipment	-	8,795	(8,795)	-	908	3,443	(4,351)	-
Advance against purchase of land	49,911	58,787	-	108,698	49,911	-	-	49,911
Advance against gas and electric installations	262	1,553	(1,815)	-	-	486	(224)	262
Advance against Enterprise Resource Planning (ERP) implementation	-	-	-	-	11,865	10,263	(22,128)	-
	73,165	306,820	(192,455)	187,530	107,863	282,625	(317,323)	73,165

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
15. INTANGIBLE ASSET		
Computer Software		
Net carrying value basis		
Opening net book value	20,180	5,806
Add: Addition during the year	929	22,128
Less: Amortization (Note 32)	(7,653)	(7,754)
Closing net book value	13,456	20,180
Gross carrying amount		
Cost	42,057	41,128
Accumulated amortization	(28,601)	(20,948)
Closing net book value	13,456	20,180
Amortization rate (per annum)	33.33%	33.33%
16. LONG TERM INVESTMENTS		
Equity instruments		
At fair value through other comprehensive income		
Related parties - Quoted		
Crescent Jute Products Limited 2 738 637 (2020: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2020: 11.52%)	-	-
Shams Textile Mills Limited 812 160 (2020: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2020: 9.40%)	4,629	4,629
Premier Insurance Limited 141 573 (2020: 141 573) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2020: 0.28%)	35	35
Shakarganj Limited 9 019 690 (2020: 9 019 690) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2020: 7.22%)	118,623	118,623

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for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
Others		
Quoted		
Crescent Cotton Mills Limited 1 034 499 (2020: 1 034 499) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2020: 4.56%)	5,124	5,124
Jubilee Spinning and Weaving Mills Limited 182 629 (2020: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2020: 0.56%)	213	213
Crescent Fibres Limited 351 657 (2020: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2020: 2.83%)	2,162	2,162
Unquoted		
Crescent Bahuman Limited 26 926 433 (2020: 26 926 433) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2020: 19.80%) (Note 16.1)	269,264	269,264
286 520 000 (2020: 286 520 000) fully paid non-voting ordinary shares of Rupees 10 each. Equity held 73.37% (2020: 73.37%) (Note 16.1)	2,865,200	2,865,200
Premier Financial Services (Private) Limited 500 (2020: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2020: 2.22%)	500	500
Cresox (Private) Limited 4 199 792 (2020: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2020: 11.66%)	-	-
	3,265,750	3,265,750
Add: Fair value adjustment	540,920	427,481
	3,806,670	3,693,231

16.1 Fair value of voting and non-voting ordinary shares of Crescent Bahuman Limited is determined as Rupees 10.34 per share. The valuation has been determined by an independent valuer using discounted cash flow technique.

17. LONG TERM LOANS AND ADVANCES

Considered good:		
Employees	991	1,591
Less: Current portion shown under current assets (Note 23)	684	1,281
	307	310

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

17.1 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.

17.2 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loan is not considered material and hence not recognized.

(Rupees in '000')	2021	2020
18 . LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits	30,472	23,958
Prepayments	4,712	6,005
	35,184	29,963
Less: Current portion shown under current assets (Note 24)	19,976	1,226
	15,208	28,737

19 . DEFERRED INCOME TAX ASSET

Taxable temporary differences on		
Tax depreciation allowance	(159,901)	(177,229)
Surplus on revaluation of operating fixed assets	(1,332)	(1,453)
Fair value reserve of investments	(28,445)	(5,938)
	(189,678)	(184,620)
Deductible temporary differences on		
Provision for doubtful receivables	13,512	14,012
Unused tax losses and minimum tax	177,528	280,251
	191,040	294,263
Deferred income tax asset	1,362	109,643

19.1 Movement in deferred income tax asset balance is as follows:

At beginning of the year	109,643	102,906
Less:		
Recognized in statement of profit or loss:		
- tax depreciation allowance	(17,328)	1,029
- surplus on revaluation of operating fixed assets	(121)	1,028
- provision for doubtful receivables	500	(730)
- unused tax losses and minimum tax	102,723	(16,965)
	85,774	(15,638)
Recognized in statement of comprehensive income:		
- unrealized gain on investments at FVTOCI	22,507	8,901
	108,281	(6,737)
	1,362	109,643

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
20. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 20.1)	191,992	185,287
Spare parts (Note 20.2)	32,642	48,132
Loose tools	85	97
	224,719	233,516

20.1 These include stores in transit of Rupees 16.783 million (2020: Rupees 7.649 million).

20.2 These include spare parts in transit of Rupees 1.923 million (2020: Rupees 15.109 million).

21. STOCK-IN-TRADE		
Raw materials (Note 21.1)	1,396,412	876,270
Work-in-process	196,289	227,357
Finished goods (Note 21.2)	2,103,687	2,072,351
Waste	15,090	10,576
	3,711,478	3,186,554

21.1 Raw materials include stock in transit of Rupees 378.957 million (2020: Rupees 69.098 million).

21.2 Finished goods include stock in transit of Rupees 464.631 million (2020: Rupees 388.924 million) and stock with third parties amounting to Rupees 231.112 million (2020: Rupees 215.260 million).

22. TRADE DEBTS		
Considered good:		
Secured		
Against confirmed letters of credit - secured	972,589	543,961
Unsecured		
Related party (Note 22.3)	17,145	-
Others - against contract	1,751,223	1,926,890
	1,768,368	1,926,890
	2,740,957	2,470,851
Less: Allowance for expected credit losses (Note 22.4)	46,003	51,358
	2,694,954	2,419,493

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
22.1 Trade debts in respect of foreign and local jurisdictions is given under:		
America	293,489	136,050
Asia, Africa and Australia	113,104	46,852
Europe	1,172,106	1,255,217
Pakistan	1,116,255	981,374
	2,694,954	2,419,493
22.2 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 10 to 90 days from delivery in case of local sales, and 15 to 120 days in case of export sales.		
22.3 As at 30 June 2021, trade debts due from the related party, Suraj Cotton Mills Limited are amounting to Rupees 17.145 million (2020: Rupees Nil). The ageing analysis of these trade debts is as follows:		
Not yet due	11,614	-
Upto 1 month	5,531	-
	17,145	-
22.3.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 27.591 million (2020: Rupees Nil).		
22.4 Allowance for expected credit losses		
As at 01 July	51,358	41,203
Add: Recognized during the year (Note 33)	115	10,155
	51,473	51,358
Less: Recovered during the year (Note 34)	5,470	-
As at 30 June	46,003	51,358
22.5 As at 30 June 2021, trade debts receivable from other than the related party are aggregating to Rupees 2,677.809 million (2020: Rupees 2,419.493 million) which are 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:		
Not yet due	2,038,455	1,505,000
Upto 1 month	107,310	226,920
1 to 6 months	47,685	364,301
More than 6 months	484,359	323,272
	2,677,809	2,419,493

