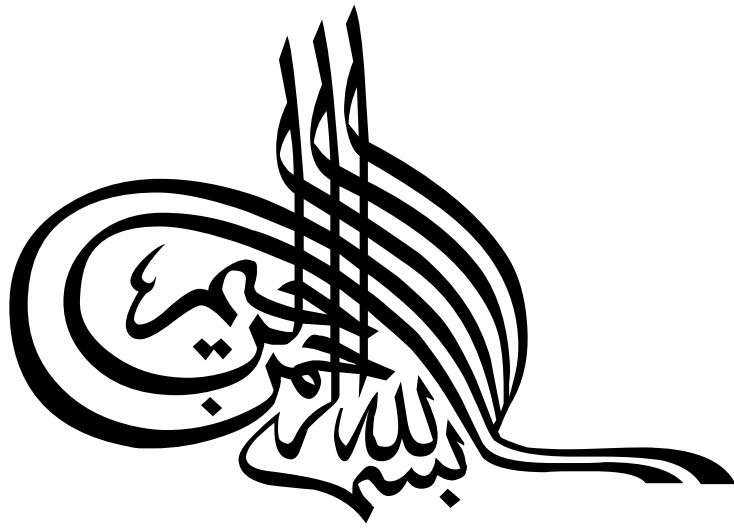


2022 ANNUAL REPORT



| 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	Chairperson	
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
Mrs. Sabteela Tosheen		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

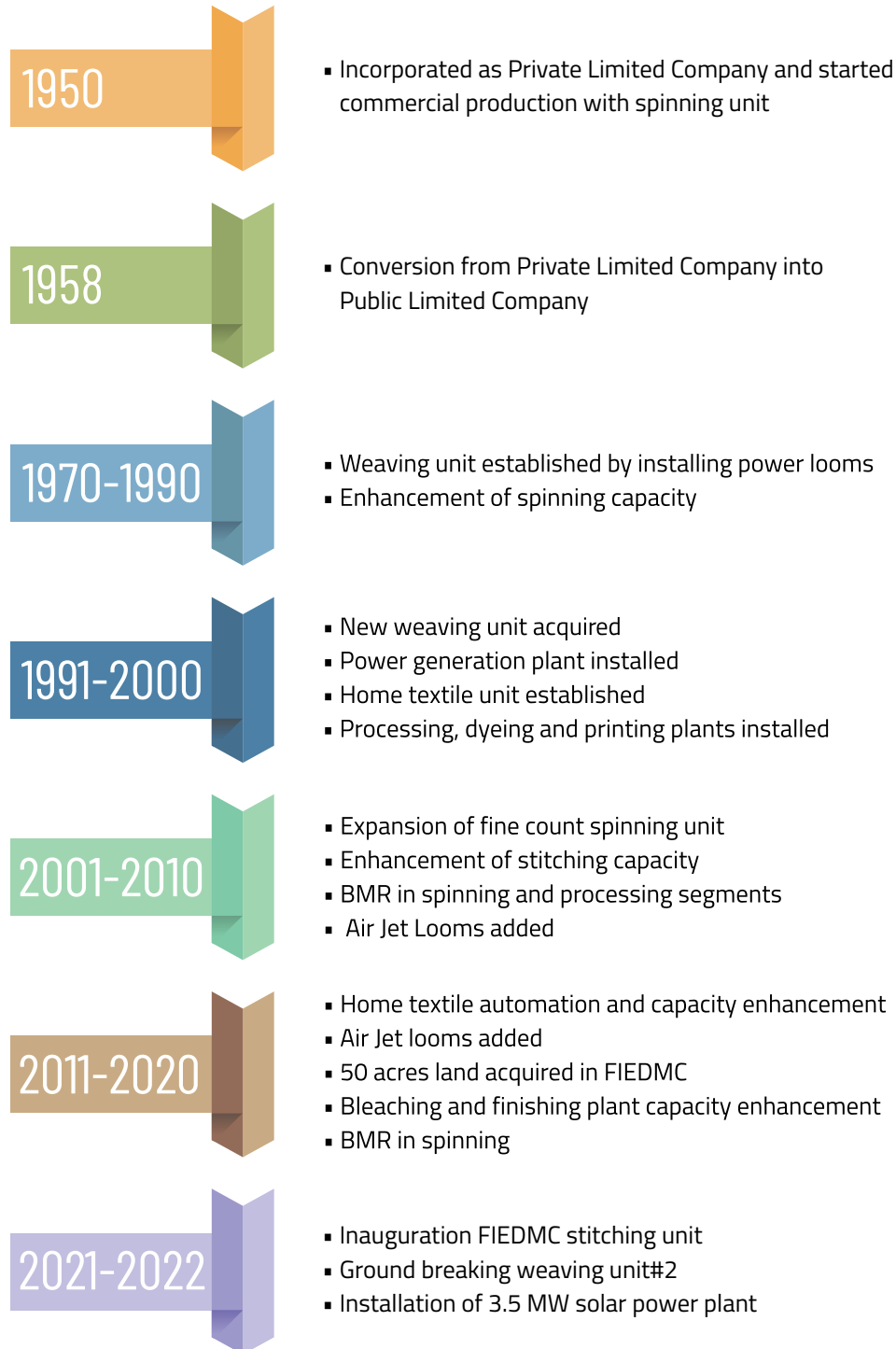
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

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



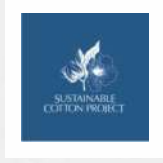
NORDIC
Eco Label



NORDIC
Eco Label /Swan



Green Button



SUSTAINABLE
COTTON



Guarantees
a better deal for third
world Producers



COTTON
Made in Africa



SEDEX
SMETA/SEDEX
4 Pillars



GRS
Global Recycled
Standard



LEEDs



ISO 9001
Quality Management
system



ISO 14001
Environment Management
system



SA 8000
Social
Accountability



ISO 50001



COTTON USA COTTON
THE WORLD TRUSTS



HIGG INDEX



SUPIMA COTTON



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



MADE IN GREEN
Oeko-Tex Step



DETOX



LENZING



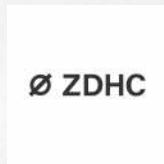
BRC



US COTTON TRUST
PROTOCOL



BCI
Better Cotton
Initiative



ZDHC



GSV



SCAN



FDA USA



SLCP



CleanChain



Supplier to zero

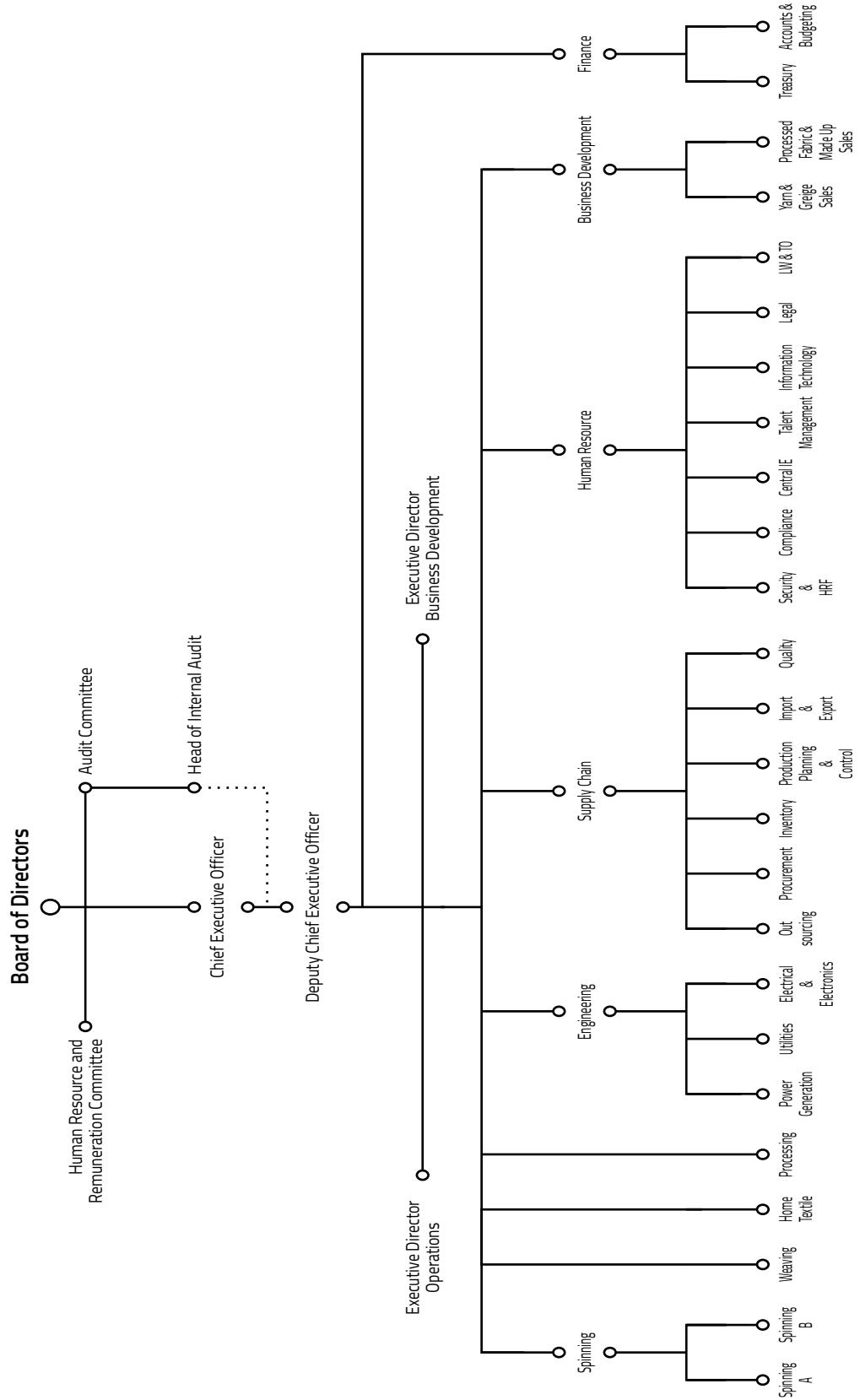


CALENDAR

of Corporate and Notable Events July 2021 to June 2022

▪ Credit of right shares into CDS	July 28, 2021
▪ Covid vaccination drive	August 12, 2021
▪ BOD meeting for annual accounts	September 14, 2021
▪ Plantation drive for kids	September 16, 2021
▪ Health and fitness session	September 22, 2021
▪ Promotion ceremony	October 22, 2021
▪ Annual general meeting	October 26, 2021
▪ BOD meeting for 1st quarter accounts	October 29, 2021
▪ Breast cancer awareness session	November 12, 2021
▪ Movember celebration	November 20, 2021
▪ Training center inauguration	November 24, 2021
▪ Corporate briefing session	November 25, 2021
▪ Session on road safety	November 29, 2021
▪ Inauguration FIEDMC Stitching Unit	February 4, 2022
▪ BOD meeting for half yearly accounts	February 25, 2022
▪ Women's day celebration	March 8, 2022
▪ Pakistan day celebration	March 23, 2022
▪ Ground breaking Weaving Unit#2	March 31, 2022
▪ BOD meeting for 3rd quarter accounts	April 29, 2022
▪ Annual Sports Gala	June 27, 2022

MANAGEMENT STRUCTURE / ORGANIZATION CHART



CHAIRMAN'S REVIEW

for the year ended June 30, 2022

I am pleased to present this report to the shareholders of The Crescent Textile Mills Limited (the "Company") pertaining to the overall performance of the Board and the effectiveness of its role in attaining Company's objectives. I congratulate all shareholders and other stakeholders about the exceptional financial performance of the Company during the year. 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, 2022, 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, 2022

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, 2022.

Industry Overview

Pakistan's economy had a volatile growth pattern over the years, with regular boom and bust cycles. However, during FY 2022 strong momentum in economic activity continued. GDP growth rate was 5.97%, led by 7.2% growth in industrial output, 6.2% increase in services sector and 4.4% rise in agriculture sector. Pakistan's overall exports increased by 25.64% to USD 31.791 billion. Meanwhile, the country's imports recorded increase of 42.2% and swelled to USD 80.177 billion. The country's trade deficit was recorded at USD 48.386 billion during FY 2022 as compared to USD 31.076 billion in the corresponding period. Textile exports increased by 25.53% to USD 19.33 billion from USD 15.39 billion in reported period. Bed wear exports increased by 19% in value and 11% in quantity. Knitwear exports increased by 34% in value and reduced by 5% in quantity. Garments exports increased by 29% in value and 49% in quantity.

Going forward, FY 2023 seem to be a challenging period for economy, and especially for the textile sector. The prevailing Russia-Ukraine conflict has substantially inflated global commodity prices. Taxation measures taken by the new government in FY 2023 budget targeted already documented and taxed segments of the economy. Majority of the targets seem too ambitious, and the government will find it difficult to achieve them under the prevailing global and domestic economic scenario. Decade-high level of Policy Rates, record international commodity prices, elevated current account deficit (CAD) and sharp increase in energy prices will keep inflation trajectory on the higher side and slow down GDP growth in the country.

Company's Performance

The current financial year was the most successful year of your company by the grace of Allah Almighty. The Management continued to focus on profitable avenues, maximizing efficiency in production activities and cost rationalization through various means. The operating results of the Company are summarized as follows:

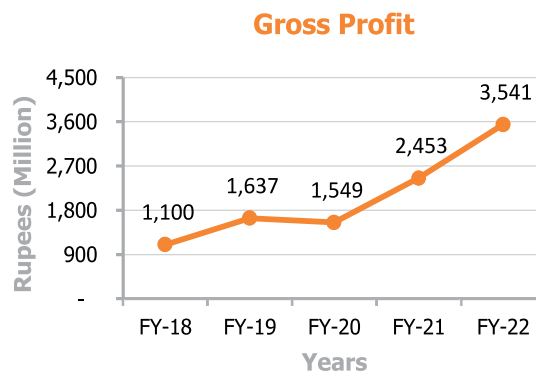
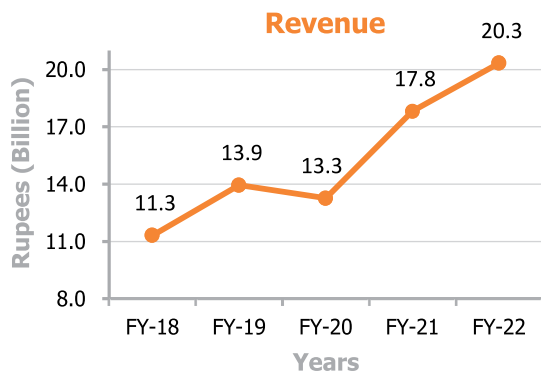
(Rupees in million)	FY 2022	FY 2021	Variance	%
Revenue	20,331	17,817	2,514	14
Gross profit	3,541	2,453	1,088	44
Operating cost	1,659	1,322	336	25
Finance cost	498	452	46	10
Other income	377	131	246	187
Taxation	415	295	120	41
Net profit after tax	1,347	516	831	161
EPS Basic (Rs. per share)	13.68	6.12	7.56	124
EPS Diluted (Rs. per share)	13.64	6.12	7.52	123

Sales revenue of your company increased by 14% to the highest ever sales figure of Rs. 20.3 billion, as compared to Rs. 17.8 billion during the corresponding period. Its main reason was remarkable increase in local sales by Rs. 2,880 million on account of both quantity and rate variances. Last five years' review of sale shows that it has increased consistently over the period. Similarly last five years'

review of gross profit shows that it has increased steadily over the period. It increased by 1,088 million during FY 22. The Company achieved this unprecedented increase due to better cost management otherwise, raw material cost had increased significantly during the financial year under review.

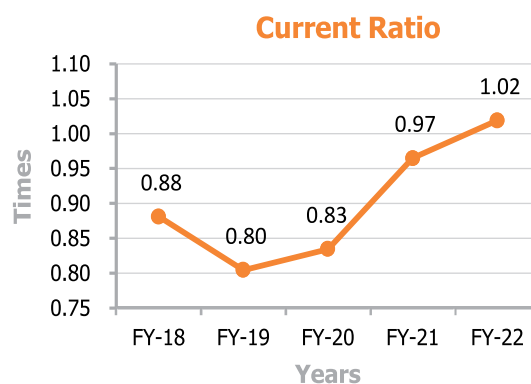
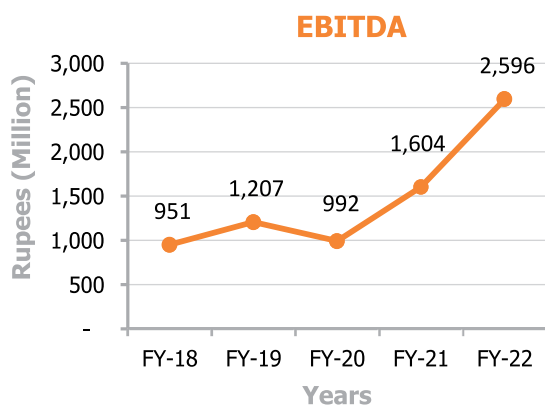
DIRECTORS' REPORT

for the year ended June 30, 2022



Operating cost increased by 25% due high distribution cost on account of increased sale volume. Other Income increased by Rs 246 million mainly due exchange gain on foreign currency receivables. This remarkable gain was achieved by close monitoring of foreign currency exposure throughout the year. Finance cost increased by 10 percent in comparison to last year due increase in average borrowing rates. Income tax provision increased by 41% due increase in turnover tax and deferred tax liability.

EBITDA of the Company impressively increased by Rs. 992 million in the current financial year as compared to the corresponding last year. This shows a strong liquidity, as a result of exceptional profits which has enabled the Company to easily finance its working capital needs. As a result of remarkable profitability, cash flow position of the Company has improved in this year. Current ratios increased from 0.97 to 1.02.