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
23. LOANS AND ADVANCES		
Considered good:		
Employees against expenses	842	656
Current portion of long term loans and advances (Note 17)	684	1,281
Advances to suppliers / service providers	40,300	20,262
Letters of credit	795	649
	42,621	22,848
Less: Provision for doubtful advances to suppliers	(589)	(589)
	42,032	22,259
24. SHORT TERM DEPOSITS AND PREPAYMENTS		
Considered good:		
Margin deposits	100,229	81,729
Short term deposit and prepayments	10,456	1,190
Current portion of long term deposits and prepayments (Note 18)	19,976	1,226
	130,661	84,145
25. ACCRUED INTEREST		
This includes interest receivable from Crescent Bahuman Limited on overdue receivable balance.		
26. OTHER RECEIVABLES		
Considered good:		
Due from related party (Note 26.1)	31	617
Export rebate and claims	41,984	45,796
Duty drawback	178,253	33,491
Sales tax and special excise duty refundable	210,181	279,384
Miscellaneous	690	1,265
	431,139	360,553
Less: Provision for doubtful export rebate, sales tax and special excise duty refundable	64,723	64,723
	366,416	295,830
26.1 This represents amounts due from Shams Textile Mills Limited. The ageing analysis is as follows:		
Upto 1 month	31	60
1 to 6 months	-	360
More than 6 months	-	197
	31	617

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

26.1.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 0.925 million (2020: Rupees 0.617 million).

(Rupees in '000')	2021	2020
27. SHORT TERM INVESTMENTS		
At fair value through other comprehensive income		
Others - quoted		
Samba Bank Limited 11 148 238 (2020: 11 319 238) fully paid ordinary shares of Rupees 10 each. Equity held 1.11% (2020: 1.12%)	33,814	34,332
Crescent Steel and Allied Products Limited 8 538 303 (2020: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2020: 11%)	190,669	190,669
	224,483	225,001
Add: Fair value adjustment	567,034	251,895
	791,517	476,896
28. CASH AND BANK BALANCES		
With banks:		
On current accounts		
Including US\$ 1,579 (2020: US\$ 1,579)	72,483	25,513
On saving accounts (Note 28.1)	263,336	11,232
	335,819	36,745
Cash in hand	2,111	2,240
	337,930	38,985

28.1 Rate of profit on saving accounts was ranging from 4.59% to 5.50% (2020: 5.94%) per annum.

29. REVENUE		
Revenue from contracts with customers:		
Export sales	10,720,871	7,905,227
Local sales (Note 29.1)	6,851,930	5,202,099
	17,572,801	13,107,326
Export rebate	74,352	55,079
Duty drawback	170,099	101,600
	17,817,252	13,264,005

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
29.1 Local sales		
Sales	7,689,609	5,748,405
Waste	328,015	328,158
Processing income	6,414	14,806
	8,024,038	6,091,369
Less: Sales tax	1,172,108	889,270
	6,851,930	5,202,099

29.2 The Company has recognized revenue of Rupees 46.728 million (2020: Rupees 17.555 million) from amounts included in contract liabilities at the year end.

30. COST OF SALES

Raw materials consumed (Note 30.1)	5,067,802	4,835,208
Cost of raw materials sold	22,870	19,758
Cloth and yarn purchased	3,596,276	1,953,440
Stores, spare parts and loose tools consumed	1,309,167	1,048,800
Packing materials consumed	1,030,445	706,395
Processing and weaving charges	1,058,270	699,071
Salaries, wages and other benefits (Note 30.2)	1,321,533	1,176,722
Fuel and power	1,515,577	1,444,462
Repair and maintenance	49,232	47,071
Insurance	15,080	14,729
Depreciation (Note 14.1.5)	307,125	304,094
Other factory overheads (Note 30.3)	75,266	65,532
	15,368,643	12,315,282
Work-in-process		
Opening stock	227,357	142,034
Closing stock	(196,289)	(227,357)
	31,068	(85,323)
Cost of goods manufactured	15,399,711	12,229,959
Finished goods		
Opening stock	2,082,927	1,567,562
Closing stock	(2,118,777)	(2,082,927)
	(35,850)	(515,365)
	15,363,861	11,714,594

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
30.1 Raw materials consumed		
Opening stock	876,270	575,072
Add: Purchased during the year	5,587,944	5,136,406
	6,464,214	5,711,478
Less: Closing stock	(1,396,412)	(876,270)
	5,067,802	4,835,208
30.2 Salaries, wages and other benefits include provident fund contribution of Rupees 23.477 million (2020: Rupees 18.274 million) by the Company.		
30.3 These include ijarah rentals amounting to Rupees 32.933 million (2020: Rupees 31.590 million).		
31. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 31.1)	73,702	57,611
Freight and shipment	280,553	177,826
Postage	10,644	13,010
Duties and other charges	88,011	101,313
Commission to selling agents	314,713	221,478
Advertisement	1,489	2,308
	769,112	573,546
31.1 Salaries, wages and other benefits include provident fund contribution of Rupees 2.242 million (2020: Rupees 1.427 million) by the Company.		
32. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 32.1)	293,322	272,995
Meeting fee to directors	620	720
Travelling, conveyance and entertainment	8,342	11,910
Rent, rates and taxes	3,155	3,086
Repair and maintenance	40,142	27,753
Insurance	5,312	1,886
Printing and stationery	2,755	3,478
Communication and advertisement	4,819	4,752
Subscription	20,490	13,072
Legal and professional	13,633	8,233
Auditor's remuneration (Note 32.2)	2,850	2,525
Amortization (Note 15)	7,653	7,754
Depreciation (Note 14.1.5)	26,388	22,590
Other charges	17,796	11,034
	447,277	391,788

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

32.1 Salaries, wages and other benefits include provident fund contribution of Rupees 8.634 million (2020: Rupees 7.561 million) by the Company.

(Rupees in '000')	2021	2020
32.1. Auditor's remuneration		
Audit fee	2,300	1,900
Half yearly review	300	300
Other certification fees	200	275
Reimbursable expenses	50	50
	2,850	2,525

33. OTHER EXPENSES

Donations (Note 33.1 and Note 33.2)	9,291	9,399
Allowance for expected credit losses (Note 22.4)	115	10,155
Workers' profit participation fund (Note 9.2)	29,826	838
De-recognition of accrued interest on debt instruments	-	1,143
Loss on sale of property, plant and equipment (Note 14.1.7)	887	-
Net exchange loss	65,913	21,930
	106,032	43,465

33.1 The Company has made donations exceeding Rupees 1 million or 10% of total donation, whichever is higher, to The Citizens Foundation amounting to Rupees 7.800 million (2020: Rupees 7.800 million).

33.2 There is no interest of any director or his / her spouse in donee's fund.

34. OTHER INCOME

Income from financial assets		
Dividend income (Note 34.1)	8,361	25,553
Mark-up on overdue receivables (Note 34.2)	46,887	67,904
Profit on saving accounts	2,616	2
Reversal of allowance for expected credit loss (Note 22.4)	5,470	-
	63,334	93,459
Income from non-financial assets		
Sale of empties and scrap	28,105	16,586
Rental income	1,965	1,894
Gain on remeasurement of GIDC liability (Note 8.2)	38,032	-
Gain on sale of property, plant and equipment	-	4,841
	68,102	23,321
	131,436	116,780

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
34.1 Dividend income		
From related party:		
Shams Textile Mills Limited	-	853
From others:		
Crescent Bahuman Limited-Preference dividend	-	24,700
Samba Bank Limited	8,361	-
	8,361	24,700
	8,361	25,553
34.2 This relates to mark-up charged on overdue receivables from Crescent Bahuman Limited.		
35. FINANCE COST		
Mark up on:		
Long term financing	66,539	64,010
Short term borrowings	338,908	398,094
Interest on workers' profit participation fund (Note 9.2)	89	915
Unwinding of discount on GIDC payable (Note 8.2)	25,368	-
Bank charges and commission	21,325	17,847
	452,229	480,866
36. TAXATION		
Charge for the year:		
Current (Note 36.1)	208,652	159,598
Deferred (Note 36.2)	85,875	(16,671)
	294,527	142,927

36.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available for carry forward as at 30 June 2021 are of Rupees 571.252 million (2020: Rupees 835.833 million). These tax losses relate to unabsorbed tax depreciation only. Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2021 is of Rupees 358.365 million (2020: Rupees 338.373 million), while deferred tax asset is recognized on minimum tax to the extent of Rupees 11.865 million. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not required in view of unused tax losses of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

The minimum tax would expire as follows:

(Rupees in '000')	Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	2021	102,779	2026
	2020	78,031	2025
	2019	70,323	2024
	2018	67,195	2023
	2017	40,037	2022
		358,365	

(Rupees in '000')	2021	2020
36.2 Deferred income tax effect due to:		
Tax depreciation allowance	159,901	177,229
Unused tax losses and minimum tax	(177,528)	(280,251)
Provision for doubtful receivables	(13,512)	(14,012)
Surplus on revaluation of operating fixed assets	299	420
	(30,840)	(116,614)
Opening balance as at 01 July	116,614	99,943
Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end	101	-
	85,875	(16,671)

37. EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share

Profit attributable to ordinary shareholders (Rupees in thousand)	515,650	33,599
Weighted average number of ordinary shares (Numbers)	80 000 000	80 000 000
Basic earnings per share (Rupees)	6.45	0.42

37.2 Diluted earnings per share

Profit attributable to ordinary shareholders (Rupees in thousand)	515,650	33,599
Weighted average number of ordinary shares including share deposit money (Numbers)	83 647 720	83 647 720
Diluted earnings per share (Rupees)	6.16	0.40

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
38. CASH GENERATED FROM OPERATIONS		
Profit before taxation	810,177	176,526
Adjustments for non-cash charges and other items:		
Depreciation	333,513	326,684
Amortization	7,653	7,754
Loss / (gain) on sale of property, plant and equipment	887	(4,841)
Dividend income	(8,361)	(25,553)
De-recognition of accrued interest on debt instruments	-	1,143
Allowance for expected credit losses	115	10,155
Reversal of allowance for expected credit losses	(5,470)	-
Gain on discounting of GIDC liability	(38,032)	-
Provision for workers' profit participation fund	29,826	838
Profit on saving accounts	2,616	2
Finance cost	452,229	480,866
Working capital changes (Note 38.1)	(908,716)	14,477
	676,437	988,051
38.1 Working capital changes		
Decrease / (increase) in current assets:		
- Stores, spare parts and loose tools	8,797	31,841
- Stock-in-trade	(524,924)	(901,886)
- Trade debts	(270,106)	132,495
- Loans and advances	(19,773)	(4,773)
- Short term deposits and prepayments	(46,516)	(13,172)
- Accrued interest	(8,970)	(880)
- Other receivables	(75,771)	186,159
	(937,263)	(570,216)
Increase in trade and other payables	28,547	584,693
	(908,716)	14,477

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

38.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

(Rupees in '000')	2021				2020		
	Share deposit money	Long term financing	Short term borrowings	Total	Long term financing	Short term borrowings	Total
Balance as at 01 July	-	1,154,940	6,239,650	7,394,590	1,395,071	5,935,657	7,330,728
Financing obtained	-	414,686	-	414,686	-	-	-
Share deposit money received	312,152	-	-	312,152	-	-	-
Amortization of Deferred grant	-	(10,024)	-	(10,024)	-	-	-
Short term borrowings - net	-	-	(112,110)	(112,110)	-	303,993	303,993
Repayment of financing	-	(116,176)	-	(116,176)	(240,131)	-	(240,131)
Balance as at 30 June	312,152	1,443,426	6,127,540	7,883,118	1,154,940	6,239,650	7,394,590

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

(Rupees in '000')	Chief Executive Officer		Directors		Executives	
	2021	2020	2021	2020	2021	2020
Managerial remuneration	10,800	10,563	7,800	18,328	118,709	95,367
Allowances						
House rent	4,860	4,754	3,510	8,247	25,032	22,129
Cost of living	-	-	-	-	165	132
Utilities	1,080	1,056	780	1,833	10,970	9,537
Medical	-	-	-	-	8,330	6,941
Special	-	-	-	-	8,413	7,007
Other allowances	720	704	1,020	2,305	2,760	2,716
Reimbursable expenses	387	775	943	6,365	8,067	4,153
Contribution to provident fund	675	660	488	477	5,676	4,570
	18,522	18,512	14,541	37,555	188,122	152,552
Number of persons	1	1	1	2	39	32

39.1 Certain executives are provided with rent free furnished accommodation and free use of Company maintained vehicles. The Chief Executive Officer and directors are provided with free use of the Company maintained vehicles.