DIRECTORS' REPORT

for the year ended June 30, 2022

Business Segments

Spinning segment substantially improved over the previous year, due to increased margins owing to sharp increases in yarn prices. On the other side, raw cotton prices also increased consistently during the year due to shortage of local cotton, ban on imports from India and

increase in the rates of imported cotton. The management successfully mitigated the risk of hike in cotton prices by timely procuring major portion of its required cotton stocks. Spinning division produced 17 million Kgs of Yarn. Financial performance of spinning segment summarized as under:

	FY 2022 Rs million	FY 2021 Rs million	Change %
Sales	10,668	8,587	24
Cost of sales	9,232	7,536	23
Gross profit	1,436	1,051	37
Distribution and administrative expenses	236	199	19
Profit before unallocated expenses and income	1,200	852	41

Weaving segment mainly caters in-house requirement for Processing and Home Textile divisions. The Company's inhouse weaving facility produced 10.5 million meters of fabric. Operational performance improved due improved

sale rate and better capacity utilization and increase in plant efficiency. Financial performance of weaving segment summarized as under:

	FY 2022 Rs million	FY 2021 Rs million	Change %
Sales	9,080	8,383	8
Cost of sales	8,917	8,265	8
Gross profit	162	118	37
Distribution and administrative expenses	69	53	30
Profit before unallocated expenses and income	93	65	43

A new weaving unit comprising 80 wider width Air jet looms will be commissioned into production by the end of January, 2023 which will enable us to produce a wide range of greige cloth and fulfill increased demand of home textile sector.

Processing and Home Textile segment topline recorded 4% decline in financial numbers whereas quantitative numbers reduced by 23%. Export sale volume decreased

to 23.55 million meters from 30.75 million meters of corresponding year. However, substantial decline in volume didn't post any negative impact on bottom line of this segment rather it has been improved substantially in comparison to last year. Selection of better export orders with good sale price and continuous PKR depreciation played pivotal role in achieving remarkable results of this segment. Going forward, key part of our strategy will increase our share in export of high value products.

DIRECTORS' REPORT

for the year ended June 30, 2022

Financial performance of this segment summarized as under:

	FY 2022 Rs million	FY 2021 Rs million	Change %
Sales	10,692	11,082	(4)
Cost of sales	8,783	9,830	(11)
Gross profit	1,909	1,252	52
Distribution and administrative expenses	1,085	937	16
Profit before unallocated expenses and income	824	316	161

During the year, our stitching unit at FIEDMC has started commercial production. This new facility is LEED gold certified by US Green Building Council and in line with lean concepts. The operations generate minimal environmental impact and prioritize worker well-being in keeping with the Company's commitment towards United Nations sustainable development goals.

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 in their meeting held on September 28, 2022 proposed a final cash dividend for the year ended June 30, 2022 at Rs. 1.00 per share (i.e. 10%). The proposed final cash dividend was subject to the approval of the members at the Annual

General Meeting to be held on October 27, 2022.

Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the FY 2023. 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 2022 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:

DIRECTORS' REPORT

for the year ended June 30, 2022

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:

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

- Financial statements prepared by Company's management present fairly its state of affairs, results of its operations, changes in equity and cash flows;

DIRECTORS' REPORT

for the year ended June 30, 2022

- 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;
- 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. All the Board members have either got Directors Training Program (DTP) certification or have prescribed qualifications and experience required for exemption from DTP. 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 has donated Rs. 9.2 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.

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.

Renewable Energy

The Company has installed 0.5 MW solar energy plant at its manufacturing facility in Hattar, KPK. Installation of another 3 MW solar plant is in progress and will be in commercial operation in 2nd quarter of this financial year. Solar installations will produce around 4.9 million units of clean and

DIRECTORS' REPORT

for the year ended June 30, 2022

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.

Contribution to National Exchequer

During the year, the Company contributed Rs 464 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of USD 59.39 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. 669 million.

Future Outlook

Continuously rising prices of cotton will have negative impact on the dynamics of international textile markets and, resultantly, on profitability of the Company. 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 imbalances and inefficiencies.

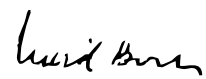
Acknowledgement

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 2022ء

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کے آڈٹ کردہ مالی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ 30 جون 2022ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

پاکستان کی معیشت گزشتہ برسوں کے دوران ایک غیر مستحکم شرح نمو کی حامل رہی ہے جس میں گرم بازاری اور کساد بازاری کے نشیب و فراز آتے رہے۔ تاہم مالی سال 2022 کے دوران اقتصاد کی سرگرمیوں میں مضبوط رفتار برقرار رہی۔ جی ڈی پی کی شرح نمو 5.97 فیصد رہی، جس کی وجہ صنعتی پیداوار میں 7.2 فیصد اضافہ، خدمات کے شعبے میں 6.2 فیصد اور زراعت کے شعبے میں 4.4 فیصد اضافہ تھا۔ پاکستان کی مجموعی برآمدات 25.64 فیصد اضافے کے ساتھ 31.791 بلین ڈالر تک پہنچ گئیں۔ دریں اثنا، ملک کی درآمدات میں 42.2 فیصد اضافہ ریکارڈ کیا گیا اور 80.177 بلین ڈالر تک بڑھ گئیں۔ مالی سال 2022 کے دوران ملک کا تجارتی خسارہ 48.386 بلین ڈالر ریکارڈ کیا گیا جو کہ گزشتہ سال کی اسی مدت میں 31.076 بلین ڈالر تھا۔ ٹیکسٹائل کی برآمدات رپورٹ شدہ مدت میں 15.39 بلین ڈالر سے 25.53 فیصد بڑھ کر 19.33 بلین ڈالر ہو گئیں۔ بیڈوئیر کی برآمدات میں بلحاظ قدر 19 فیصد اور بلحاظ مقدار 11 فیصد اضافہ ہوا۔ نٹ ویئر کی برآمدات میں بلحاظ قدر 34 فیصد اضافہ ہوا اور بلحاظ مقدار 5 فیصد کمی ہوئی۔ گارمنٹس کی برآمدات میں بلحاظ قدر 29 فیصد اور بلحاظ مقدار 49 فیصد اضافہ ہوا۔

آگے دیکھیں تو مالی سال 2023 معیشت اور خاص طور پر ٹیکسٹائل سیکٹر کے لیے ایک کٹھن دور محسوس ہو رہا ہے۔ موجودہ روس یوکرین تنازعہ نے عالمی اجناس کی قیمتوں کو کافی حد تک بڑھا دیا ہے۔ نئی حکومت کی جانب سے مالی سال 2023 کے بجٹ میں کیے گئے ٹیکس کے اقدامات کا ہدف معیشت کے پہلے سے تصدیق شدہ اور محصول شدہ طبقات ہیں۔ زیادہ تر اہداف بہت زیادہ بلند پرواز لگتے ہیں، اور حکومت کو موجودہ عالمی اور ملکی اقتصادی منظر نامے کے تحت انہیں حاصل کرنا مشکل ہوگا۔ پالیسی ریٹ کی دہائی کی بلند ترین سطح، اجناس کی ریکارڈ بین الاقوامی قیمتیں، بڑھا ہوا کرنٹ اکاؤنٹ خسارہ (CAD) اور توانائی کی قیمتوں میں ہوشربا اضافہ مہنگائی کی رفتار کو بلندی پر رکھے گا اور ملک میں جی ڈی پی کی نمو کو مست کرے گا۔

کمپنی کی کارکردگی:

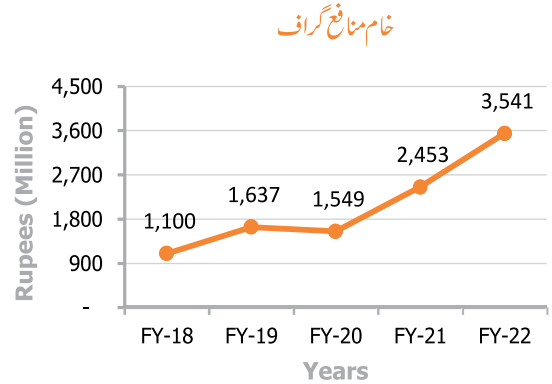
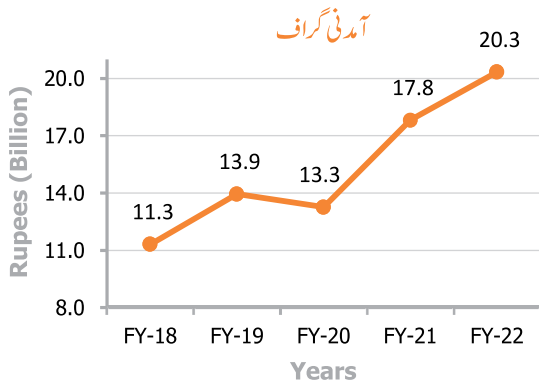
موجودہ مالی سال اللہ تعالیٰ کے فضل سے آپ کی کمپنی کا کامیاب ترین سال تھا۔ انتظامیہ نے منافع بخش طریقوں، پیداواری سرگرمیوں میں زیادہ سے زیادہ کارکردگی اور مختلف ذرائع سے لاگت کو معقول بنانے پر توجہ مرکوز رکھی، کمپنی کے عملی نتائج کا خلاصہ مندرجہ ذیل ہے:

ڈائریکٹران کی رپورٹ
مالی سال مختتمہ 30 جون 2022ء

مختصر مالیاتی تجزیہ درج ذیل ہے:

فیصد فرق	فرق	مالی سال 2021ء	مالی سال 2022ء	ملین روپے
14	2,514	17,817	20,331	آمدنی
44	1,088	2,453	3,541	خام منافع
25	336	1,322	1,659	عملی اخراجات
10	46	452	498	مالیاتی اخراجات
187	246	131	377	دیگر آمدنی
41	120	295	415	محصولات
161	831	516	1,347	خالص منافع بعد از محصولات
124	7.56	6.12	13.68	فی حصص بنیادی آمدنی (روپے)
123	7.52	6.12	13.64	فی حصص خالص آمدنی (روپے)

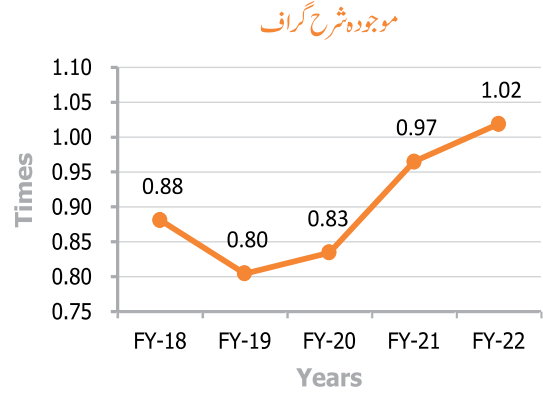
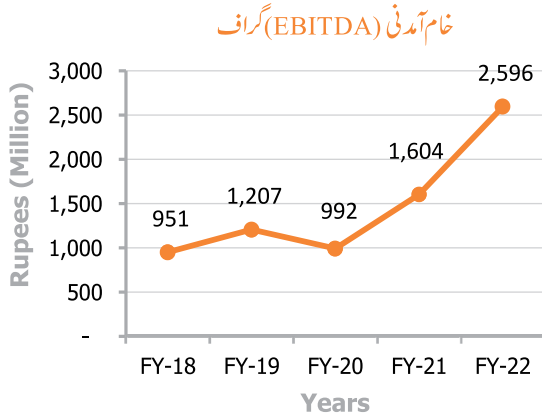
آپ کی کمپنی کی فروخت کی آمدنی 14 فیصد بڑھ کر اب تک کی سب سے زیادہ فروخت کی رقم 20.3 بلین روپے تک پہنچ گئی جو گزشتہ اسی مدت کے دوران 17.8 بلین روپے تھی۔ اس کی بنیادی وجہ مقامی فروخت میں مقدار اور ریٹ دونوں کے حساب سے 2,880 ملین روپے کا غیر معمولی اضافہ تھا۔ فروخت کے پچھلے پانچ سالوں کے جائزے سے پتہ چلتا ہے کہ اس عرصے کے دوران اس میں مسلسل اضافہ ہوا ہے۔ اسی طرح گزشتہ پانچ سالوں کا مجموعی منافع کا جائزہ ظاہر کرتا ہے کہ اس مدت کے دوران اس میں مسلسل اضافہ ہوا ہے۔ مالی سال 2022 کے دوران اس میں 1,088 ملین کا اضافہ ہوا۔ کمپنی نے لاگت کے بہتر انتظام کی وجہ سے یہ بے مثال اضافہ حاصل کیا ورنہ زیر نظر مالی سال کے دوران خام مال کی لاگت میں نمایاں اضافہ ہوا تھا۔



ڈائریکٹران کی رپورٹ مالی سال محنتہ 30 جون 2022ء

فروخت کے حجم میں اضافہ کے باعث تقسیم کی زیادہ لاگت کی وجہ سے عملی لاگت میں 25 فیصد اضافہ ہوا۔ دیگر آمدنی میں 246 ملین روپے کا اضافہ ہوا ہے جس کی بنیادی وجہ غیر ملکی کرنسی کی وصولی پر ہونے والے زرمبادلہ میں اضافہ ہے۔ یہ قابل ذکر فائدہ سال بھر میں غیر ملکی کرنسی کی لین دین کے بہترین مشاہدے کے ذریعے حاصل کیا گیا۔ قرض کی اوسط شرح میں اضافے کی وجہ سے گزشتہ سال کے مقابلے میں مالیاتی لاگت میں 10 فیصد اضافہ ہوا۔ ٹرن اور ٹیکس اور موخر ٹیکس واجبات میں اضافے کی وجہ سے آئٹم ٹیکس کی فراہمی میں 41 فیصد اضافہ ہوا۔

کمپنی کے خام منافع (EBITDA) میں گزشتہ سال کے اسی عرصے کے مقابلے میں رواں مالی سال میں 992 ملین روپے کا متاثر کن اضافہ ہوا ہے۔ یہ غیر معمولی منافع کے نتیجے میں ایک مضبوط لیکویڈیٹی کو ظاہر کرتا ہے جس نے کمپنی کو آسانی سے اپنی زیر کار سرمایہ کی ضروریات کو پورا کرنے کے قابل بنایا ہے۔ قابل ذکر منافع کے نتیجے میں، اس سال کمپنی کی کیش فلو پوزیشن میں بہتری آئی ہے۔ موجودہ تناسب 0.97 سے بڑھ کر 1.02 ہو گیا۔



کاروباری شعبہ جات:

سپینگ:

یارن کی قیمتوں میں تیزی سے اضافے کے باعث بڑھتے ہوئے مارجن کی وجہ سے پچھلے سال کے مقابلے میں سپینگ کے شعبے میں کافی حد تک بہتری آئی ہے۔ دوسری جانب مقامی روٹی کی قلت، بھارت سے درآمدات پر پابندی اور درآمدی روٹی کے نرخوں میں اضافے کے باعث خام روٹی کی قیمتوں میں بھی سال بھر مسلسل اضافہ ہوا۔ انتظامیہ نے اپنے مطلوبہ کپاس کے ذخیرے کے بڑے حصے کی بروقت خریداری کر کے روٹی کی قیمتوں میں اضافے کے خطرے کو کامیابی سے کم کیا۔ سپینگ کے شعبہ نے 17 ملین کلوگرام یارن تیار کیا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2022ء

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

تبدیلی (فیصد)	مالی سال 2021ء (ملین روپے)	مالی سال 2022ء (ملین روپے)	
24	8,587	10,668	فروخت
23	7,536	9,232	فروخت کی لاگت
37	1,051	1,436	مجموعی منافع
19	199	236	انتظامی و تقسیم کی لاگت
41	852	1,200	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 10.5 ملین میٹر کپڑا تیار کیا۔ فروخت کی بہتر شرح، بہتر صلاحیت کے استعمال اور پلانٹ کی کارکردگی میں اضافے کی وجہ سے عملی کارکردگی بہتر ہوئی۔

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

تبدیلی (فیصد)	مالی سال 2021ء (ملین روپے)	مالی سال 2022ء (ملین روپے)	
8	8,383	9,080	فروخت
8	8,265	8,917	فروخت کی لاگت
37	118	162	مجموعی منافع
30	53	69	انتظامی و تقسیم کی لاگت
43	65	93	منافع قبل از غیر منقولہ اخراجات و آمدنی

80 انچ ارض والے ایئر جیٹ لومز پر مشتمل ایک نیا ویونگ یونٹ جنوری 2023 کے آخر تک پیداوار کے لیے شروع کر دیا جائے گا جس سے ہم وسیع پیمانے پر کورا کپڑا تیار کر سکیں گے اور ہوم ٹیکسٹائل سیکٹر کی بڑھتی ہوئی مانگ کو پورا کر سکیں گے۔

پروسیسنگ اور ہوم ٹیکسٹائل:

پروسیسنگ اور ہوم ٹیکسٹائل شعبہ کی ٹاپ لائن میں بلحاظ تعداد 4 فیصد جبکہ بلحاظ مقدار 23 فیصد کمی واقع ہوئی۔ برآمدی فروخت کا حجم اسی سال کے 30.75 ملین میٹر سے کم ہو کر 23.55 ملین میٹر رہ گیا۔ تاہم، حجم میں خاطر خواہ کمی نے اس طبقہ کی بائم لائن پر کوئی منفی اثر نہیں ڈالا بلکہ اس میں پچھلے سال کے مقابلے میں کافی بہتری آئی ہے۔ اچھی قیمت فروخت کے ساتھ بہتر برآمدی آرڈرز کا انتخاب اور پاکستانی روپے کی قدر میں مسلسل گراؤ نے اس شعبہ میں نمایاں نتائج حاصل کرنے میں اہم کردار ادا کیا۔ آگے بڑھتے ہوئے، ہماری حکمت عملی کا کلیدی حصہ اعلیٰ قیمت کی مصنوعات کی برآمد میں ہمارا حصہ بڑھائے گا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2022ء