39.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2020: five directors) was Rupees 620,000 (2020: Rupees 720,000).

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

40. PROVIDENT FUND

As at the reporting date, the investments out of Provident Fund Trust have been made in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose with the exception of investment in one listed equity security which exceeds the sub limit prescribed for investment in listed equity security of a particular company

41. NUMBER OF EMPLOYEES

The total and average number of employees at year end and during the year respectively are as follows:

(Number of Persons)	2021	2020
Number of employees as on 30 June	4 428	4 102
Average number of employees during the year	4 304	3 954

42. 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 along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

(Rupees in '000')			2021	2020
Name of related party	Basis of relationship	Nature of transactions		
<i>Associated companies</i>				
Premier Insurance Limited	Common directorship	Insurance premium paid	26,307	22,839
		Dividend paid	-	454
Suraj Cotton Mills Limited	Common directorship	Purchase of goods	44,526	70,622
		Sale of goods	74,664	-
		Dividend paid	-	989
Shams Textile Mills Limited	Common directorship	Services provided	718	702
		Sale of goods	-	82
		Dividend received	-	853
Shakarganj Limited	Common directorship	Dividend paid	-	4
<i>Other related parties</i>				
The Crescent Textile Mills Limited - Employees' Provident Fund Trust	Post employment benefit plan	Contribution paid	34,353	27,263
		Dividend paid	-	2,927
Chief Executive Officer, directors, and executives	Members of Board of directors and key management personnel	Dividend paid	-	5,091
		Sale of vehicles	-	2,086

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

42.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 39.

(Figures in '000')		2021	2020
43.	PLANT CAPACITY AND ACTUAL PRODUCTION		
	Spinning		
	100 % plant capacity converted to 20s count (Kgs.)	33 587	33 587
	Actual production converted to 20s count (Kgs.)	29 768	27 886
	Weaving		
	100 % plant capacity converted to 50 picks (Sq. Mtr.)	45 770	45 770
	Actual production converted to 50 picks (Sq. Mtr.)	38 136	34 432
	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)	95	75

43.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to extended maintenance of installed machinery carried out during the year. Actual power generation in comparison to installed capacity is low due to utilization of electricity supplied by FESCO.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

44. SEGMENT INFORMATION

(Rupees in '000')	Spinning		Weaving	
	2021	2020	2021	2020
Revenue				
External	6,435,726	4,739,801	299,623	399,070
Intersegment	2,151,558	2,402,182	8,083,377	5,913,368
	8,587,284	7,141,983	8,383,000	6,312,438
Cost of sales	(7,536,064)	(6,802,442)	(8,265,119)	(6,208,670)
Gross profit	1,051,220	339,541	117,881	103,768
Distribution cost	(69,923)	(56,683)	(12,856)	(14,482)
Administrative expenses	(129,189)	(113,221)	(40,305)	(35,326)
	(199,112)	(169,904)	(53,161)	(49,808)
Profit before taxation and unallocated income and expenses	852,108	169,637	64,720	53,960
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Taxation				
Profit after taxation				

44.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000')	Spinning		Weaving	
	2021	2020	2021	2020
Total assets for reportable segments	3,605,880	3,267,675	1,410,306	1,423,516
Unallocated assets				
Total assets as per statement of financial position				
All segment assets are allocated to reportable segments other than those directly relating to corporate				
Total liabilities for reportable segments	3,483,617	3,619,918	608,144	859,304
Unallocated liabilities				
Total liabilities as per statement of financial position				

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, 2021

Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
2021	2020	2021	2020	2021	2020	2021	2020
11,081,903	8,125,134	-	-	-	-	17,817,252	13,264,005
-	-	1,190,259	1,190,616	(11,425,194)	(9,506,166)	-	-
11,081,903	8,125,134	1,190,259	1,190,616	(11,425,194)	(9,506,166)	17,817,252	13,264,005
(9,829,609)	(7,046,444)	(1,158,263)	(1,163,204)	11,425,194	9,506,166	(15,363,861)	(11,714,594)
1,252,294	1,078,690	31,996	27,412	-	-	2,453,391	1,549,411
(681,680)	(497,344)	(4,653)	(5,037)	-	-	(769,112)	(573,546)
(255,089)	(223,352)	(22,694)	(19,889)	-	-	(447,277)	(391,788)
(936,769)	(720,696)	(27,347)	(24,926)	-	-	(1,216,389)	(965,334)
315,525	357,994	4,649	2,486	-	-	1,237,002	584,077
						(106,032)	(43,465)
						131,436	116,780
						(452,229)	(480,866)
						(294,527)	(142,927)
						515,650	33,599

Processing & Home Textile		Power Generation		Total - Company	
2021	2020	2021	2020	2021	2020
3,884,270	3,480,550	358,657	390,496	9,259,113	8,562,237
				11,005,358	10,232,631
				20,264,471	18,794,868
and tax assets.					
3,496,886	2,957,133	61,925	58,839	7,650,572	7,495,194
				2,739,353	2,659,970
				10,389,925	10,155,164

payables and current tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

44.2 Geographical Information

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

(Rupees in '000')	Spinning		Weaving		Processing & Home Textile		Total Company	
	2021	2020	2021	2020	2021	2020	2021	2020
Europe	-	-	38,431	83,382	8,955,736	6,734,867	8,994,167	6,818,249
America	-	-	-	6,217	1,203,435	465,122	1,203,435	471,339
Asia, Africa and Australia	-	-	-	-	767,720	772,318	767,720	772,318
Pakistan	6,435,726	4,739,801	261,192	309,471	155,012	152,827	6,851,930	5,202,099
	6,435,726	4,739,801	299,623	399,070	11,081,903	8,125,134	17,817,252	13,264,005

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

Yarn	6,134,772	4,442,240	47,973	11,287	-	-	6,182,745	4,453,527
Fabric	-	-	246,242	381,676	1,782,366	1,721,348	2,028,608	2,103,024
Made ups	-	-	-	-	9,294,055	6,391,131	9,294,055	6,391,131
Processing income	-	-	-	-	5,482	12,655	5,482	12,655
Raw material	26,565	23,545	-	-	-	-	26,565	23,545
Waste	274,389	274,016	5,408	6,107	-	-	279,797	280,123
	6,435,726	4,739,801	299,623	399,070	11,081,903	8,125,134	17,817,252	13,264,005

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

44.5 Revenue is recognized at the point of time as per terms and conditions of underlying contract with customers.

44.6 Revenue from major customers

Revenue from two major customers of Processing and Home Textile segment of the Company is of Rupees 4,183 million (2020: one major customer of Processing and Home Textile of Rupees 1,432 million).

45. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

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.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro and Swiss Franc (CHF). 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:

	2021	2020
Cash at banks - USD	1,579	1,579
Trade debts - USD	9,342,871	8,083,792
Trade debts - Euro	612,342	659,553
Trade and other payables - USD	(900,440)	(480,900)
Trade and other payables - Euro	(25,247)	(387,205)
Trade and other payables - CHF	(3,653)	(3,653)
Short term borrowings - USD	(4,540,777)	(1,982,020)
Net exposure - USD	3,903,233	5,622,451
Net exposure - Euro	587,095	272,348
Net exposure - CHF	(3,653)	(3,653)

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	159.56	164.00
Reporting date rate	157.80	168.25
Rupees per Euro		
Average rate	191.27	175.12
Reporting date rate	188.12	189.11
Rupees per CHF		
Average rate	174.65	173.02
Reporting date rate	171.86	177.43

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and CHF with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 29.257 million (2020: Rupees 44.934 million) higher / lower, Rupees 5.246 million (2020: Rupees 2.446 million) higher / lower and Rupees 0.030 million (2020: Rupees 0.031 million) lower / higher 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 manages price risk by monitoring the exposure in quoted securities and implementing strict discipline in internal risk management and investment policies, which includes disposing of its equity investments before it would led the Company to credit loss. As of reporting date, the Company was exposed to equity price risk since it had investments in quoted securities amounting to Rupees 1,357.077 million (2020: Rupees 1,007.278 million). The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Company's equity (fair value reserve of FVTOCI investments). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables of FVTOCI instruments held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index (Rupees in '000')	Impact on statement of other comprehensive income (fair value reserve)	
	2021	2020
PSX 100 (5% increase)	67,854	50,364
PSX 100 (5% decrease)	(67,854)	(50,364)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

The Company's interest rate risk arises from long term financing, short term borrowings, trade debts of Crescent Bahuman Limited (CBL) and bank deposit in saving account. 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 reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

(Rupees in '000')	2021	2020
Fixed rate instruments		
Financial liabilities		
Long term financing	1,417,149	1,128,663
Short term borrowings	3,364,000	3,716,000
Floating rate instruments		
Financial assets		
Trade debts-CBL	491,343	480,012
Deposit on saving accounts	263,336	11,232
Financial liabilities		
Long term financing	26,277	26,277
Short term borrowings	2,763,540	2,523,650

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 reporting 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 19.334 million (2020: Rupees 19.557 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 reporting dates 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:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	2021	2020
Investments	4,598,187	4,170,127
Trade debts	2,694,954	2,419,493
Loans and advances	991	1,591
Deposits	130,701	105,687
Accrued interest	14,621	5,651
Other receivables	721	1,882
Bank balances	335,819	36,745
	7,775,994	6,741,176

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 A1+ to A1 in short term and AAA to A in long term.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to major customers are secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 22.4 to the financial statements.

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 30 June 2021, the Company had Rupees 646 million (2020: Rupees 659 million) available borrowing limits from financial institutions and Rupees 337.930 million (2020: Rupees 38.985 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, 2021

Contractual maturities of financial liabilities as at 30 June 2021:

(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	1,443,426	1,586,808	273,336	259,618	418,276	635,578
Trade and other payables	1,971,146	1,971,146	1,971,146	-	-	-
Unclaimed dividend	11,109	11,109	11,109	-	-	-
Accrued mark-up	79,606	79,606	79,606	-	-	-
Short term borrowings	6,127,540	6,239,797	6,137,547	102,250	-	-
	9,632,827	9,888,466	8,472,744	361,868	418,276	635,578

Contractual maturities of financial liabilities as at 30 June 2020:

Non-derivative financial liabilities:						
Long term financing	1,154,940	1,327,128	28,630	62,923	360,985	874,590
Trade and other payables	1,962,176	1,962,176	1,962,176	-	-	-
Unclaimed dividend	11,232	11,232	11,232	-	-	-
Accrued mark-up	100,604	100,604	100,604	-	-	-
Short term borrowings	6,239,650	6,415,623	4,151,623	2,263,999	-	-
	9,468,602	9,816,763	6,254,265	2,326,922	360,985	874,590

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 30 June. The rates of interest / mark-up have been disclosed in Note 7 and 11 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

45.2 Financial instruments by categories

(Rupees in '000')	2021	2020
Financial assets as per statement of financial position		
At amortized cost		
Loans and advances	991	1,591
Deposits	130,701	105,687
Trade debts	2,694,954	2,419,493
Accrued interest	14,621	5,651
Other receivables	721	1,882
Cash and bank balances	337,930	38,985
	3,179,918	2,573,289
At fair value through other comprehensive income		
Investments	4,598,187	4,170,127
	7,778,105	6,743,416
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	1,443,426	1,154,940
Trade and other payables	1,971,146	1,962,176
Unclaimed dividend	11,109	11,232
Accrued mark-up	79,606	100,604
Short term borrowings	6,127,540	6,239,650
	9,632,827	9,468,602

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Reconciliation to the line items presented in the statement of financial position is as follows:

(Rupees in '000')	2021			2020		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
Assets as per statement of financial position						
Loans and advances	991	41,041	42,032	1,591	20,668	22,259
Deposits	130,701	-	130,701	105,687	-	105,687
Trade debts	2,694,954	-	2,694,954	2,419,493	-	2,419,493
Accrued interest	14,621	-	14,621	5,651	-	5,651
Other receivables	721	365,695	366,416	1,882	293,948	295,830
Cash and bank balances	337,930	-	337,930	38,985	-	38,985
Investments	4,598,187	-	4,598,187	4,170,127	-	4,170,127
	7,777,114	365,695	8,142,809	6,741,825	293,948	7,035,773

(Rupees in '000')	2021			2020		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
Liabilities as per statement of financial position						
Long term financing	1,443,426	-	1,443,426	1,154,940	-	1,154,940
Trade and other payables	1,971,146	88,666	2,059,812	1,962,176	64,544	2,026,720
Unclaimed dividend	11,109	-	11,109	11,232	-	11,232
Accrued mark-up	79,606	-	79,606	100,604	-	100,604
Short term borrowings	6,127,540	-	6,127,540	6,239,650	-	6,239,650
	9,632,827	88,666	9,721,493	9,468,602	64,544	9,533,146

45.3 Offsetting financial assets and financial liabilities

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

45.4 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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred in Note 7 and 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy which was unchanged from last year is to maintain a gearing ratio of 40% debt and 60% equity.