اس شعبہ کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

تبدیلی (فیصد)	مالی سال 2021ء (ملین روپے)	مالی سال 2022ء (ملین روپے)	
(4)	11,082	10,692	فروخت
(11)	9,830	8,783	فروخت کی لاگت
52	1,252	1,909	مجموعی منافع
16	937	1,084	انتظامی و تقسیم کی لاگت
161	316	824	منافع قبل از غیر منقولہ اخراجات و آمدنی

سال کے دوران فیڈ مک میں ہمارے پہلے سٹیجنگ پونٹ نے تجارتی پیداوار شروع کر دی ہے۔ یہ نئی سہولت یو ایس کرین بلڈنگ کونسل سے LEED گولڈ سرٹیفائیڈ ہے اور سال کے تصورات کے مطابق ہے۔ یہ کارروائیاں کم سے کم ماحولیاتی اثرات پیدا کرتی ہیں اور اقوام متحدہ کے پائیدار ترقی کے اہداف کے تئیں کمپنی کے عزم کو مد نظر رکھتے ہوئے کارکنوں کی فلاح و بہبود کو ترجیح دیتی ہیں۔

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 فنانشل 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 بیلنس شیٹ تعلق رکھتی ہے اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلی اور کٹمنٹ وقوع پذیر نہیں ہوئی۔

تقسیم:

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 ستمبر 2022 کو اپنی میٹنگ میں 30 جون 2022 کو ختم ہونے والے سال کے لئے 1.00 روپیہ فی شیئر (یعنی 10%) حتمی نقد منافع کی تجویز پیش کی۔ مجوزہ حتمی نقد منافع 27 اکتوبر 2022 کو کمپنی کے ممبران کے سالانہ جنرل اجلاس کی منظوری سے مشروط ہے۔

ڈائریکٹران کی رپورٹ مالی سال محنتہ 30 جون 2022ء

آڈیٹران:

آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوئے اور انہوں نے مالی سال 2023 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 شیئر 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 کے ساتھ نہیں کیے جن سے کمپنی کے مفاد سے بڑے پیمانے پر تصادم ہو یا جس کے لیے شیئر ہولڈرز کی منظوری کی قید ہو۔

مالی سال 2022 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 مبدل رہیں۔ بورڈ اور کمیٹی کے سال کے دوران منعقدہ اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹران کی رپورٹ
مالی سال ختم 30 جون 2022ء

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

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

ڈائریکٹرز کا مشاہرہ:

بورڈ سے منظور شدہ ڈائریکٹرز کے مشاہرے کی ایک رسمی پالیسی موجود ہے۔ پالیسی میں کمپنیز ایکٹ 2017 اور CCG قواعد و ضوابط 2019 کے مطابق ڈائریکٹرز کے مشاہرے کا شفاف طریقہ کار شامل ہے۔

نمایاں خطرات اور عدم یقینی:

کمپنی کچھ اندرونی خدشات اور عدم یقینی کی صورت حال کا شکار ہے۔ تاہم کمپنی کو مندرجہ ذیل کلیدی خطرات درپیش ہیں:

- مصنوعات کے زمرے میں نمایاں مقابلہ بازی
 - فارن ایکسچینج 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 قبول 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 اپریشن 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 ریٹنگ اور بورڈ کی قیادت کے سلسلہ میں چیئرمین کا کردار معیاری پایا گیا۔

ڈائریکٹران کی رپورٹ مالی سال ختمہ 30 جون 2022ء

اندرونی مالیاتی کنٹرولز:

ڈائریکٹران 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 تیارہ 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 معقول اور پختہ فیصلوں پر مبنی ہیں۔
- 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 وگردانی ممکن نہیں۔
- 7- پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔
- 8- شیئر 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 تمام ممبران نے یا تو ڈائریکٹرز ٹریننگ پروگرام (DTP) کا استناد حاصل کر لیا ہے یا پہلے سے DTP سے استثنیٰ کے لیے مطلوبہ قابلیت اور تجربہ کے حامل ہیں۔ تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف 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 سیکشن کے 3 پونٹس کے لیے فنڈنگ کر رہی ہے۔ سال کے دوران ہم نے سالانہ رواں اخراجات کی مد میں 78 لاکھ روپے عطیہ کیے ہیں۔

ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2022ء

ہیلتھ اور میڈیکل کنیر:

اپنی بنیادی اقدار کی پاسداری میں ہم حقیقت میں اپنے ملازمین کی فلاح و بہبود کا خیال رکھتے ہیں۔ کمپنی نے معاشرے کے غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معروف اداروں کو 92 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۔

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 نوری اور اجتماعی کارروائی رو بہ عمل لانے کے لیے ہمیشہ سب سے آگے رہے ہیں۔ ہم نے 18 ہزار درخت لگائے ہیں جو کاربن ڈائی آکسائیڈ میں سالانہ 390 ٹن کمی کا باعث ہیں۔ شجر کاری 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 انوائرنمنٹ سٹیٹمنٹ رز (ILES) کے لیے ورلڈ وائیٹ فنڈ (WWF-Pakistan) اور انٹرنیشنل لیبر آرگنائزیشن پاکستان (ILO) کے ساتھ معاہدہ کیا ہے۔ دونوں شراکت داروں کا مشترکہ مقصد ٹیکسٹائل سیکٹر کی پائیدار ترقی کے ذریعے پاکستان میں معاشی ترقی کو فروغ دینا ہے۔

قابل تجدید توانائی:

کمپنی نے حطار، کے پی کے میں اپنی پیداواری سہولت پر 0.5 میگا واٹ کا سولر انرجی پلانٹ نصب کیا ہے۔ مزید 3 میگا واٹ کے سولر پلانٹ کی تنصیب کا عمل جاری ہے اور اس مالی سال کی دوسری سہ ماہی میں کمرشل آپریشن شروع ہو جائے گا۔ سٹشی تنصیبات ہر سال 4.9 ملین پونٹ 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 گروڈ پروجیکٹ کرنے میں مدد دے گا بلکہ پیداواری لاگت کو بھی مثبت انداز میں متاثر کرے گا۔

قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 464 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 59.39 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 پراویڈنٹ 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 669 ملین روپے تھی۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2022ء

مستقبل کی منصوبہ بندی:

روٹی کی قیمتوں میں مسلسل اضافہ بین الاقوامی ٹیکسٹائل مارکیٹوں کی حرکیات اور اس کے نتیجے میں کمپنی کے منافع پر منفی اثر ڈالے گا۔ اگرچہ چیلنجز بہت بڑے ہیں لیکن ہم ممکن طریقے سے بہترین کارکردگی کا مظاہرہ کرنے اور اپنے شرائط 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۔

خدمات کا اعتراف:

بورڈ آف ڈائریکٹرز سال کے دوران کمپنی کے تمام شرائط 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 شرائط 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۔

منجانب: بورڈ آف ڈائریکٹرز



محمد انور

چیف ایگزیکٹو آفیسر



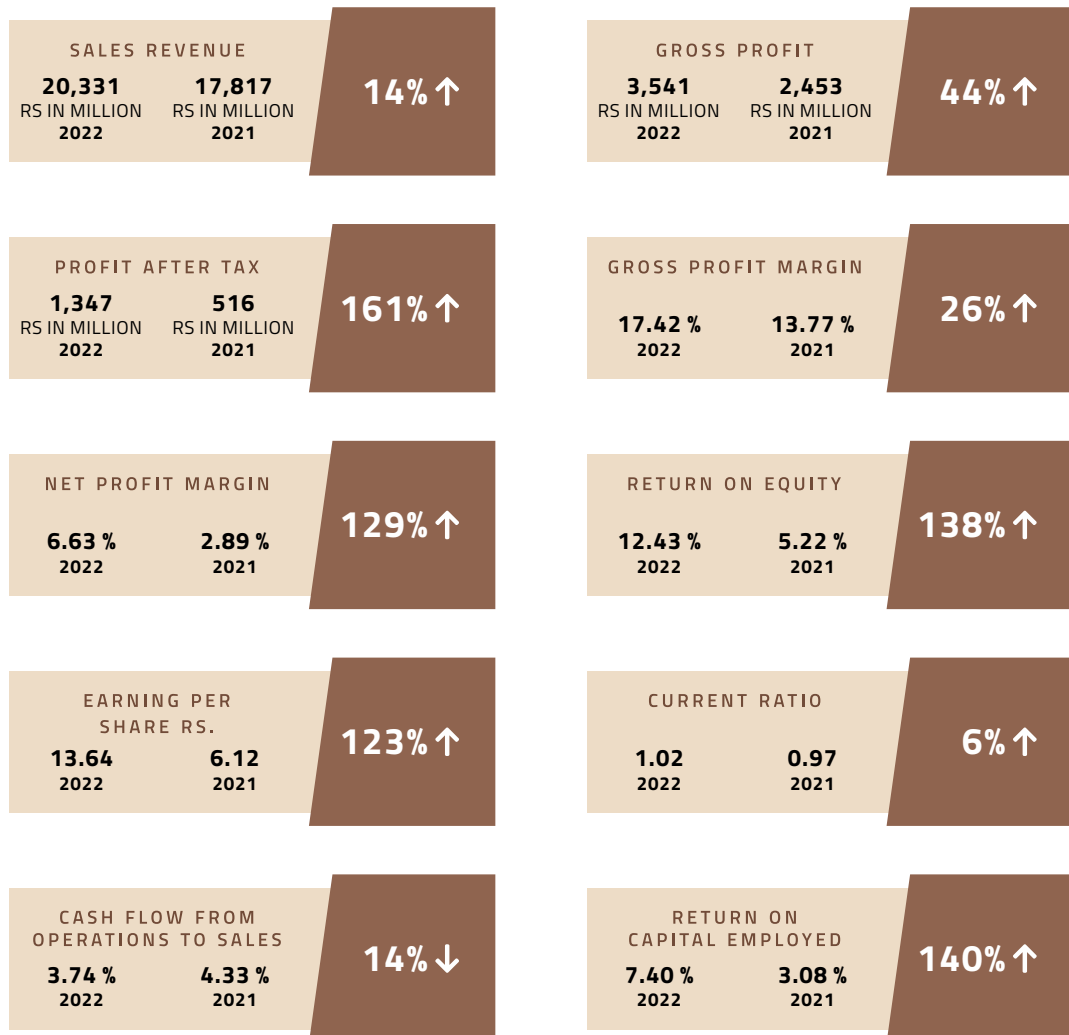
خالد شیر

ڈائریکٹر



2022

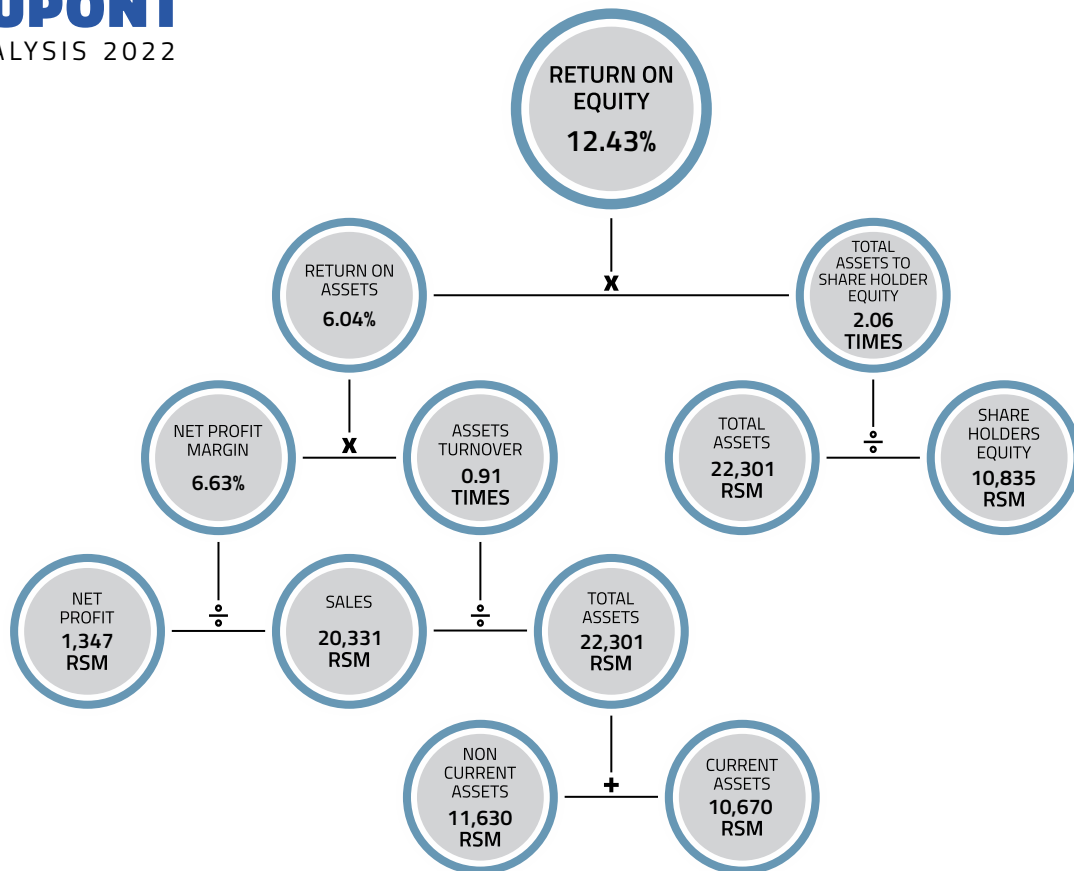
YEAR AT GLANCE





DUPONT

ANALYSIS 2022



Summary of Dupont Analysis	FY 2022	FY 2021
Return on equity (%)	12.43	5.22
Net profit margin (%)	6.63	2.89
Return on assets (%)	6.04	2.54
Assets turnover (times)	0.91	0.88
Total assets to shareholders' equity (times)	2.06	2.05

Comments:

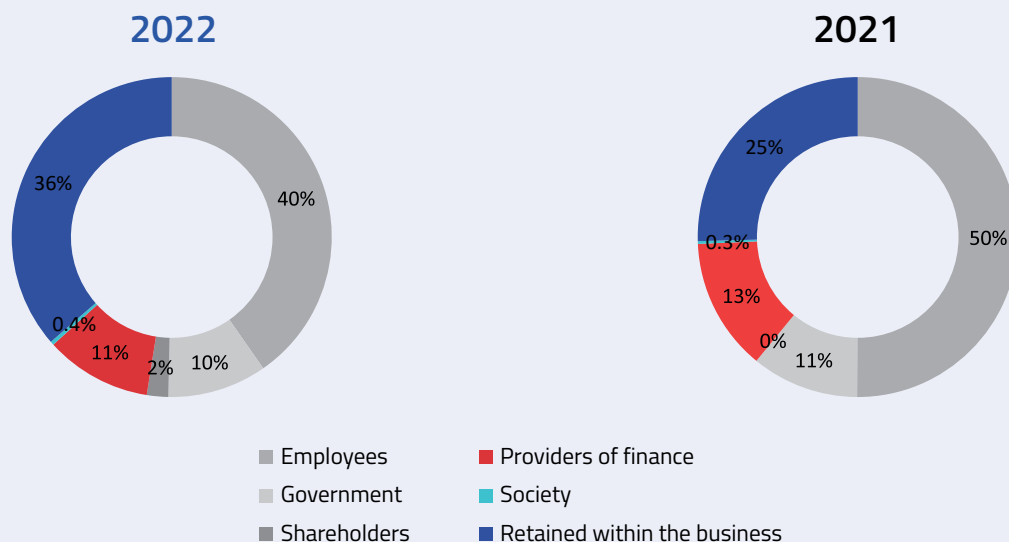
Sales have been increased by 14% due to increase in sales volume and better sales prices, which consequently increase the net profit margin, return on equity and return on assets.