(Rupees in '000')	2021	2020
Borrowings	7,570,966	7,394,590
Total equity	9,874,546	8,639,704
Total capital employed	17,445,512	16,034,294
Gearing ratio (Percentage)	43.40	46.12

The decrease in the gearing ratio resulted primarily from share deposit money received and increase in fair value of investments of the Company.

46. 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 recognized 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 30 June 2021				
At fair value through other comprehensive income	1,357,077	-	3,241,110	4,598,187
	1,357,077	-	3,241,110	4,598,187
At 30 June 2020				
At fair value through other comprehensive income	1,007,278	-	3,162,849	4,170,127
	1,007,278	-	3,162,849	4,170,127

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

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

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

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

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

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

(ii) Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include the use of quoted market prices for listed securities and discounted cash flow method for most of the unlisted securities.

(iii) Fair value measurements using significant unobservable inputs (level 3)
Following table presents the changes in level 3 items for the period ended 30 June 2021:

(Rupees in '000')	Unlisted equity securities
Balance as on 30 June 2019	2,245,709
Less: Preference shares converted into non-voting ordinary shares	1,976,000
Add:	
Non-voting ordinary shares converted from preference shares	1,976,000
Dividend converted into non-voting ordinary shares	889,200
Surplus recognized in other comprehensive income	27,940
Balance as on 30 June 2020	3,162,849
Add: Surplus recognized in other comprehensive income	78,261
Balance as on 30 June 2021	3,241,110

(iv) Valuation inputs and relationships to fair value
Following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of unquoted investments in Crescent Bahuman Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

Description (Rupees in '000')	Fair value at		Unobservable inputs	Range of inputs (probability weighted average) 30 June 2021	Relationship of unobservable inputs to fair value"
	30 June 2021	30 June 2020			
At fair value through other comprehensive income					
Crescent Bahuman Limited	3,241,036	3,162,675	Revenue growth factor	6.29%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +
			Risk adjusted discount rate	10.50%	1,015.669 million / - 793.257 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair value. Moreover, the remaining unquoted investment representing shares of Premier Financial Services (Private) Limited having carrying value of Rupees 0.074 million (2020: Rupees 0.174 million) have been valued at breakup value of shares due to its meager cost.

Valuation process

The value of investments in Crescent Bahuman Limited is based on a valuation analysis carried out by an external investment advisor engaged by the Company during the year. The independent valuer reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once every year.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

47. 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 recognized 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:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

(Rupees in '000')	Level 1	Level 2	Level 3	Total
At 30 June 2021				
Land - freehold	-	4,255,643	-	4,255,643
Land - leasehold	-	14,788	-	14,788
Total	-	4,270,431	-	4,270,431
At 30 June 2020				
Land - freehold	-	4,255,643	-	4,255,643
Land - leasehold	-	15,001	-	15,001
Total	-	4,270,644	-	4,270,644

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

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

The Company obtains independent valuation for its freehold and leasehold land (classified as property, plant and equipment) at least in every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines 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 30 June 2020 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of SBP as per basis stated in Note 14.1.1 to the financial statements.

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 14, 2021.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2021

49. CORRESPONDING FIGURES

No significant rearrangements / reclassifications have been made except for Gas Infrastructure Development Cess (GIDC) payable amounting to Rupees 455.824 million which has been reclassified from trade and other payables to current portion of deferred liabilities and income tax amounting to Rupees 777.774 million which has been reclassified from loans and advances to the face of statement of financial position for the purpose of better presentation.

50. GENERAL

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2021

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
561	1	100	16,813	2	245,001	250,000	500,000
635	101	500	209,321	1	250,001	255,000	254,329
387	501	1,000	344,313	1	255,001	260,000	256,931
713	1,001	5,000	2,011,860	2	260,001	265,000	525,710
242	5,001	10,000	1,998,286	1	270,001	275,000	271,500
91	10,001	15,000	1,174,360	1	280,001	285,000	280,430
56	15,001	20,000	1,034,949	2	290,001	295,000	586,866
43	20,001	25,000	1,018,864	1	305,001	310,000	306,279
27	25,001	30,000	766,287	1	315,001	320,000	317,777
18	30,001	35,000	583,832	2	320,001	325,000	647,954
11	35,001	40,000	425,280	1	330,001	335,000	333,297
12	40,001	45,000	521,197	1	335,001	340,000	339,543
26	45,001	50,000	1,282,799	1	340,001	345,000	343,058
5	50,001	55,000	267,516	1	345,001	350,000	348,335
6	55,001	60,000	345,232	1	390,001	395,000	391,743
8	60,001	65,000	504,063	1	405,001	410,000	406,096
4	65,001	70,000	272,169	3	425,001	430,000	1,281,122
4	70,001	75,000	286,350	3	450,001	455,000	1,356,944
6	75,001	80,000	460,200	2	485,001	490,000	974,217
1	80,001	85,000	85,000	2	495,001	500,000	1,000,000
3	85,001	90,000	264,913	2	500,001	505,000	1,004,111
3	90,001	95,000	274,780	1	525,001	530,000	527,799
12	95,001	100,000	1,194,410	1	540,001	545,000	542,003
1	100,001	105,000	102,589	1	570,001	575,000	571,848
1	105,001	110,000	106,500	1	575,001	580,000	580,000
1	110,001	115,000	110,016	1	605,001	610,000	609,710
2	115,001	120,000	233,985	1	635,001	640,000	635,905
3	120,001	125,000	367,436	1	705,001	710,000	707,805
4	125,001	130,000	512,102	1	720,001	725,000	725,000
2	135,001	140,000	277,140	1	745,001	750,000	748,018
1	140,001	145,000	141,428	1	750,001	755,000	755,000
5	145,001	150,000	746,229	1	755,001	760,000	755,985
2	155,001	160,000	316,978	1	765,001	770,000	768,500
3	160,001	165,000	480,920	1	815,001	820,000	820,000
2	165,001	170,000	334,709	1	820,001	825,000	824,907
4	170,001	175,000	688,228	1	895,001	900,000	897,103
2	185,001	190,000	377,340	1	985,001	990,000	988,599
1	195,001	200,000	200,000	1	1,005,001	1,010,000	1,008,000
2	200,001	205,000	407,847	1	1,055,001	1,060,000	1,057,002
1	205,001	210,000	207,926	1	1,075,001	1,080,000	1,079,275
2	215,001	220,000	437,146	1	1,140,001	1,145,000	1,140,541
2	220,001	225,000	450,000	1	1,325,001	1,330,000	1,327,112
1	240,001	245,000	241,888	1	1,335,001	1,340,000	1,338,167

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2021

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
1	1,340,001	1,345,000	1,344,036	1	1,675,001	1,680,000	1,677,239
1	1,380,001	1,385,000	1,381,536	1	1,680,001	1,685,000	1,684,101
1	1,480,001	1,485,000	1,481,219	1	1,995,001	2,000,000	2,000,000
1	1,590,001	1,595,000	1,594,629	1	3,600,001	3,605,000	3,603,635
1	1,645,001	1,650,000	1,648,500	1	3,775,001	3,780,000	3,779,891
1	1,655,001	1,660,000	1,658,128	1	5,925,001	5,930,000	5,929,364
				2,982			80,000,000

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2021

Categories of Shareholders	Physical	CDC	Total	% age
	(Number of shares held)			
1 - Directors, Chief Executive Officer, Their Spouses and Minor Children				
1.1- Chief Executive Officer				
Mr. Muhammad Anwar	-	897,103	897,103	1.12
1.2- Directors				
Mr. Amin Anjum Saleem	-	25,360	25,360	0.03
Mr. Ahmad Shafi	-	3,603,635	3,603,635	4.50
Mr. Amjad Mahmood	-	102,589	102,589	0.13
Mr. Khalid Bashir	191	1,658,128	1,658,319	2.07
Mr. Khurram Mazhar Karim	-	165,709	165,709	0.21
Mrs. Nazia Maqbool	-	571,848	571,848	0.71
1.3- Director's Spouses				
Begum Tanveer Khalid Bashir	-	343,058	343,058	0.43
Mr. Nadeem Maqbool	-	339,543	339,543	0.42
Mrs. Abida Anwar	-	33,326	33,326	0.04
Mrs. Mehreen Ahmad	-	64,000	64,000	0.08
Mrs. Naheed Amjad	-	426,622	426,622	0.53
	191	8,230,921	8,231,112	10.29
2- Associated Companies, Undertakings & Related Parties				
Shakarganj Limited	5,898	-	5,898	0.01
Crescent Group (Private) Limited	110	-	110	0.00
Suraj Cotton Mills Limited	-	1,648,500	1,648,500	2.06
Trustees The Crescent Textile Mills Employees Provident Fund Trust	-	3,057,002	3,057,002	3.82
Premier Insurance Limited	-	755,985	755,985	0.94
	6,008	5,461,487	5,467,495	6.83
3- NIT & ICP				
CDC- Trustee National Investment (Unit) Trust	-	1,684,101	1,684,101	2.11
	-	1,684,101	1,684,101	2.11
4- Mutual Funds				
M/S. Tri-Star Mutual Fund Limited	-	383	383	0.00
	-	383	383	0.00
5- Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks	12,255	255,552	267,807	0.33
Pension Funds	-	188,340	188,340	0.24
	12,255	443,892	456,147	0.57

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2021

	Physical	CDC	Total	% age
	(Number of shares held)			
6- Insurance Companies	704	291,981	292,685	0.37
7- Modarabas	842	1,500	2,342	0.00
8- Other Companies, Corporate Bodies, Trust etc.				
Other Companies, Corporate Bodies	52,086	19,869,874	19,921,960	24.90
Trust	5,434	-	5,434	0.01
	57,520	19,869,874	19,927,394	24.91
9- General Public				
General Public (Local)	2,224,070	41,711,150	43,935,220	54.92
General Public (Foreigner)	-	3,121	3,121	0.00
	2,224,070	41,714,271	43,938,341	54.92
	2,301,590	77,698,410	80,000,000	100.00
Shareholders More Than 5.00%				
CS Capital (Private) Limited			5,929,364	7.41
Crescent Cotton Mills Limited			4,359,891	5.45

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 72nd Annual General Meeting (AGM) of the members of The Crescent Textile Mills Limited (the "Company") will be held on Tuesday, October 26, 2021 at 10:00 am at the registered office of the Company, Sargodha Road, Faisalabad, to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2 To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s. Riaz Ahmad and Company Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

Special Business:

3. To consider and, if deemed fit, pass the following resolution as Special Resolution with or without modification for enhancement in authorized share capital of and alterations in the memorandum of the Company:

"Resolved

That the authorized share capital of the company be and is hereby increased from Rs. 1,000,000,000 divided into 100,000,000 shares of Rs.10 each to Rs.2,000,000,000 divided into 200,000,000 shares of Rs.10 each ranking pari passu in every respect with the existing ordinary shares of the Company."

"Resolved Further

That in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced accordingly, to read as follows;

Clause V of the Memorandum of Association

"The authorized capital of the Company is Rs. 2,000,000,000 (Rupees Two Thousand million) divided into 200,000,000 (Two Hundred million) ordinary shares of Rs. 10.00 (Rupees Ten) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company in accordance with law: provided however, that rights as between various classes of ordinary shares, if any, as to profits, votes and other benefits shall be strictly proportionate to the paid up value of the shares."

"Resolved Further

That the Chief Executive Officer, Company Secretary and Chief Financial Officer be and are hereby singly authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Memorandum of Association of the Company including filing of all requisite documents/ statutory forms as may be required and complying with all other regulatory requirements so as to effectuate the alteration in the Memorandum of Association of the Company."

NOTICE OF ANNUAL GENERAL MEETING

“Resolved Further

That the aforesaid alteration in the Memorandum of Association of the company shall be subject to any amendment, modification, addition or deletion as may be suggested by the Registrar/SECP and any such alteration or amendment shall be effective and treated as approved by the shareholders and deemed to be part and parcel of this resolution without the need for any fresh approval of the members in the general meeting.”

By Order of the Board
Naseer Ahmad Chaudhary
Company Secretary

Registered Office:
Sargodha Road,
Faisalabad:
T:+92-41-111-105-105
F:+92-41-878 65 25
Dated: October 05, 2021

[A Statement under Section 134(3) of the Companies Act, 2017 pertaining to the special business is being sent to the shareholders along with this notice.]

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from October 20, 2021 to October 26, 2021 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 19, 2021, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan (“SECP”) in terms of its Circular No. 5 dated March 17, 2020 and Circular No. 25 dated August 31, 2020, has advised the companies to modify their usual planning for general meetings for safety and wellbeing of shareholders and the public at large with minimal physical interaction.

Hence, shareholders who are interested to attend the AGM through electronic means, are hereby requested to get themselves registered with the Company Secretary Office by providing the required details at the earliest but not later than 72 hours before the time of AGM through following means:

- a) Mobile / WhatsApp No. 0300-6600765
- b) E-mail address: naseer.ahmad@ecrestex.pk

Shareholders are advised to mention Name, CNIC Number, Folio CDC Account Number, Cell Number and E-mail ID for their identification.