STATEMENT OF VALUE ADDITION

(Rupees in million)	2022	%	2021	%
WEALTH GENERATED				
Revenue	20,331	100%	17,817	100%
Bought-in-material and services	15,704	78%	14,444	81%
	4,627	22%	3,373	19%
WEALTH DISTRIBUTED				
TO EMPLOYEES				
Salaries, wages and other benefits	1,865	40%	1,689	50%
TO GOVERNMENT				
Taxes and duties	464	10%	366	11%
TO SHAREHOLDERS				
Dividend *	100	2%	-	0%
TO PROVIDERS OF FINANCE				
Finance cost	498	11%	452	13%
TO SOCIETY				
Donation toward health and education	17	0.4%	9	0.3%
RETAINED WITHIN THE BUSINESS FOR FUTURE GROWTH				
Retained earning and depreciation	1,683	36%	857	25%
	4,627	100%	3,373	100%

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

Distribution of Wealth



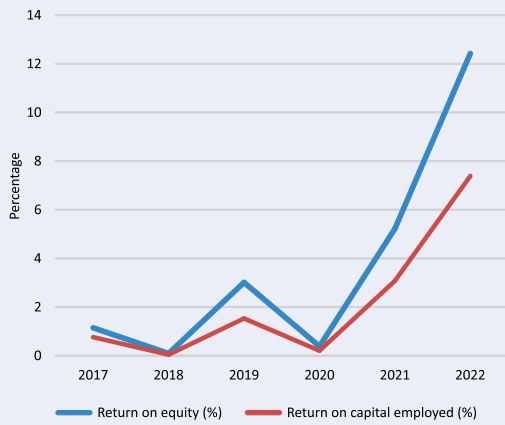
PERFORMANCE INDICATORS

		2022	2021	2020	2019	2018	2017
A. PROFITABILITY RATIOS							
Gross profit ratio	%	17.42	13.77	11.68	11.74	9.72	8.94
Net profit to sales	%	6.63	2.89	0.25	1.71	0.07	1.04
EBITDA margin to sales *	%	12.77	9.00	7.48	8.65	8.40	5.83
Return on equity	%	12.43	5.22	0.39	3.02	0.10	1.15
Return on capital employed	%	7.40	3.08	0.21	1.53	0.05	0.76
B. LIQUIDITY RATIOS							
Current ratio	Times	1.02	0.97	0.83	0.80	0.88	0.90
Quick ratio	Times	0.55	0.55	0.46	0.50	0.55	0.59
Cash to current liabilities	%	1.39	3.60	0.43	0.05	0.04	0.05
Cash flow from operations to sales	%	3.74	4.33	7.45	11.08	3.97	2.79
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	4	4	4	5	4	5
Number of days in inventory	Days	90	82	85	72	83	68
Debtors turnover	Times	6	7	5	6	5	5
Number of days in receivables	Days	58	52	70	65	74	77
Creditors turnover	Times	8	8	6	8	8	10
Number of days in payables	Days	44	46	64	47	44	35
Total assets turnover	Times	0.91	0.88	0.71	0.80	0.64	0.60
Property, plant and equipment turnover	Times	2.58	2.42	1.79	2.07	1.79	1.68
Operating cycle	Days	104	89	97	91	112	110
D. INVESTMENT / MARKET RATIO							
Basic and diluted earning per share	Rs	13.68	6.12	0.42	2.98	0.11	1.42
Price earning ratio	Times	1	4	50	7	238	26
Dividend Yield ratio **	%	5.56	-	-	2.76	-	-
Dividend Payout ratio **	%	7.42	-	-	20.12	-	-
Dividend Cover ratio **	Times	13.68	-	-	4.97	-	-
Cash dividend **	%	10	-	-	6.00	-	-
Market value per share							
- At the end of the period	Rs	17.99	27.29	20.82	21.76	25.20	37.45
- Highest during the period	Rs	29.81	39.96	26.30	38.53	43.93	57.48
- Lowest during the period	Rs	17.10	18.54	17.25	20.51	24.48	19.50
Break up value	Rs	110.04	117.24	108.00	98.83	104.63	123.19
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	0.75	0.77	0.86	0.93	0.90	0.71
Weighted average cost of debt	%	6.34	6.04	6.53	6.82	8.76	4.40
Long term debt to equity ratio	%	7.79	9.77	12.97	14.17	10.10	10.79
Interest cover ratio	Times	4.54	2.79	1.37	1.78	1.02	1.28

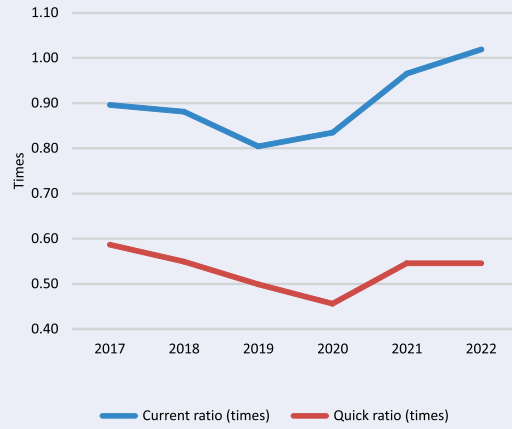
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

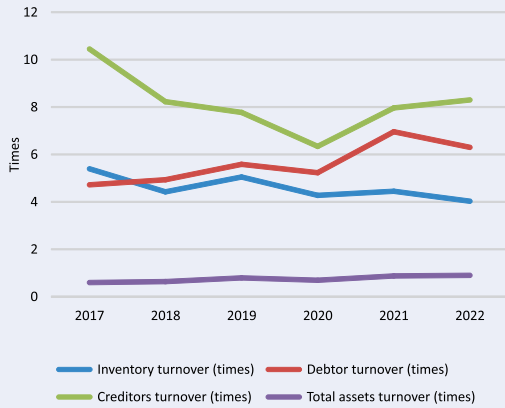
RETURN ON CAPITAL AND EQUITY



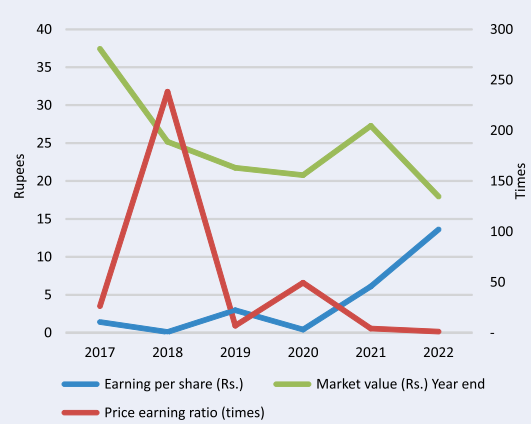
LIQUIDITY



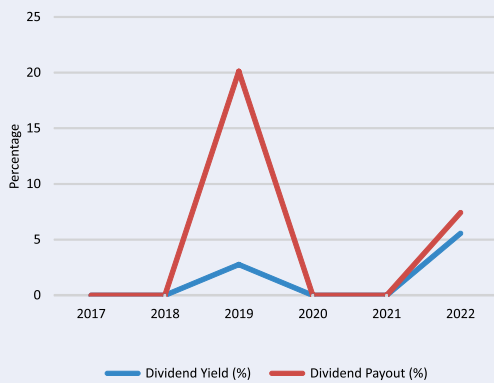
ASSET MANAGEMENT



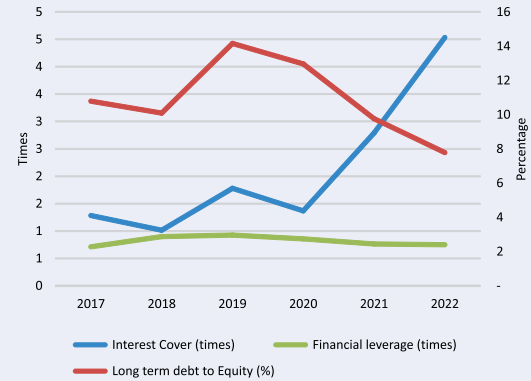
PER SHARE RESULT



DIVIDEND AND RETURNS



DEBT MANAGEMENT



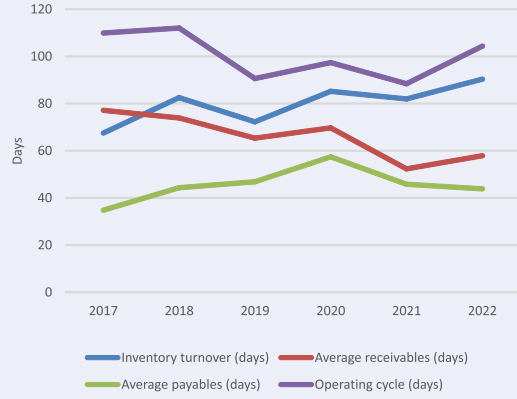
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2022	2021	2020	2019	2018	2017
SUMMARY OF STATEMENT OF PROFIT OR LOSS						
Revenue	20,331	17,817	13,264	13,946	11,314	10,873
Gross profit	3,541	2,453	1,549	1,637	1,100	972
Profit from operations	2,260	1,262	657	903	648	368
Profit before taxation	1,762	810	177	396	10	81
Profit after taxation	1,347	516	34	239	8	113
SUMMARY OF STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	7,880	7,376	7,402	6,727	6,328	6,478
Long term investments	3,729	3,807	3,693	3,792	3,736	5,167
Stores, spare parts and loose tools	348	225	234	265	198	192
Stock-in-trade	4,610	3,711	3,187	2,285	2,589	2,029
Trade debts	3,755	2,695	2,419	2,648	2,346	2,236
Income tax	761	737	778	736	678	560
Other receivables	378	381	301	295	1,420	1,256
Short term investments	446	792	477	390	94	88
Total current assets	10,670	9,051	7,541	6,713	7,398	6,444
Total assets	22,301	20,264	18,795	17,371	17,614	18,115
Total Equity	10,835	9,875	8,640	7,907	8,370	9,855
Long term financing	844	964	1,120	1,120	845	1,063
Trade and other payables	2,342	2,060	2,027	1,866	1,488	1,109
Unclaimed Dividend	11	11	11	9	10	10
Short term borrowings	6,892	6,128	6,240	5,936	6,417	5,790
Current liabilities	10,473	9,379	9,035	8,344	8,399	7,196
Total equity and liabilities	22,301	20,264	18,795	17,371	17,614	18,115
SUMMARY OF STATEMENT OF CASH FLOWS						
Cash and cash equivalents at the beginning of the year	338	39	5	3	4	9
Net cash (used in) / from operating activities	(60)	98	257	864	(312)	(268)
Net cash used in investing activities	(781)	(297)	(286)	(674)	(164)	(785)
Net cash from / (used in) financing activities	649	499	64	(189)	476	1,048
Net (decrease) / increase in Cash and cash equivalents	(192)	299	35	1	(0)	(5)
Cash and cash equivalents at the end of the year	146	338	39	5	3	4

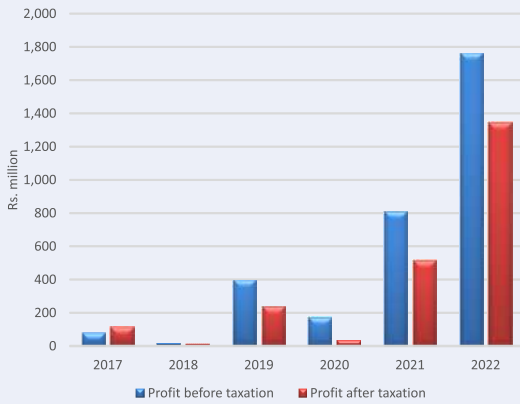
PROFITABILITY



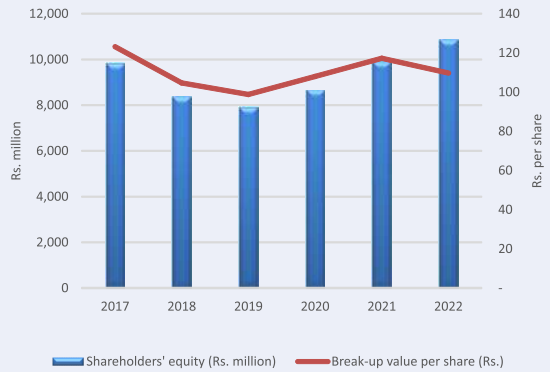
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	7,880	35.3	7,376	36.4	7,402	39.4	6,727	38.7	6,328	35.9	6,478	35.8
Intangible assets	6	0.0	13	0.1	20	0.1	6	0.0	12	0.1	18	0.1
Long term investments	3,729	16.7	3,807	18.8	3,693	19.7	3,792	21.8	3,736	21.2	5,167	28.5
Long term loans and advances	1	0.0	0	0.0	0	0.0	1	0.0	1	0.0	2	0.0
Long term deposits and prepayments	15	0.1	15	0.1	29	0.2	30	0.2	10	0.1	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	348	1.6	225	1.1	234	1.2	265	1.5	198	1.1	192	1.1
Stock in trade	4,610	20.7	3,711	18.3	3,187	17.0	2,285	13.2	2,589	14.7	2,029	11.2
Trade debts	3,755	16.8	2,695	13.3	2,419	12.9	2,648	15.2	2,346	13.3	2,236	12.3
Loans and advances	100	0.4	42	0.2	22	0.1	17	0.1	9	0.1	17	0.1
Short term deposits and prepayments	127	0.6	131	0.6	84	0.4	71	0.4	61	0.3	62	0.3
Income tax	761	3.4	737	3.6	778	4.1	736	4.2	678	3.8	560	3.1
Other receivables	378	1.7	381	1.9	301	1.6	295	1.7	1,420	8.1	1,256	6.9
Short term investments	446	2.0	792	3.9	477	2.5	390	2.2	94	0.5	88	0.5
Cash and bank balances	146	0.7	338	1.7	39	0.2	4	0.0	3	0.0	4	0.0
Total assets	22,301	100	20,264	100	18,795	100	17,371	100	17,614	100	18,115	100
Issued, subscribed and paid up share capital	1,000	4.5	800	3.9	800	4.3	800	4.6	800	4.5	800	4.4
Share Deposit Money	-	-	312	1.5	-	-	-	-	-	-	-	-
Premium on issue of right shares	392	1.8	200	1.0	200	1.1	200	1.2	200	1.1	200	1.1
Fair value reserve	596	2.7	1,080	5.3	673	3.6	524	3.0	1,226	7.0	2,719	15.0
Surplus on revaluation of operating fixed assets	4,160	18.7	4,161	20.5	4,161	22.1	3,567	20.5	3,568	20.3	3,575	19.7
Revenue reserves	4,687	21.0	3,322	16.4	2,805	14.9	2,815	16.2	2,577	14.6	2,561	14.1
Shareholders equity	10,835	48.6	9,875	48.7	8,640	46.0	7,907	45.5	8,370	47.5	9,855	54.4
Long term financing	844	3.8	964	4.8	1,120	6.0	1,120	6.4	845	4.8	1,063	5.9
Deferred income tax liability	149	0.7	-	-	-	-	-	-	-	-	0	0.0
Deferred liabilities	-	-	46	0.2	-	-	-	-	-	-	-	-
Trade and other payables	2,342	10.5	2,060	10.2	2,027	10.8	1,866	10.7	1,488	8.4	1,109	6.1
Unclaimed Dividend	11	0.0	11	0.1	11	0.1	9	0.1	10	0.1	10	0.1
Accrued mark-up	124	0.6	80	0.4	101	0.5	120	0.7	86	0.5	65	0.4
Short term borrowings	6,892	30.9	6,128	30.2	6,240	33.2	5,936	34.2	6,417	36.4	5,790	32.0
Current portion of long term financing	414	1.9	479	2.4	35	0.2	275	1.6	258	1.5	190	1.1
Current portion of deferred liabilities	345	1.5	407	2.0	456	2.4	-	-	-	-	-	-
Provision for taxation	344	1.5	215	1.1	166	0.9	138	0.8	141	0.8	31	0.2
Total equity and liabilities	22,301	100	20,264	100	18,795	100	17,371	100	17,614	100	18,115	100
STATEMENT OF PROFIT OR LOSS												
Revenue	20,331	100.0	17,817	100.0	13,264	100.0	13,946	100.0	11,314	100.0	10,873	100.0
Cost of sales	16,790	82.6	15,364	86.2	11,715	88.3	12,309	88.3	10,214	90.3	9,901	91.1
Gross profit	3,541	17.4	2,453	13.8	1,549	11.7	1,637	11.7	1,100	9.7	972	8.9
Distribution cost	930	4.6	769	4.3	574	4.3	679	4.9	468	4.1	644	5.9
Administrative expenses	490	2.4	447	2.5	392	3.0	345	2.5	295	2.6	300	2.8
Other expenses	238	1.2	106	0.6	43	0.3	42	0.3	14	0.1	10	0.1
Other income	377	1.9	131	0.7	117	0.9	330	2.4	325	2.9	350	3.2
Profit from operations	2,260	11.1	1,262	7.1	657	5.0	903	6.5	648	5.7	368	3.4
Finance cost	498	2.5	452	2.5	481	3.6	507	3.6	638	5.6	287	2.6
Profit before taxation	1,762	8.7	810	4.5	177	1.3	396	2.8	10	0.1	81	0.7
Taxation	415	2.0	295	1.7	143	1.1	157	1.1	2	0.0	(32)	(0.3)
Profit after taxation	1,347	6.6	516	2.9	34	0.3	239	1.7	8	0.1	113	1.0

HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	7,880	6.8	7,376	(0.3)	7,402	10.0	6,727	6.3	6,328	(2.3)	6,478	44.1
Intangible assets	6	(57.1)	13	(33.3)	20	247.6	6	(52.2)	12	(34.3)	18	100.0
Long term investments	3,729	(2.0)	3,807	3.1	3,693	(2.6)	3,792	1.5	3,736	(27.7)	5,167	49.8
Long term loans and advances	1	261.6	0	(1.0)	0	(38.0)	1	(53.8)	1	(43.8)	2	(32.9)
Long term deposits and prepayments	15	(0.5)	15	(47.1)	29	(4.1)	30	191.6	10	99.6	5	(2.6)
Deferred income tax asset	-	(100)	1	(99)	110	7	103	(19)	128	100	-	-
Stores, spare parts and loose tools	348	55.0	225	(3.8)	234	(12.0)	265	34.0	198	3.4	192	3.5
Stock-in-trade	4,610	24.2	3,711	16.5	3,187	39.5	2,285	(11.8)	2,589	27.6	2,029	24.0
Trade debts	3,755	39.3	2,695	11.4	2,419	(8.6)	2,648	12.8	2,346	4.9	2,236	(5.5)
Loans and advances	100	137.4	42	88.8	22	27.3	17	89.7	9	(45.3)	17	(96.4)
Short term deposits and prepayments	127	(2.9)	131	55.3	84	18.6	71	16.9	61	(2.2)	62	110.8
Income tax	761	3.3	737	(5.2)	778	5.7	736	8.6	678	21.1	560	25.3
Other receivables	378	(0.8)	381	26.4	301	2.1	295	(79.2)	1,420	13.0	1,256	11.1
Short term investments	446	(43.7)	792	66.0	477	22.2	390	313.3	94	7.0	88	(6.5)
Cash and bank balances	146	(56.9)	338	766.8	39	772.5	4	30.9	3	(12.4)	4	(58.1)
Total assets	22,301	10.0	20,264	7.8	18,795	8.2	17,371	(1.4)	17,614	(2.8)	18,115	30.6
Issued, subscribed and paid up share capital	1,000	25.0	800	-	800	-	800	-	800	-	800	-
Share Deposit Money	0	(100.0)	312	100.0	-	-	-	-	-	-	-	-
Premium on issue of right shares	392	95.6	200	-	200	-	200	-	200	-	200	-
Fair value reserve	596	(44.8)	1,080	60.3	673	28.6	524	(57.3)	1,226	(54.9)	2,719	170.8
Surplus on revaluation of operating fixed assets	4,160	(0.0)	4,161	(0.0)	4,161	16.6	3,567	(0.0)	3,568	(0.2)	3,575	61.5
Revenue reserves	4,687	4.1	3,322	18.4	2,805	(0.4)	2,815	9.3	2,577	0.6	2,561	0.5
Total Equity	10,835	9.7	9,875	14.3	8,640	9.3	7,907	(5.5)	8,370	(15.1)	9,855	45.7
Long term financing	844	(12)	964	(14)	1,120	-	1,120	33	845	(21)	1,063	139
Deferred income tax liability	149	100	-	-	-	-	-	-	-	(100)	0	100.0
Deferred liabilities	-	(100)	46	100	-	-	-	-	-	-	-	-
Trade and other payables	2,342	13.7	2,060	1.6	2,027	8.6	1,866	25.4	1,488	34.2	1,109	21.0
Unclaimed Dividend	11	(1.1)	11	(1.1)	11	19.0	9	(0.8)	10	(1.3)	10	10.1
Accrued mark-up	124	56.1	80	(20.9)	101	(16.1)	120	40.1	86	30.9	65	9.1
Short term borrowings	6,892	12.5	6,128	(1.8)	6,240	5.1	5,936	(7.5)	6,417	10.8	5,790	5.6
Current portion of long term financing	414	(13.5)	479	1,279.6	35	(87.4)	275	6.5	258	35.5	190	189.6
Current portion of deferred liabilities	345	(15.2)	407	(10.7)	456	100.0	-	-	-	-	-	-
Provision for taxation	344	59.8	215	29.5	166	20.1	138	(1.6)	141	349.3	31	(55.4)
Total equity and liabilities	22,301	10.0	20,264	7.8	18,795	8.2	17,371	(1.4)	17,614	(2.8)	18,115	30.6
STATEMENT OF PROFIT OR LOSS												
Revenue	20,331	14.1	17,817	34.3	13,264	(4.9)	13,946	23.3	11,314	4.1	10,873	2.8
Cost of sales	16,790	9.3	15,364	31.2	11,715	(4.8)	12,309	20.5	10,214	3.2	9,901	7.2
Gross profit	3,541	44.3	2,453	58.3	1,549	(5.4)	1,637	48.8	1,100	13.2	972	(27.5)
Distribution cost	930	20.9	769	34.1	574	(15.5)	679	44.9	468	(27.3)	644	1.6
Administrative expenses	490	9.6	447	14.2	392	13.6	345	16.9	295	(1.7)	300	5.9
Other expenses	238	124.8	106	143.9	43	4.5	42	191.9	14	40.1	10	(61.5)
Other income	377	187.1	131	12.6	117	(64.6)	330	1.7	325	(7.1)	350	(7.1)
Profit from operations	2,260	79.0	1,262	92.0	657	(27.2)	903	39.3	648	76.1	368	(52.4)
Finance cost	498	10.2	452	(6.0)	481	(5.1)	507	(20.5)	638	122.3	287	(20.3)
Profit before taxation	1,762	117	810	359	177	(55)	396	3,790	10	(87)	81	(77)
Taxation	415	41	295	106	143	(9)	157	9,043	2	(105.3)	(32)	(133.5)
Profit after taxation	1,347	161	516	1,435	34	(86)	239	2,722	8	(92.5)	113	(54.8)

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF THE CRESCENT TEXTILE MILLS LIMITED
Review Report on the Statement of Compliance contained in 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 2022 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 2022.



RIAZ AHMAD & COMPANY

Chartered Accountants

Date: September 29, 2022

Faisalabad

UDIN: CR202210184xGD9SNaYv

STATEMENT OF COMPLIANCE

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

Name of Company: The Crescent Textile Mills Limited

Year ended: June 30, 2022

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 (7) 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. Moreover following three directors have completed Directors' Training Program including two independent directors.

STATEMENT OF COMPLIANCE

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

Category	Name
Executive Director	Mr. Ahmad Shafi
Independent Director	Mr. Amin Anjum Saleem
Independent Director	Mrs. Nazia Maqbool

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. Chief Financial Officer and Chief Executive Officer 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 2022
 - b) HR and Remuneration Committee: One meeting during the financial year ended 30 June 2022
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

STATEMENT OF COMPLIANCE


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

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 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 (NC) 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)

For and on behalf of the Board of Directors


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CRESCENT TEXTILE MILLS LIMITED Report on the Audit of the Financial Statements

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 2022, 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 2022 and of the profit, other comprehensive loss, 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 Inventories as at 30 June 2022 amounting to Rupees 4,957.865 million, break up of which is as follows:</p> <ul style="list-style-type: none">- Stores, spare parts and loose tools of Rupees 348.363 million- Stock-in-trade of Rupees 4,609.502 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 22.23% of the total assets of the Company as at 30 June 2022, 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

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 19) and Stock-in-trade (Note 20) 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 2022, the Company carried its portfolio of investments as follows:

- Quoted investments carried at fair value through other comprehensive income amounting to Rupees 911.238 million.
- Un-quoted investments carried at fair value through other comprehensive income amounting to Rupees 3,263.477 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 2022 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

these un-quoted investments at Rupees 3,262.977 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 25 to the financial statements).

3. Revenue recognition

The Company recognized revenue of Rupees 20,331.457 million for the year ended 30 June 2022.

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 27 to the financial statements).

management to the independent professional valuer.

- 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;
- We assessed whether the accounting policies for revenue recognition complies with the

INDEPENDENT AUDITOR'S REPORT

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 are 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:

- 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

INDEPENDENT AUDITOR'S REPORT

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

INDEPENDENT AUDITOR'S REPORT

- 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 & Co.

RIAZ AHMAD & COMPANY

Chartered Accountants

Date: September 29, 2022

Faisalabad

UDIN: AR202210184hxlV8pBkj

STATEMENT OF FINANCIAL POSITION

as at June 30, 2022

(Rupees in '000')	Note	2022	2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (2021: 100 000 000) ordinary shares of Rupees 10 each		2,000,000	1,000,000
Issued, subscribed and paid up share capital	3	1,000,000	800,000
Share deposit money	3.1	-	312,152
Reserves			
Capital reserves			
Premium on issue of right shares	4.1	391,559	200,169
Fair value reserve	4.1	596,014	1,079,509
Surplus on revaluation of operating fixed assets - net of deferred income tax	5	4,160,313	4,160,718
		5,147,886	5,440,396
Revenue reserves	4.2	4,686,835	3,321,998
Total reserves		9,834,721	8,762,394
TOTAL EQUITY		10,834,721	9,874,546
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	843,847	964,336
Deferred income tax liability	7	149,444	-
Deferred liabilities	8	-	46,144
		993,291	1,010,480
CURRENT LIABILITIES			
Trade and other payables	9	2,341,793	2,059,812
Unclaimed dividend		10,991	11,109
Accrued mark-up	10	124,228	79,606
Short term borrowings	11	6,892,369	6,127,540
Current portion of long term financing	6	414,286	479,090
Current portion of deferred liabilities	12	344,983	407,040
Provision for taxation		343,960	215,248
		10,472,610	9,379,445
TOTAL LIABILITIES		11,465,901	10,389,925
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		22,300,622	20,264,471

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

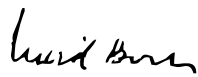


Muhammad Anwar
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

as at June 30, 2022

(Rupees in '000')	Note	2022	2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	7,879,501	7,376,131
Intangible asset	15	5,770	13,456
Long term investments	16	3,728,983	3,806,670
Long term loans and advances	17	1,110	307
Long term deposits and prepayments	18	15,127	15,208
Deferred income tax asset	7	-	1,362
		11,630,491	11,213,134
CURRENT ASSETS			
Stores, spare parts and loose tools	19	348,363	224,719
Stock-in-trade	20	4,609,502	3,711,478
Trade debts	21	3,754,888	2,694,954
Loans and advances	22	99,803	42,032
Short term deposits and prepayments	23	126,866	130,661
Income tax		761,198	737,009
Other receivables	24	378,178	381,037
Short term investments	25	445,732	791,517
Cash and bank balances	26	145,601	337,930
		10,670,131	9,051,337
TOTAL ASSETS		22,300,622	20,264,471



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

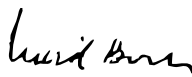
for the Year Ended June 30, 2022

(Rupees in '000')	Note	2022	2021
Revenue	27	20,331,457	17,817,252
Cost of sales	28	(16,790,308)	(15,363,861)
Gross profit		3,541,149	2,453,391
Distribution cost	29	(929,784)	(769,112)
Administrative expenses	30	(490,378)	(447,277)
Other expenses	31	(238,392)	(106,032)
		(1,658,554)	(1,322,421)
		1,882,595	1,130,970
Other income	32	377,347	131,436
Profit from operations		2,259,942	1,262,406
Finance cost	33	(498,167)	(452,229)
Profit before taxation		1,761,775	810,177
Taxation	34	(414,676)	(294,527)
Profit after taxation		1,347,099	515,650
Earnings per share - basic (Rupees)	35.1	13.68	Restated 6.12
Earnings per share - diluted (Rupees)	35.2	13.64	6.12

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, 2022

(Rupees in '000')	2022	2021
Profit after taxation	1,347,099	515,650
Other comprehensive (loss) / income		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(399,796)	429,446
Deferred income tax relating to investments at fair value through other comprehensive income	(66,107)	(22,507)
	(465,903)	406,939
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive (loss) / income for the year - net of tax	(465,903)	406,939
Total comprehensive income for the year	881,196	922,589

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, 2022

	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				
			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		TOTAL
(Rupees in '000')											
Balance as at 01 July 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
Transactions with owners:											
Share deposit money received during the year against right shares at the rate of Rupees 20 per share	-	87,848	-	-	-	-	-	-	-	-	87,848
Issue of right shares during the year at the premium of Rupees 10 per share	200,000	(400,000)	200,000	-	-	200,000	-	-	-	200,000	-
Share issuance costs	-	-	(8,610)	-	-	(8,610)	-	-	-	(8,610)	(8,610)
	200,000	(312,152)	191,390	-	-	191,390	-	-	-	191,390	79,238
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(146)	(146)	-	146	146	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(259)	(259)	-	-	-	(259)	(259)
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(17,592)	-	(17,592)	-	17,592	17,592	-	-
Profit for the year	-	-	-	-	-	-	-	1,347,099	1,347,099	1,347,099	1,347,099
Other comprehensive loss for the year	-	-	-	(465,903)	-	(465,903)	-	-	-	(465,903)	(465,903)
Total comprehensive income for the year	-	-	-	(465,903)	-	(465,903)	-	1,347,099	1,347,099	881,196	881,196
Balance as at 30 June 2022	1,000,000	-	391,559	596,014	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721

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

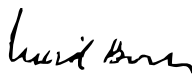
for the Year Ended June 30, 2022

(Rupees in '000')	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	760,887	771,859
Finance cost paid		(451,408)	(473,138)
Income tax paid - net		(225,714)	(118,833)
Dividend paid		(118)	(123)
Workers' profit participation fund paid		(32,114)	(2)
Gas Infrastructure Development Cess (GIDC) paid		(111,280)	(92,853)
Net (increase) / decrease in long term loans and advances		(803)	3
Net decrease in long term deposits and prepayments		81	13,529
Net cash (used in) / generated from operating activities		(60,469)	100,442
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant, equipment and intangible asset		(845,549)	(310,171)
Proceeds from sale of property, plant and equipment		32,867	375
Proceeds from sale of investment		23,676	1,386
Dividends received		7,692	8,361
Net cash used in investing activities		(781,314)	(300,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		293,798	414,686
Share deposit money received - net		79,238	312,152
Repayment of long term financing		(488,411)	(116,176)
Short term borrowings - net		764,829	(112,110)
Net cash from financing activities		649,454	498,552
Net (decrease) / increase in cash and cash equivalents		(192,329)	298,945
Cash and cash equivalents at the beginning of the year		337,930	38,985
Cash and cash equivalents at the end of the year (Note 26)		145,601	337,930

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, 2022

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. 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 units which are situated at Lahore Road, Jaranwala, Punjab and at Faisalabad Industrial Estate Development and Management Company (FIEDMC) site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, 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 as otherwise stated in respective accounting policies.

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, 2022

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. If such indication exists, asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. 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 / amortization 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. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company consider that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

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

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for the Year Ended June 30, 2022

on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

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 2021:

- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

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 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.

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 2022 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 noncurrent 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 these 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 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

NOTES TO THE FINANCIAL STATEMENTS

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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 de-recognize 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 stated 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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 approved standards that are mandatory for accounting periods beginning on or after 01 July 2022 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, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.5 Dividend and other appropriations

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

2.6 Taxation

Current

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

NOTES TO THE FINANCIAL STATEMENTS

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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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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 at each financial year-end, with the effect of changes in estimate accounted for on prospective basis.

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 represented by the difference between the sale proceeds and the carrying amount 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

2.10 Financial Instruments

i) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis / use of earnings multiple from similar listed competitors 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

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.

ii) 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:

- 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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
- iii) 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.

iv) 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:

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for the Year Ended June 30, 2022

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.

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. Finance cost is accounted for on accrual basis and is reported under accrued mark-up to the extent of the amount remained unpaid.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the amount of the liability for at least twelve months after reporting date.

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

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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. 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.

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for the Year Ended June 30, 2022

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 equity and recognized at their face value. 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. 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

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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 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, 2022

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2022 (Number of Shares)	2021		2022 (Rupees in '000')	2021
70 571 213	50 571 213	Ordinary shares of Rupees 10 each fully paid in cash (Note 3.2)	705,712	505,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
100 000 000	80 000 000		1,000,000	800,000

3.1 During the year, the Company issued 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. This issue of right shares was fully subscribed and the shares were allotted on 28 July 2021.

3.2 Movement during the year

50 571 213	50 571 213	Opening balance	7 505,712	505,712
20 000 000	-	Ordinary shares of Rupees 10 each issued as fully paid right shares (Note 3.1)	200,000	-
70 571 213	50 571 213	Closing balance	705,712	505,712

3.3 Ordinary shares of the Company held by related parties:

(Number of Shares)	2022	2021
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	3 064 252	3 057 002
Suraj Cotton Mills Limited	2 060 625	1 648 500
Premier Insurance Limited	944 981	755 985
Crescent Group (Private) Limited	110	110
Shakarganj Limited	5 898	5 898
	6 075 866	5 467 495
(Rupees in '000')	2022	2021

4. RESERVES

Composition of reserves is as follows:

4.1 Capital reserves		
Premium on issue of right shares (Note 4.1.1)	391,559	200,169
Fair value reserve of investments at FVTOCI - net of deferred income tax (Note 4.1.2)	596,014	1,079,509
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5)	4,160,313	4,160,718
	5,147,886	5,440,396

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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

4.1.2 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')	2022	2021
Balance as at 01 July	1,079,509	673,438
Fair value adjustment during the year	(399,796)	429,446
	679,713	1,102,884
Gain realized on disposal of equity investment at fair value through other comprehensive income	(17,592)	(868)
Deferred income tax relating to investments at fair value through other comprehensive income	(66,107)	(22,507)
	(83,699)	(23,375)
Balance as at 30 June	596,014	1,079,509
4.2 Revenue reserves		
General reserve	1,803,643	1,803,643
Unappropriated profit	2,883,192	1,518,355
	4,686,835	3,321,998
5. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Surplus on revaluation of operating fixed assets as at 01 July	4,162,050	4,162,219
Less:		
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	146	149
Related deferred income tax liability	23	20
	169	169
	4,161,881	4,162,050
Less:		
Deferred income tax liability as at 01 July	1,332	1,453
Adjustment of deferred income tax liability due to re-assessment at year end	259	(101)
Incremental depreciation charged during the year transferred to the statement of profit or loss	(23)	(20)
	1,568	1,332
	4,160,313	4,160,718

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

- 5.1 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')	2022	2021
6. LONG TERM FINANCING		
From banking companies - secured		
Long term loans (Note 6.1)	1,219,591	1,443,426
Diminishing musharika (Note 6.2)	38,542	-
	1,258,133	1,443,426
Less: Current portion shown under current liabilities	414,286	479,090
	843,847	964,336

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

	LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
6.1	Long term loans							
	Pak Libya Holding Company (Private) Limited	-	37,500	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	4,740	14,220	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	11,260	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	9,428	18,857	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	29,748	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	16,423	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	20,584	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	2,999	4,499	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 November 2017	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	8,374	12,561	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	05 December 2017	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	85,157	119,219	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	13 January 2018	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	93,955	131,537	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 January 2018	Quarterly	First pari passu charge over fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
(Rupees in '000')							
National Bank of Pakistan	18,296	25,615	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	26 January 2018	Quarterly	First pari passu charge over fixed assets of the Company.
National Bank of Pakistan	25,733	36,026	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	07 February 2018	Quarterly	First pari passu charge over fixed assets of the Company.
National Bank of Pakistan	19,193	26,870	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	14 February 2018	Quarterly	First pari passu charge over fixed assets of the Company.
National Bank of Pakistan	13,178	18,449	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	23 April 2018	Quarterly	First pari passu charge over fixed assets of the Company.
National Bank of Pakistan	19,928	26,571	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	29 December 2018	Quarterly	First pari passu charge over fixed assets of the Company.
Pak Libya Holding Company (Private) Limited	147,665	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	25,082	26,277	3 months KIBOR plus 2.50% 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	165,493	212,776	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	85,186	107,901	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 6.1.1)	77,261	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	53,393	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, 2022

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
(Rupees in '000')							
MCB Bank Limited	25,461	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	1,263	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	2,756	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	1,779	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.
Askari Bank Limited	44,732	-	3 months KIBOR plus 2%	16 equal quarterly installments	11 February 2023	Quarterly	First pari passu charge of Rupees 400 million over fixed assets of the Company.
Askari Bank Limited	182,838	-	3 months KIBOR plus 2%	18 equal quarterly installments	09 March 2023	Quarterly	First pari passu charge of Rupees 400 million over fixed assets of the Company.
Askari Bank Limited	27,686	-	3 months KIBOR plus 2%	18 equal quarterly installments	30 March 2023	Quarterly	First pari passu charge of Rupees 400 million over fixed assets of the Company.
	1,219,591	1,443,426					

- 6.1.1 This represents balance of long term financing obtained from Habib Bank Limited under State Bank of Pakistan (SBP) refinance scheme 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

	LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
6.2	Diminishing musharika							
	Bank Alfalah Limited	17,176	-	12 months KIBOR plus 2% with floor of 8% and cap of 20%	48 equal monthly installments	28 November 2022	Monthly	Title of the specific vehicles.
	Bank Alfalah Limited	17,931	-	12 months KIBOR plus 2% with floor of 8% and cap of 20%	48 equal monthly installments	01 January 2023	Monthly	Title of the specific vehicles.
	Bank Alfalah Limited	3,435	-	12 months KIBOR plus 2% with floor of 8% and cap of 20%	48 equal monthly installments	21 January 2023	Monthly	Title of the specific vehicles.
		38,542	-					

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
7. DEFERRED INCOME TAX LIABILITY / (ASSET)		
Taxable temporary differences on		
Tax depreciation allowance	188,327	159,901
Surplus on revaluation of operating fixed assets	1,568	1,332
Fair value reserve of investments	94,552	28,445
	284,447	189,678
Deductible temporary differences on		
Provision for doubtful receivables	(35,203)	(13,512)
Unused tax losses and minimum tax	(99,800)	(177,528)
	(135,003)	(191,040)
Deferred income tax liability / (asset)	149,444	(1,362)
7.1 Movement in deferred income tax liability / (asset) balance is as follows:		
At beginning of the year	(1,362)	(109,643)
Less:		
Recognized in statement of profit or loss:		
- tax depreciation allowance	28,426	(17,328)
- surplus on revaluation of operating fixed assets	236	(121)
- provision for doubtful receivables	(21,691)	500
- unused tax losses and minimum tax	77,728	102,723
	84,699	85,774
Recognized in statement of comprehensive income:		
- unrealized gain on investments at FVTOCI	66,107	22,507
	150,806	108,281
	149,444	(1,362)
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		
Balance as on 01 July	10,024	-
Add: Recognized during the year	-	24,711
Less: Amortization during the year	9,320	14,687
	704	10,024
Less: Current portion shown under current liabilities (Note 12)	704	9,320
	-	704

8.1.1 This represents deferred government grant in respect of long term finance facility obtained under SBP refinance scheme as disclosed in Note 6.1.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
8.2 Gas Infrastructure Development Cess (GIDC) payable		
Balance as on 01 July	443,160	548,677
Less: GIDC paid during the year	(111,280)	(92,853)
Less: Gain on remeasurement of GIDC	-	(38,032)
Add: Unwinding of discount on GIDC payable (Note 33)	12,399	25,368
	344,279	443,160
Less: Current portion shown under current liabilities (Note 12)	344,279	397,720
	-	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)	939,688	1,039,619
Accrued liabilities	1,221,360	928,363
Contract liabilities - unsecured	79,492	42,292
Payable to Employees' Provident Fund Trust	7,279	6,116
Retention money payable	1,821	843
Income tax deducted at source	7,176	6,318
Sales tax deducted at source	1,210	1,209
Workers' profit participation fund (Note 9.2)	80,939	32,731
Other payables	2,828	2,321
	2,341,793	2,059,812

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

9.1 These include Rupees 4.447 million (2021: Rupees 0.567 million) due to Premier Insurance Limited, a related party.

(Rupees in '000')	2022	2021
9.2 Workers' profit participation fund		
Balance as on 01 July	32,731	2,818
Interest for the year (Note 33)	2,137	89
Provision for the year (Note 31)	78,185	29,826
	113,053	32,733
Less: Payments made during the year	32,114	2
Balance as on 30 June	80,939	32,731

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	13,413	14,716
Short term borrowings	110,815	64,890
	124,228	79,606

11. SHORT TERM BORROWINGS

From banking companies - secured		
Short term finances (Note 11.1 and Note 11.4)	2,861,747	2,046,790
State Bank of Pakistan (SBP) refinance (Note 11.2 and Note 11.4)	3,834,486	3,364,000
Short term foreign currency finances (Note 11.3 and Note 11.4)	196,136	716,750
	6,892,369	6,127,540

11.1 The finances aggregating to Rupees 4,185 million (2021: Rupees 2,678 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.50 to 2.50 percent (2021: KIBOR plus 1.50 to 2.50 percent) per annum payable quarterly.

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 (2021: 3.00 percent) per annum are charged on quarterly basis. Aggregate borrowing limits of these facilities are of Rupees 3,836 million (2021: Rupees 3,364 million).

11.3 Short term foreign currency finances amounting to Rupees 203 million (2021: Rupees 732 million) are available at mark-up ranging from LIBOR plus 1.59 to 2.03 percent (2021: LIBOR plus 1.25 to 2.00 percent) per annum payable quarterly.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

- 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')	2022	2021
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Deferred income - Government grant (Note 8.1)	704	9,320
GIDC payable (Note 8.2)	344,279	397,720
	344,983	407,040

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 251.834 million (2021: Rupees 248.691 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) Post dated cheques of Rupees 455.323 million (2021: Rupees 536.370 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and security cheques covering full amount plus profit for three months against diminishing musharika to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.
- iii) 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 (2021: 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.
- iv) 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 947.550 million (2021: Rupees 250.660 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 686.586 million (2021: Rupees 426.643 million).
- iii) Ijarah commitments are of Rupees 54.270 million (2021: Rupees 68.847 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
The total of future ijarah payments under arrangement are as follows:		
Not later than one year	27,533	28,607
Later than one year and not later than five years	26,737	40,240
	54,270	68,847
14. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 14.1)	7,395,579	7,188,601
Capital work-in-progress (Note 14.2)	483,922	187,530
	7,879,501	7,376,131

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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 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
	-	-	-	-	(1,245)	-	-	-	-	(17)	-	(1,262)
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
Year ended 30 June 2022												
Opening 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
Additions	91,900	-	218,639	-	149,961	511	7,698	74,470	-	5,978	-	549,157
Disposals:												
Cost	-	-	-	-	(10,314)	-	-	(27,571)	-	-	-	(37,885)
Accumulated depreciation	-	-	-	-	8,644	-	-	15,338	-	-	-	23,982
	-	-	-	-	(1,670)	-	-	(12,233)	-	-	-	(13,903)
Depreciation charge	-	(213)	(21,597)	(4,998)	(264,560)	(1,750)	(4,310)	(23,989)	(164)	(6,168)	(527)	(328,276)
Closing net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
At 30 June 2022												
Cost / revalued amount	4,347,543	16,727	713,871	126,621	6,591,581	36,178	113,273	187,161	7,416	60,660	113,523	12,314,554
Accumulated depreciation	-	(2,152)	(339,802)	(75,920)	(4,141,630)	(28,837)	(91,481)	(72,586)	(6,762)	(51,025)	(108,780)	(4,918,975)
Net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
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, 2022

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')	2022			2021		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	196,976	-	196,976	105,076	-	105,076
Land - Leasehold	4,719	1,458	3,261	4,719	1,414	3,305
	201,695	1,458	200,237	109,795	1,414	108,381

14.1.3 Fixed assets of the Company with carrying amount of Rupees 6,968 million (2021: Rupees 7,059 million) are subject to first pari passu charge and title of specific vehicles are given as security 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 53.115 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')	2022	2021
Cost of sales (Note 28)	294,986	307,125
Administrative expenses (Note 30)	33,290	26,388
	328,276	333,513

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	1 748 878
Manufacturing facility	Phase-III Industrial Estate Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa.	10.00	120 142
Manufacturing facility	FIEDMC site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab. (Note 14.1.7)	50.01	37 070

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

Particulars	Location	Area	Covered area
		Acres	Sq. Ft.
Land and building	Chak No. 66 J.B., Dhandra Road, Airport Chowk, Jhang Road, Faisalabad, Punjab.	1.05	21 600
Land and building	Plot No. 18-E, Survey No. 35/P-1, Block-6, P.E.C.H.S., Karachi, Sindh.	0.31	6 636
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
		178.51	1 944 128

14.1.7 Allotment and possession letters of property located at FIEDMC site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab, has been received by the Company but title was not yet transferred in name of the Company due to ongoing installments which shall be completed on 11 February 2026. However, the Company has capitalized the buildings at FIEDMC site because a stitching unit has started operations, while land is included in capital work-in-progress.

14.1.8 During the year covered area of certain properties has been reassessed by the Company and disclosed accordingly.

14.1.9 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	Gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Vehicles								
Honda Civic VTI LEC-15-6063	1	2,506	1,892	614	2,400	1,786	Negotiation	Salman Iftikhar, Faisalabad
Suzuki Wagon R LEA-203767	1	1,665	463	1,202	1,710	508	Insurance Claim	Premier Insurance Limited, a related party
Honda City I-Vtec BPP-701	1	1,973	969	1,004	1,800	796	Insurance Claim	Premier Insurance Limited, a related party
Honda City I-Vtec LEC-18-5226	1	1,612	932	680	1,164	484	Negotiation	Shahzad Hussain, Company's employee
Honda City I-Vtec LED-18A-439	1	1,797	900	897	2,250	1,353	Negotiation	Khurram Gull, Faisalabad
Honda City I-Vtec LED-18-8307	1	1,612	895	717	2,200	1,483	Negotiation	Zulfiqar Ali, Faisalabad
Honda City I-Vtec LEA-19A-7079	1	2,322	873	1,449	2,160	711	Negotiation	Taimoor Ilyas, Faisalabad

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Vehicles								
Honda City I-Vtec FDA-162	1	1,973	969	1,004	2,290	1,286	Negotiation	Irfan Khan, Faisalabad
Honda City I-Vtec LEC-18A-1053	1	1,742	872	870	2,225	1,355	Negotiation	Naeem Iqbal, Faisalabad
Honda City I-Vtec LEC-18A-9082	1	1,797	900	897	2,070	1,173	Negotiation	Khurram Gull, Faisalabad
Honda Civic VTI FD-379	1	2,451	1,941	510	2,300	1,790	Negotiation	Muhammad Akram, Faisalabad
Suzuki Cultus Auto LEB-L8-7969	1	1,551	921	630	1,900	1,270	Negotiation	Kashif Mehmood, Faisalabad
Honda Civic VTI ALK-868	1	2,991	1,554	1,437	3,200	1,763	Negotiation	Umer Shafi, Company's employee
		25,992	14,081	11,911	27,669	15,758		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000		11,893	9,901	1,992	5,198	3,206		
		37,885	23,982	13,903	32,867	18,964		

14.2 Capital work-in-progress

(Rupees in '000')	2022				2021			
	Balance as at 01 July 2021	Additions	Transfer to operating fixed assets	Balance as at 30 June 2022	Balance as at 01 July 2020	Additions	Transfer to operating fixed assets	Balance as at 30 June 2021
Buildings on freehold land	41,260	195,024	(218,639)	17,645	22,992	18,268	-	41,260
Buildings on leasehold land	-	20,901	-	20,901	-	-	-	-
Plant and machinery	24,546	397,577	(149,961)	272,162	-	190,344	(165,798)	24,546
Advance against purchase of vehicles	13,026	61,444	(74,470)	-	-	29,073	(16,047)	13,026
Advance against office equipment	-	6,144	(5,978)	166	-	8,795	(8,795)	-
Advance against purchase of land	108,698	47,042	-	155,740	49,911	58,787	-	108,698
Advance against gas and electric installations	-	25,006	(7,698)	17,308	262	1,553	(1,815)	-
	187,530	753,138	(456,746)	483,922	73,165	306,820	(192,455)	187,530

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
15. INTANGIBLE ASSET		
Computer Software		
Net carrying value basis		
Opening net book value	13,456	20,180
Add: Addition during the year	-	929
Less: Amortization charged during the year (Note 30)	(7,686)	(7,653)
Closing net book value	5,770	13,456
Gross carrying amount		
Cost	42,057	42,057
Accumulated amortization	(36,287)	(28,601)
Closing net book value	5,770	13,456
Amortization rate (per annum)	33.33%	33.33%
16. LONG TERM INVESTMENTS		
At fair value through other comprehensive income		
Related parties - Quoted		
Crescent Jute Products Limited		
2 738 637 (2021: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2021: 11.52%)	-	-
Shams Textile Mills Limited		
812 160 (2021: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2021: 9.40%)	4,629	4,629
Premier Insurance Limited		
141 573 (2021: 141 573) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2021: 0.28%)	35	35
Shakarganj Limited		
9 019 690 (2021: 9 019 690) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2021: 7.22%)	118,623	118,623
Others		
Quoted		
Crescent Cotton Mills Limited		
1 034 499 (2021: 1 034 499) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2021: 4.56%)	5,124	5,124

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
Jubilee Spinning and Weaving Mills Limited 182 629 (2021: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2021: 0.56%)	213	213
Crescent Fibres Limited 351 657 (2021: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2021: 2.83%)	2,162	2,162
Unquoted		
Crescent Bahuman Limited 26 926 433 (2021: 26 926 433) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2021: 19.80%) (Note 16.1)	269,264	269,264
286 520 000 (2021: 286 520 000) fully paid non-voting ordinary shares of Rupees 10 each. Equity held 73.37% (2021: 73.37%) (Note 16.1)	2,865,200	2,865,200
Premier Financial Services (Private) Limited 500 (2021: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2021: 2.22%)	500	500
Cresox (Private) Limited 4 199 792 (2021: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2021: 11.66%)	-	-
	3,265,750	3,265,750
Add: Fair value adjustment	463,233	540,920
	3,728,983	3,806,670

16.1 Fair value of voting and non-voting ordinary shares of Crescent Bahuman Limited is determined as Rupees 10.41 per share. The valuation has been determined by an independent valuer using comparable company valuation multiples under market approach method.

17. LONG TERM LOANS AND ADVANCES

Considered good:		
Employees	2,168	991
Less: Current portion shown under current assets (Note 22)	1,058	684
	1,110	307

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
18. LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits	12,867	30,472
Prepayments	3,486	4,712
	16,353	35,184
Less: Current portion shown under current assets (Note 23)	1,226	19,976
	15,127	15,208
19. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 19.1)	293,821	191,992
Spare parts (Note 19.2)	54,471	32,642
Loose tools	71	85
	348,363	224,719
19.1 These include stores in transit of Rupees 32.111 million (2021: Rupees 16.783 million).		
19.2 These include spare parts in transit of Rupees 7.154 million (2021: Rupees 1.923 million).		
20. STOCK-IN-TRADE		
Raw materials (Note 20.1)	1,981,087	1,396,412
Work-in-process	271,467	196,289
Finished goods (Note 20.2)	2,338,857	2,103,687
Waste	18,091	15,090
	4,609,502	3,711,478
20.1 Raw materials include stock in transit of Rupees 288.395 million (2021: Rupees 378.957 million).		
20.2 Finished goods include stock in transit of Rupees 349.426 million (2021: Rupees 464.631 million) and stock with third parties amounting to Rupees 253.359 million (2021: Rupees 231.112 million).		
21. TRADE DEBTS		
Considered good:		
Secured		
Against confirmed letters of credit - secured	1,284,445	972,589
Unsecured		
Related party (Note 21.3)	-	17,145
Others - against contract	2,659,039	1,751,223
	2,659,039	1,768,368
	3,943,484	2,740,957
Less: Allowance for expected credit losses (Note 21.4)	188,596	46,003
	3,754,888	2,694,954

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
21.1 Trade debts in respect of foreign and local jurisdictions is given under:		
America	500,681	293,489
Asia, Africa and Australia	148,403	113,104
Europe	1,967,885	1,172,106
Pakistan	1,137,919	1,116,255
	3,754,888	2,694,954

21.2 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 10 to 60 days from delivery in case of local sales, and 15 to 120 days in case of export sales.

21.3 As at 30 June 2022, trade debts due from the related party, Suraj Cotton Mills Limited are amounting to Rupees Nil (2021: Rupees 17.145 million). The ageing analysis of these trade debts is as follows:

Not yet due	-	11,614
Upto 1 month	-	5,531
	-	17,145

21.3.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 47.705 million (2021: Rupees 27.591 million).