Upon receipt of above information from interested shareholders, the Company will provide login credentials to participate in AGM via electronic means.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders may provide their comments or suggestions relating to agenda items of AGM through Email / WhatsApp No. mentioned above.

Shareholders are encouraged to consolidate their attendance and participation through proxies for minimal public interaction.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
 - A. For attending the meeting:
 - a) In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
 - b) In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
 - B. For Appointing Proxies
 - a) In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e) In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

NOTICE OF ANNUAL GENERAL MEETING

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also 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. In case of non-submission, all future dividend payments may be withheld.

Shareholder's Bank Account Detail:						
1. Title of Bank Account						
2. IBAN (Should be 24 digits)	PK					
3. Bank's Name						
4. Branch Name & Code No.						
5. Branch Address						

7. Zakat Declarations

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through CD/DVD/USB/Email

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 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 intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.crescenttextile.com.

9. Tax Deductions

Pursuant to the provisions of the Income Tax Ordinance, 2001, the deduction of income tax from dividend payments shall be made on the basis of following categories of shareholders at the rates prescribed under section 150 of the Income Tax Ordinance, 2001:

S.No	Category of Shareholders	
1.	Shareholders appearing in Active Taxpayers' List (ATL)	15%
2.	Shareholders not appearing in Active Taxpayers' List (ATL)	30%

NOTICE OF ANNUAL GENERAL MEETING

Tax deduction will be made on the basis of Active Taxpayers' List provided on the website of Federal Board of Revenue.

Members seeking exemption from deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings shall be dealt separately as appearing in ATL or not appearing in ATL and in such particular situation, tax will be deducted according to proportionate shareholding of joint shareholders. 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
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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.

11. Conversion of Physical Securities into Book Entry Form

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

12. 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 AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form available on the Company's website: www.crescenttextile.com.

NOTICE OF ANNUAL GENERAL MEETING

13. Change of address

Members are requested to promptly notify to the Company's Share Registrar of any change in their addresses.

14. Placement of Financial Statements and Other Information on Company's website

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended June 30, 2021 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.crescenttextile.com.

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the annual general meeting of the company.

Enhancement in Authorized Share Capital

To cope with further issue of shares in future, the authorized share capital is required to be enhanced from Rupees 1,000,000,000 divided into 100,000,000 ordinary shares of Rupees 10 each to Rupees 2,000,000,000 divided into 200,000,000 ordinary shares of Rupees 10 each. The Board of Directors of the company has recommended to enhance the authorised share capital of the company and also recommend to substitute the Clause V of Memorandum of Association to reflect the proposed enhancement in authorised share capital of the company and proposed the members to pass said resolutions as special resolutions.

Reason for Enhancement

Enhancement in authorized share capital is being proposed in order to accommodate further issue of shares in future.

Directors Interest

The Directors of the Company have no interest in this business except to the extent of their respective shareholding in the Company.

Statement of the Board of Directors

We, the members of the Board of Directors of The Crescent Textile Mills Limited hereby confirm that the proposed amendments/alteration in the Memorandum of Association of the company are in line with the applicable laws and regulatory framework.

NOTICE OF ANNUAL GENERAL MEETING

Comparative clause V of Memorandum of Association

Clause V of the Memorandum existing and amended is as follows:

Existing

V. The capital of the Company is Rs. 1,000,000,000 (Rupees One Thousand million) divided into 100,000,000 (Hundred million) ordinary shares of Rs. 10.00 (Rupees 10) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the Company. and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company in accordance with law: provided however, that rights as between various classes of ordinary shares, if any, as to profits, votes and other benefits shall be strictly proportionate to the paid up value of the shares.

Amended

V. The authorized capital of the Company is Rs. 2,000,000,000 (Rupees Two Thousand million) divided into 200,000,000 (Two Hundred million) ordinary shares of Rs. 10.00 (Rupees Ten) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company in accordance with law: provided however, that rights as between various classes of ordinary shares, if any, as to profits, votes and other benefits shall be strictly proportionate to the paid up value of the shares."

A copy of the amendments in the Memorandum of Association of the Company has been kept at the Registered Office of the Company and may be inspected by members on working days during usual business hours from Monday to Friday (9.00 a.m. - 5.00 p.m.) from the date of issuance/publication of this notice till the date of Annual General Meeting.

PROXY FORM

I/We _____
of _____ being
a member(s) of The Crescent Textile Mills Limited hold _____ ordinary
Shares hereby appoint Mr./Mrs./Miss _____
of _____
_____ or failing him _____ of
_____ as my/our proxy in my/our absence
to attend and vote for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company to be held on
Tuesday October 26, 2021 and /or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ October 2021.

Signed by _____
in _____ the _____ presence _____ of _____

Folio No.	CDC Account No.	
	Participant ID	Account No.

Signature on Five Rupees
Revenue Stamp

The Signature should agree
with the specimen registered
with the Company

IMPORTANT:

- 1 This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, mills premises, Sargodha Road, Faisalabad not less than 48 hours before the time of holding the meeting.
- 2 If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities

In addition to the above the following requirements have to be met.

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) To attend the meeting through video link etc., proxy may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address by October 23, 2021 at the email naseer.ahmad@ecrestex.pk.
- (ii) The video link of meeting shall be sent to the members on their registered email addresses.



پراکسی فارم

میں / ہم _____

کال کے بحیثیت ممبر (ز) دی کریڈنٹ ٹیکنیکل ملز لمیٹڈ اور حامل عام حصص محترم / محترمہ _____

یا ان کے حاضر نہ ہو سکنے کی صورت میں _____

کو اپنے / ہمارے ایما پر کمپنی کے 26 اکتوبر 2021 بروز منگل کو ہونے والے 72 واں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا / کرتے ہیں۔

بطور گواہ آج بتاریخ _____ دن _____ اکتوبر 2021 میرے / ہمارے دستخط ہونے

دستخط _____

کی موجودگی میں _____

پانچ روپے کے رسیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت
ہونا لازمی ہے

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شرکت داری شناخت	

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس سرگودھا روڈ، فیصل آباد میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹس آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کیلئے مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔
 - (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔
 - (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
 - (iii) کارپوریٹ ادارے کے صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرا یا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



Mills & Registered Office

Sargodha Road,

Faisalabad, Pakistan

T: +92-41-111-105-105

F: +92-41-8786525

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