21.4 Allowance for expected credit losses

As at 01 July	46,003	51,358
Add: Recognized during the year (Note 31)	143,093	115
	189,096	51,473
Less: Recovered during the year (Note 32)	500	5,470
As at 30 June	188,596	46,003

21.5 As at 30 June 2022, trade debts receivable from other than the related party are aggregating to Rupees 3,754.888 million (2021: Rupees 2,677.809 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	3,063,550	2,038,455
Upto 1 month	395,081	107,310
1 to 6 months	36,837	47,685
More than 6 months	259,420	484,359
	3,754,888	2,677,809

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
22. LOANS AND ADVANCES		
Considered good:		
Employees against expenses	1,778	842
Current portion of long term loans and advances (Note 17)	1,058	684
Advances to suppliers / service providers	96,676	40,300
Letters of credit	961	795
	100,473	42,621
Less: Provision for doubtful loans and advances (Note 22.1)	670	589
	99,803	42,032
22.1 Provision for doubtful loans and advances		
As at 01 July	589	589
Add: Recognized during the year (Note 31)	81	-
As at 30 June	670	589
23. SHORT TERM DEPOSITS AND PREPAYMENTS		
Considered good:		
Margin deposits	118,229	100,229
Short term deposit and prepayments	7,411	10,456
Current portion of long term deposits and prepayments (Note 18)	1,226	19,976
	126,866	130,661
24. OTHER RECEIVABLES		
Considered good:		
Due from related party (Note 24.1)	115	31
Export rebate and claims	28,944	41,984
Duty drawback	-	178,253
Sales tax and special excise duty refundable	411,997	210,181
Miscellaneous	1,845	15,311
	442,901	445,760
Less: Provision for doubtful export rebate, sales tax and special excise duty refundable	64,723	64,723
	378,178	381,037
24.1 This represents amounts due from Shams Textile Mills Limited. The ageing analysis is as follows:		
Not yet due	58	-
Upto 1 month	57	31
	115	31

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

24.1.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 0.325 million (2021: Rupees 0.925 million).

(Rupees in '000')	2022	2021
25. SHORT TERM INVESTMENTS		
At fair value through other comprehensive income		
Others - quoted		
Samba Bank Limited 9 140 238 (2021: 11 148 238) fully paid ordinary shares of Rupees 10 each. Equity held 0.91% (2021: 1.11%)	27,730	33,814
Crescent Steel and Allied Products Limited 8 538 303 (2021: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2021: 11%)	190,669	190,669
	218,399	224,483
Add: Fair value adjustment	227,333	567,034
	445,732	791,517
26. CASH AND BANK BALANCES		
With banks:		
On current accounts		
Including US\$ 17,181 (2021: US\$ 1,579)	139,871	72,483
On saving accounts (Note 26.1)	3,353	263,336
	143,224	335,819
Cash in hand	2,377	2,111
	145,601	337,930
26.1 Rate of profit on saving accounts was ranging from 4.10% to 12.25% (2021: 4.59% to 5.50%) per annum).		
27. REVENUE		
Revenue from contracts with customers:		
Export sales	10,476,656	10,720,871
Local sales (Note 27.1)	9,732,188	6,851,930
	20,208,844	17,572,801
Export rebate and duty drawback	122,613	244,451
	20,331,457	17,817,252

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
27.1 Local sales		
Sales	10,692,847	7,689,609
Waste	558,833	328,015
Processing income	144,562	6,414
	11,396,242	8,024,038
Less: Sales tax	1,664,054	1,172,108
	9,732,188	6,851,930

27.2 The Company has recognized revenue of Rupees 35.132 million (2021: Rupees 46.728 million) from amounts included in contract liabilities at the year end.

28. COST OF SALES

Raw materials consumed (Note 28.1)	7,039,698	5,067,802
Cost of raw materials sold	13,248	22,870
Cloth and yarn purchased	3,347,523	3,596,276
Stores, spare parts and loose tools consumed	1,269,177	1,309,167
Packing materials consumed	793,278	1,030,445
Processing and weaving charges	822,577	1,058,270
Salaries, wages and other benefits (Note 28.2)	1,456,941	1,321,533
Fuel and power	1,905,691	1,515,577
Repair and maintenance	55,233	49,232
Insurance	21,626	15,080
Depreciation (Note 14.1.5)	294,986	307,125
Other factory overheads (Note 28.3)	83,679	75,266
	17,103,657	15,368,643
Work-in-process		
Opening stock	196,289	227,357
Closing stock	(271,467)	(196,289)
	(75,178)	31,068
Cost of goods manufactured	17,028,479	15,399,711
Finished goods		
Opening stock	2,118,777	2,082,927
Closing stock	(2,356,948)	(2,118,777)
	(238,171)	(35,850)
	16,790,308	15,363,861

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
28.1 Raw materials consumed		
Opening stock	1,396,412	876,270
Add: Purchased during the year	7,624,373	5,587,944
	9,020,785	6,464,214
Less: Closing stock	(1,981,087)	(1,396,412)
	7,039,698	5,067,802

28.2 Salaries, wages and other benefits include provident fund contribution of Rupees 29.736 million (2021: Rupees 23.477 million) by the Company.

28.3 These include ijarah rentals amounting to Rupees 29.204 million (2021: Rupees 32.933 million).

29. DISTRIBUTION COST

Salaries, wages and other benefits (Note 29.1)	84,282	73,702
Freight and shipment	331,784	280,553
Postage	13,765	10,644
Duties and other charges	92,560	88,011
Commission to selling agents	405,709	314,713
Advertisement	1,684	1,489
	929,784	769,112

29.1 Salaries, wages and other benefits include provident fund contribution of Rupees 2.456 million (2021: Rupees 2.242 million) by the Company.

30. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 30.1)	324,246	293,322
Meeting fee to directors	720	620
Travelling, conveyance and entertainment	16,769	8,342
Rent, rates and taxes	5,824	3,155
Repair and maintenance	41,151	40,142
Insurance	4,543	5,312
Printing and stationery	3,090	2,755
Communication and advertisement	6,009	4,819
Subscription	19,089	20,490
Legal and professional	11,228	13,633
Auditor's remuneration (Note 30.2)	3,225	2,850
Amortization (Note 15)	7,686	7,653
Depreciation (Note 14.1.5)	33,290	26,388
Other charges	13,508	17,796
	490,378	447,277

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

30.1 Salaries, wages and other benefits include provident fund contribution of Rupees 9.162 million (2021: Rupees 8.634 million) by the Company.

(Rupees in '000')	2022	2021
30.2. Auditor's remuneration		
Audit fee	2,600	2,300
Half yearly review	300	300
Other certification fees	275	200
Reimbursable expenses	50	50
	3,225	2,850

31. OTHER EXPENSES

Donations (Note 31.1 and Note 31.2)	17,033	9,291
Allowance for expected credit losses (Note 21.4)	143,093	115
Provision for doubtful loans and advances (Note 22.1)	81	-
Workers' profit participation fund (Note 9.2)	78,185	29,826
Loss on sale of property, plant and equipment	-	887
Net exchange loss	-	65,913
	238,392	106,032

31.1 The Company has made donations exceeding Rupees 1 million or 10% of total donation, whichever is higher, to the following parties:

The Citizens Foundation	7,800	7,800
Indus Hospital and Health Network	7,000	-

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

32. OTHER INCOME

Income from financial assets		
Dividend income (Note 32.1)	7,692	8,361
Mark-up on overdue receivables	-	46,887
Profit on saving accounts	1,178	2,616
Reversal of allowance for expected credit losses (Note 21.4)	500	5,470
Net exchange gain	315,935	-
	325,305	63,334

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
Income from non-financial assets		
Sale of empties and scrap	30,979	28,105
Rental income	2,099	1,965
Gain on remeasurement of GIDC liability	-	38,032
Gain on sale of property, plant and equipment	18,964	-
	52,042	68,102
	377,347	131,436
32.1 Dividend income		
From related party:		
Shams Textile Mills Limited	1,624	-
From others:		
Crescent Fibres Limited	528	-
Samba Bank Limited	5,540	8,361
	6,068	8,361
	7,692	8,361
33. FINANCE COST		
Mark up on:		
Long term financing	62,014	66,539
Short term borrowings	398,332	338,908
Interest on workers' profit participation fund (Note 9.2)	2,137	89
Unwinding of discount on GIDC payable (Note 8.2)	12,399	25,368
Bank charges and commission	23,285	21,325
	498,167	452,229
34. TAXATION		
Charge for the year:		
Current (Note 34.1)	337,364	208,652
Prior year adjustment	(7,127)	-
	330,237	208,652
Deferred (Note 34.2)	84,439	85,875
	414,676	294,527

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

34.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales, super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001, and tax on different heads of other income under the relevant provisions of the Ordinance. Tax losses available for carry forward as at 30 June 2022 are of Rupees 287.762 million (2021: Rupees 571.252 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 2022 is of Rupees 168.166 million (2021: Rupees 358.365 million), while deferred tax asset is recognized on minimum tax to the extent of Rupees 16.349 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.

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
	2022	9,055	2025
	2021	81,080	2024
	2020	78,031	2023
		168,166	

(Rupees in '000')	2022	2021
34.2 Deferred income tax effect due to:		
Tax depreciation allowance	188,327	159,901
Unused tax losses and minimum tax	(99,800)	(177,528)
Provision for doubtful receivables	(35,203)	(13,512)
Surplus on revaluation of operating fixed assets	534	299
	53,858	(30,840)
Opening balance as at 01 July	30,840	116,614
Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end	(259)	101
	84,439	85,875

35. EARNINGS PER SHARE - BASIC AND DILUTED

35.1 Basic earnings per share		Restated
Profit attributable to ordinary shareholders (Rupees in thousand)	1,347,099	515,650
Weighted average number of ordinary shares (Numbers)	98 465 753	84 227 129
Basic earnings per share (Rupees)	13.68	6.12
35.2 Diluted earnings per share		
Profit attributable to ordinary shareholders (Rupees in thousand)	1,347,099	515,650
Weighted average number of ordinary shares (Numbers)	98 790 026	84 227 129
Diluted earnings per share (Rupees)	13.64	6.12

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Rupees in '000')	2022	2021
36. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,761,775	810,177
Adjustments for non-cash charges and other items:		
Depreciation	328,276	333,513
Amortization	7,686	7,653
(Gain) / loss on sale of property, plant and equipment	(18,964)	887
Dividend income	(7,692)	(8,361)
Allowance for expected credit losses	143,093	115
Provision for doubtful loans and advances	81	-
Gain on remeasurement of GIDC liability	-	(38,032)
Unwinding of discount on GIDC payable	12,399	25,368
Reversal of allowance for expected credit losses	(500)	(5,470)
Provision for workers' profit participation fund	78,185	29,826
Finance cost	485,768	426,861
Working capital changes (Note 36.1)	(2,029,220)	(810,678)
	760,887	771,859
36.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(123,644)	8,797
- Stock-in-trade	(898,024)	(524,924)
- Trade debts	(1,202,527)	(270,106)
- Loans and advances	(57,852)	(19,773)
- Short term deposits and prepayments	3,795	(46,516)
- Other receivables	2,859	(79,556)
	(2,275,393)	(932,078)
Increase in trade and other payables	246,173	121,400
	(2,029,220)	(810,678)

36.2 There are no non-cash investing and financing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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

(Rupees in '000')	2022				2021			
	Share deposit money	Long term financing	Short term borrowings	Total	Share deposit money	Long term financing	Short term borrowings	Total
Balance as at 01 July	312,152	1,443,426	6,127,540	7,883,118	-	1,154,940	6,239,650	7,394,590
Financing obtained	-	293,798	-	293,798	-	414,686	-	414,686
Share deposit money received-net	79,238	-	-	79,238	312,152	-	-	312,152
Right shares issued	(200,000)	-	-	(200,000)	-	-	-	-
Transferred to premium on issue of right shares	(191,390)	-	-	(191,390)	-	-	-	-
Amortization of deferred grant	-	9,320	-	9,320	-	(10,024)	-	(10,024)
Short term borrowings - net	-	-	764,829	764,829	-	-	(112,110)	(112,110)
Repayment of financing	-	(488,411)	-	(488,411)	-	(116,176)	-	(116,176)
Balance as at 30 June	-	1,258,133	6,892,369	8,150,502	312,152	1,443,426	6,127,540	7,883,118

37. 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	
	2022	2021	2022	2021	2022	2021
Managerial remuneration	10,800	10,800	7,800	7,800	133,020	118,709
Allowances:						
House rent	4,860	4,860	3,510	3,510	28,094	25,032
Cost of living	-	-	-	-	148	165
Utilities	1,080	1,080	780	780	12,502	10,970
Medical	-	-	-	-	9,862	8,330
Special	-	-	-	-	9,935	8,413
Other allowances	720	720	1,020	1,020	7,308	2,760
Reimbursable expenses	71	387	2,961	943	7,241	8,067
Contribution to provident fund	675	675	488	488	6,364	5,676
	18,206	18,522	16,559	14,541	214,474	188,122
Number of persons	1	1	1	1	45	39

37.1 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.

37.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2021: five directors) was Rupees 720,000 (2021: Rupees 620,000).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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

38. 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.

39. NUMBER OF EMPLOYEES

(Number of Persons)	2022	2021
Number of employees as on 30 June	4 264	4 428
Average number of employees during the year	4 203	4 304

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

(Rupees in '000')			2022	2021
Name of related party	Basis of relationship	Nature of transactions		
<i>Associated companies</i>				
Premier Insurance Limited	Common directorship	Insurance premium paid	40,789	26,307
		Insurance claim received	9,332	-
Suraj Cotton Mills Limited	Common directorship	Purchase of goods	53,129	44,526
		Sale of goods	63,654	74,664
		Plant and machinery purchased	2,600	-
Shams Textile Mills Limited	Common directorship	Services provided	755	718
		Dividend received	1,624	-
<i>Other related parties</i>				
The Crescent Textile Mills Limited - Employees' Provident Fund Trust	Post employment benefit plan	Contribution paid	41,354	34,353
Executives	Key management personnel	Sale of vehicles	4,364	-

40.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

(Figures in '000')		2022	2021
41.	PLANT CAPACITY AND ACTUAL PRODUCTION		
	Spinning		
	100 % plant capacity converted to 20s count (Kgs.)	32 453	32 453
	Actual production converted to 20s count (Kgs.)	28 095	29 768
	Weaving		
	100 % plant capacity converted to 50 picks (Sq. Mtr.)	40 932	40 653
	Actual production converted to 50 picks (Sq. Mtr.)	34 689	38 136
	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)	91	132

41.1 100% plant capacity of Spinning and Weaving has been reassessed by the Company and disclosed accordingly.

41.2 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, 2022

42. SEGMENT INFORMATION

(Rupees in '000')	Spinning		Weaving	
	2022	2021	2022	2021
Revenue				
External	8,311,436	6,435,726	1,328,074	299,623
Intersegment	2,356,994	2,151,558	7,751,515	8,083,377
	10,668,430	8,587,284	9,079,589	8,383,000
Cost of sales	(9,232,004)	(7,536,064)	(8,917,236)	(8,265,119)
Gross profit	1,436,426	1,051,220	162,353	117,881
Distribution cost	(94,819)	(69,923)	(24,735)	(12,856)
Administrative expenses	(141,644)	(129,189)	(44,191)	(40,305)
	(236,463)	(199,112)	(68,926)	(53,161)
Profit before taxation and unallocated income and expenses	1,199,963	852,108	93,427	64,720
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Taxation				
Profit after taxation				

42.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000')	Spinning		Weaving	
	2022	2021	2022	2021
Total assets for reportable segments	4,373,669	3,605,880	2,176,975	1,410,306
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	3,756,611	3,483,617	975,599	608,144
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, 2022

Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
2022	2021	2022	2021	2022	2021	2022	2021
10,691,947	11,081,903	-	-	-	-	20,331,457	17,817,252
-	-	1,551,939	1,190,259	(11,660,448)	(11,425,194)	-	-
10,691,947	11,081,903	1,551,939	1,190,259	(11,660,448)	(11,425,194)	20,331,457	17,817,252
(8,783,244)	(9,829,609)	(1,518,272)	(1,158,263)	11,660,448	11,425,194	(16,790,308)	(15,363,861)
1,908,703	1,252,294	33,667	31,996	-	-	3,541,149	2,453,391
(804,626)	(681,680)	(5,604)	(4,653)	-	-	(929,784)	(769,112)
(279,658)	(255,089)	(24,885)	(22,694)	-	-	(490,378)	(447,277)
(1,084,284)	(936,769)	(30,489)	(27,347)	-	-	(1,420,162)	(1,216,389)
824,419	315,525	3,178	4,649	-	-	2,120,987	1,237,002
						(238,392)	(106,032)
						377,347	131,436
						(498,167)	(452,229)
						(414,676)	(294,527)
						1,347,099	515,650

Processing & Home Textile		Power Generation		Total - Company	
2022	2021	2022	2021	2022	2021
4,747,271	3,884,270	336,166	358,657	11,634,081	9,259,113
				10,666,541	11,005,358
				22,300,622	20,264,471
and tax assets.					
3,445,151	3,496,886	58,827	61,925	8,236,188	7,650,572
				3,229,713	2,739,353
				11,465,901	10,389,925

payables, current and deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

42.2 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Europe	-	-	153,468	38,431	7,912,186	8,955,736	8,065,654	8,994,167
America	-	-	-	-	1,707,387	1,203,435	1,707,387	1,203,435
Asia, Africa and Australia	-	-	-	-	826,228	767,720	826,228	767,720
Pakistan	8,311,436	6,435,726	1,174,606	261,192	246,146	155,012	9,732,188	6,851,930
	8,311,436	6,435,726	1,328,074	299,623	10,691,947	11,081,903	20,331,457	17,817,252

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

Yarn	7,822,641	6,134,772	1,251	47,973	-	-	7,823,892	6,182,745
Fabric	-	-	1,307,482	246,242	2,063,932	1,782,366	3,371,414	2,028,608
Made ups	-	-	-	-	8,515,241	9,294,055	8,515,241	9,294,055
Processing income	-	-	11,180	-	112,418	5,482	123,598	5,482
Raw material	19,812	26,565	-	-	-	-	19,812	26,565
Waste	468,983	274,389	8,161	5,408	356	-	477,500	279,797
	8,311,436	6,435,726	1,328,074	299,623	10,691,947	11,081,903	20,331,457	17,817,252

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

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

42.6 Revenue from major customers

Revenue from one major customer of Processing and Home Textile segment of the Company is of Rupees 2,091 million (2021: Two major customers of Processing and Home Textile of Rupees 4, 183 million).

43. FINANCIAL RISK MANAGEMENT

43.1 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, 2022

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) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2022	2021
Cash at banks - USD	17,181	1,579
Trade debts - USD	11,411,770	9,342,871
Trade debts - Euro	1,263,068	612,342
Trade and other payables - USD	(504,312)	(900,440)
Trade and other payables - Euro	(28,427)	(25,247)
Trade and other payables - CHF	-	(3,653)
Short term borrowings - USD	(954,432)	(4,540,777)
Net exposure - USD	9,970,207	3,903,233
Net exposure - Euro	1,234,641	587,095
Net exposure - CHF	-	(3,653)

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	177.05	159.56
Reporting date rate	205.50	157.80
Rupees per Euro		
Average rate	199.30	191.27
Reporting date rate	215.23	188.12
Rupees per CHF		
Average rate	-	174.65
Reporting date rate	-	171.86

Sensitivity analysis

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 105.566 million (2021: Rupees 29.398 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

ii) **Other price risk**

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

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Company's 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)	
	2022	2021
PSX 100 (5% increase)	45,562	67,854
PSX 100 (5% decrease)	(45,562)	(67,854)

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.

The Company's interest rate risk arises from long term financing, short term borrowings and bank deposit in saving accounts. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

(Rupees in '000')	2022	2021
Fixed rate instruments		
Financial liabilities		
Long term financing	939,253	1,417,149
Short term borrowings	3,834,486	3,364,000
Floating rate instruments		
Financial assets		
Trade debts	-	491,343
Deposit on saving accounts	3,353	263,336
	3,353	754,679
Financial liabilities		
Long term financing	(318,880)	(26,277)
Short term borrowings	(3,057,883)	(2,763,540)
	(3,376,763)	(2,789,817)
Net exposure	(3,373,410)	(2,035,138)

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 reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 38.970 million (2021: Rupees 19.334 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:

Investments	4,174,715	4,598,187
Trade debts	3,754,888	2,694,954
Loans and advances	2,168	991
Deposits	131,393	130,701
Other receivables	1,960	15,342
Bank balances	143,224	335,819
	8,208,348	7,775,994

NOTES TO THE FINANCIAL STATEMENTS

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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 21.4 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 2022, the Company had Rupees 1,377 million (2021: Rupees 646 million) available borrowing limits from financial institutions and Rupees 145.601 million (2021: Rupees 337.930 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:

Contractual maturities of financial liabilities as at 30 June 2022:

(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	1,258,133	1,474,643	279,016	223,675	397,422	574,530
Trade and other payables	2,165,697	2,165,697	2,165,697	-	-	-
Unclaimed dividend	10,991	10,991	10,991	-	-	-
Accrued mark-up	124,228	124,228	124,228	-	-	-
Short term borrowings	6,892,369	7,223,104	5,327,800	1,895,304	-	-
	10,451,418	10,998,663	7,907,732	2,118,979	397,422	574,530

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

Contractual maturities of financial liabilities as at 30 June 2021:

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

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 6 and 11 to these financial statements.

43.2 Financial instruments by categories

(Rupees in '000')	2022	2021
Financial assets as per statement of financial position		
At amortized cost		
Loans and advances	2,168	991
Deposits	131,393	130,701
Trade debts	3,754,888	2,694,954
Other receivables	1,960	15,342
Cash and bank balances	145,601	337,930
	4,036,010	3,179,918
At fair value through other comprehensive income		
Investments	4,174,715	4,598,187
	8,210,725	7,778,105
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	1,258,133	1,443,426
Trade and other payables	2,165,697	1,971,146
Unclaimed dividend	10,991	11,109
Accrued mark-up	124,228	79,606
Short term borrowings	6,892,369	6,127,540
	10,451,418	9,632,827

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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

	2022			2021		
	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
(Rupees in '000')						
Assets as per statement of financial position						
Loans and advances	2,168	98,745	100,913	991	41,348	42,339
Deposits and prepayments	131,393	10,600	141,993	130,701	15,168	145,869
Trade debts	3,754,888	-	3,754,888	2,694,954	-	2,694,954
Other receivables	1,960	376,218	378,178	15,342	365,695	381,037
Cash and bank balances	145,601	-	145,601	337,930	-	337,930
Investments	4,174,715	-	4,174,715	4,598,187	-	4,598,187
	8,210,725	485,563	8,696,288	7,778,105	422,211	8,200,316

	2022			2021		
	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
(Rupees in '000')						
Liabilities as per statement of financial position						
Long term financing	1,258,133	-	1,258,133	1,443,426	-	1,443,426
Trade and other payables	2,165,697	176,096	2,341,793	1,971,146	88,666	2,059,812
Unclaimed dividend	10,991	-	10,991	11,109	-	11,109
Accrued mark-up	124,228	-	124,228	79,606	-	79,606
Short term borrowings	6,892,369	-	6,892,369	6,127,540	-	6,127,540
	10,451,418	176,096	10,627,514	9,632,827	88,666	9,721,493

43.3 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.

43.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure and make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. 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 net borrowings divided by total equity. Net borrowings are calculated as long term financing and short term

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

borrowings obtained by the Company as referred in Note 6 and 11 respectively less cash and bank balances as disclosed in Note 26 to these financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus net 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')	2022	2021
Borrowings	8,150,502	7,570,966
Less: Cash and bank balances	(145,601)	(337,930)
Net borrowings	8,004,901	7,233,036
Total equity	10,834,721	9,874,546
Total capital employed	18,839,622	17,107,582
	(PERCENTAGE)	
Gearing ratio	42.49	42.28

44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are 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 2022				
At fair value through other comprehensive income	911,238	-	3,263,477	4,174,715
At 30 June 2021				
At fair value through other comprehensive income	1,357,077	-	3,241,110	4,598,187

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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 comparable company valuation multiples under market approach 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 year ended 30 June 2022:

(Rupees in '000')	Unlisted equity securities
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
Add: Surplus recognized in other comprehensive income	22,367
Balance as on 30 June 2022	3,263,477

(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.

Description	Fair value at		Unobservable inputs	Range of inputs (probability weighted average) 30 June 2022	Relationship of unobservable inputs to fair value"
	30 June 2022	30 June 2021			
(Rupees in '000')					
At fair value through other comprehensive income					
Crescent Bahuman Limited	3,262,977	3,241,036	Market multiple	12.15	Increase / decrease in market multiple factor by 0.50% would increase / decrease fair value by Rupees 21.941 million.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

The remaining unquoted investment representing shares of Premier Financial Services (Private) Limited having carrying value of Rupees 0.500 million (2021: Rupees 0.074 million) has 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 management has adjusted the value of investment on the basis of market factors as at 30 June 2022.

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

Marketability factor has been used to ensure comparability between the unquoted equity instruments held in the Company and the equity instruments of the comparable companies.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are 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:

(Rupees in '000')	Level 1	Level 2	Level 3	Total
At 30 June 2022				
Land - freehold	-	4,347,543	-	4,347,543
Land - leasehold	-	14,575	-	14,575
Total	-	4,362,118	-	4,362,118
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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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.

46. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the year ended 30 June 2022 amounting to Rupees 1.00 (i.e 10%) (2021: Rupees Nil) per share at their meeting held on 28 September 2022. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

47. 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 28 September 2022.

48. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for 'Accrued Interest' amounting to Rupees 14.621 million which has been included in 'Other Receivables' instead of separately showing on the face of statement of financial position for better presentation.

49. 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, 2022

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
560	1	100	16,306	2	215,001	220,000	437,146
673	101	500	224,883	1	220,001	225,000	220,500
403	501	1,000	356,174	2	225,001	230,000	454,000
795	1,001	5,000	2,219,497	1	245,001	250,000	250,000
253	5,001	10,000	2,024,545	1	275,001	280,000	275,500
94	10,001	15,000	1,207,877	1	280,001	285,000	280,430
62	15,001	20,000	1,131,954	3	315,001	320,000	953,114
47	20,001	25,000	1,094,933	4	320,001	325,000	1,289,107
29	25,001	30,000	838,338	1	325,001	330,000	328,553
19	30,001	35,000	621,357	1	330,001	335,000	330,500
21	35,001	40,000	808,693	3	335,001	340,000	1,016,997
9	40,001	45,000	384,063	1	340,001	345,000	345,000
20	45,001	50,000	980,973	1	345,001	350,000	346,500
16	50,001	55,000	850,262	1	380,001	385,000	382,848
10	55,001	60,000	580,030	2	385,001	390,000	773,504
9	60,001	65,000	572,742	1	395,001	400,000	397,221
8	65,001	70,000	552,469	1	405,001	410,000	405,822
5	70,001	75,000	361,202	1	415,001	420,000	416,621
3	75,001	80,000	229,242	1	420,001	425,000	424,428
3	80,001	85,000	244,783	2	425,001	430,000	855,444
4	85,001	90,000	351,500	2	450,001	455,000	903,000
4	90,001	95,000	368,157	1	485,001	490,000	486,727
10	95,001	100,000	998,150	2	495,001	500,000	1,000,000
3	100,001	105,000	309,559	1	505,001	510,000	507,620
2	105,001	110,000	213,802	1	565,001	570,000	565,473
2	110,001	115,000	222,780	1	570,001	575,000	574,485
2	115,001	120,000	232,827	1	605,001	610,000	606,991
7	120,001	125,000	867,012	1	610,001	615,000	610,780
6	125,001	130,000	769,568	1	620,001	625,000	625,000
1	130,001	135,000	130,840	1	625,001	630,000	625,763
1	135,001	140,000	137,140	1	635,001	640,000	635,905
1	140,001	145,000	145,000	1	655,001	660,000	659,748
4	145,001	150,000	591,697	1	675,001	680,000	677,503
4	150,001	155,000	609,044	1	710,001	715,000	714,810
3	155,001	160,000	473,228	1	715,001	720,000	718,768
1	160,001	165,000	165,000	1	745,001	750,000	748,018
5	170,001	175,000	864,362	1	760,001	765,000	762,137
1	180,001	185,000	185,000	1	880,001	885,000	884,756
5	185,001	190,000	938,717	1	910,001	915,000	911,000
1	190,001	195,000	190,500	1	940,001	945,000	944,981
4	200,001	205,000	808,371	1	950,001	955,000	954,972
1	205,001	210,000	207,926	1	995,001	1,000,000	1,000,000
2	210,001	215,000	426,000	1	1,060,001	1,065,000	1,064,252

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2022

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
1	1,120,001	1,125,000	1,121,378	1	1,995,001	2,000,000	2,000,000
1	1,205,001	1,210,000	1,210,000	1	2,060,001	2,065,000	2,060,625
1	1,235,001	1,240,000	1,235,748	1	2,095,001	2,100,000	2,096,548
1	1,250,001	1,255,000	1,251,000	1	2,105,001	2,110,000	2,105,126
1	1,345,001	1,350,000	1,349,093	1	2,475,001	2,480,000	2,479,350
1	1,485,001	1,490,000	1,487,926	1	3,775,001	3,780,000	3,779,891
1	1,665,001	1,670,000	1,669,629	1	7,410,001	7,415,000	7,411,705
				1	15,865,001	15,870,000	15,869,554
				3,184			100,000,000

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2022

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				
Mr. Muhammad Anwar	-	1,121,378	1,121,378	1.12
1.2- Directors				
Mr. Amin Anjum Saleem	-	31,700	31,700	0.03
Mr. Ahmad Shafi	-	15,957,054	15,957,054	15.96
Mr. Amjad Mahmood	-	128,236	128,236	0.13
Mr. Khalid Bashir	-	2,479,350	2,479,350	2.48
Mr. Khurram Mazhar Karim	-	2,709	2,709	0.00
Mrs. Nazia Maqbool	-	714,810	714,810	0.71
1.3- Directors' Spouses				
Begum Tanveer Khalid Bashir	-	428,822	428,822	0.43
Mr. Nadeem Maqbool	-	424,428	424,428	0.42
Mrs. Abida Anwar	-	33,326	33,326	0.03
Mrs. Mehreen Ahmad	-	64,000	64,000	0.06
Mrs. Naheed Amjad	-	426,622	426,622	0.43
	-	21,812,435	21,812,435	21.81
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	-	2,060,625	2,060,625	2.06
Trustees The Crescent Textile Mills Employees' Provident Fund Trust	-	3,064,252	3,064,252	3.06
Premier Insurance Limited	-	944,981	944,981	0.94
	6,008	6,069,858	6,075,866	6.08
3- NIT & ICP				
CDC - Trustee National Investment (Unit) Trust	-	2,105,126	2,105,126	2.11
	-	2,105,126	2,105,126	2.11
4- Mutual Funds				
M/S. Tri-Star Mutual Fund Limited	-	478	478	0.00
	-	478	478	0.00
5- Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks	10,957	255,552	266,509	0.27
Pension Funds	-	194,949	194,949	0.19
	10,957	450,501	461,458	0.46

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2022

	Physical	CDC	Total	% age
	(Number of shares held)			
6- Insurance Companies	704	56,981	57,685	0.06
7- Modarabas	842	1,733,375	1,734,217	1.73
8- Other Companies, Corporate Bodies and Trust etc.				
Other Companies and Corporate Bodies	52,461	20,468,341	20,520,802	20.52
Trust	5,434	-	5,434	0.01
	57,895	20,468,341	20,526,236	20.53
9- General Public				
General Public (Local)	2,001,893	45,209,485	47,211,378	47.21
General Public (Foreigner)	-	15,121	15,121	0.02
	2,001,893	45,224,606	47,226,499	47.23
	2,078,299	97,921,701	100,000,000	100.00
Shareholders More Than 5.00%				
MR. AHMAD SHAFI			15,957,054	15.96
CS Capital (Private) Limited			7,411,705	7.41

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Seventy Third (73rd) Annual General Meeting (AGM) of the members of The Crescent Textile Mills Limited (the "Company") will be held on Thursday, October 27, 2022 at 09:30 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, 2022 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
2. To approve the cash dividend @ 10% (Rs. 1.00 per share) for the year ended June 30, 2022 as recommended by the Board of Directors.
3. 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, who being eligible have offered themselves for re-appointment.

By Order of the Board
(Naseer Ahmad Chaudhary)
Company Secretary

Registered Office:
Sargodha Road,
Faisalabad:
T:+92-41-111-105-105
F:+92-41-8786525
Dated: October 05, 2022

Notes:

1. Closure of share transfer books

The Share Transfer Books of the Company will remain closed from October 21, 2022 to October 27, 2022 (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 20, 2022, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. Participation in annual general meeting (AGM) through electronic means

The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the Company Secretary Office by providing the required details by the end of business on Monday, October 24, 2022 through following means:

- a) Mobile / WhatsApp No. 0316-9997121
- b) E-mail address: naseer.ahmad@crestex.pk

NOTICE OF ANNUAL GENERAL MEETING

Required information: 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.

3. Participation in the annual general meeting

A member entitled to participate and vote at this meeting is also entitled to appoint another proxy to participate and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

For appointing proxies

- a. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- b. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to the Company.

4. CNIC/IBAN for E-Dividend Payment

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank detail including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are again reminded to immediately submit a copy of their CNIC and duly filled 'Dividend Bank Mandate Form' to the Company's share registrar. In absence of valid bank account and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made by the Commission. The 'Dividend Bank Mandate Form' is available on the Company's website.

Members who hold shares in CDC accounts are requested to provide their bank mandates to their respective participants.

5. 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

NOTICE OF ANNUAL GENERAL MEETING

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.

6. Tax Deductions

For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:

1. Rate of tax deduction for filer of income tax returns - 15%
2. Rate of tax deduction for non-filer of income tax returns – 30%

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company / Share Registrar. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

7. Exemption from deduction of income tax and Zakat

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CDC account holders are requested to submit their declaration for non-deduction of zakat to the relevant member stock exchange or to CDC if maintaining CDC investor account.

8. Unclaimed Dividend and Bonus Shares under section 244 of the Companies Act, 2017

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid accounts and shares with the Federal Government pursuant to the provision of section 244 (2) of the Companies Act, 2017. A list of unclaimed dividends is available on Company's website.

9. Conversion of Physical Securities into CDC Account

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

NOTICE OF ANNUAL GENERAL MEETING

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.

10. 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.

11. Change of address

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

12. 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, 2022 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.crescenttextile.com



The Crescent Textile Mills Limited

73rd Annual General Meeting

Registered Office:
Sargodha Road,
Faisalabad, Pakistan

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 73rd Annual General Meeting of the Company to be held on
Thursday October 27, 2022 and /or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ October 2022.

Signed by _____
in _____ the _____ presence _____ of _____

Table with 3 columns: Folio No., CDC Account No. (Participant ID, Account No.)

Signature on Fifty 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 24, 2022 at the email naseer.ahmad@crestex.pk.
(ii) The video link of meeting shall be sent to the members on their registered email addresses.



پراکسی فارم

میں / ہم

کا / کے بحیثیت ممبر (ز) دی کریڈٹ ٹیکسٹائل ملز لمیٹڈ اور حامل عام حصص محترم / محترمہ

یا ان کے حاضر نہ ہو سکنے کی صورت میں

کو اپنے / ہمارے ایما، پریکٹی کے 27 اکتوبر 2022 بروز جمعرات کو ہونے والے 73 ویں 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 2022 میرے / ہمارے دستخط ہوئے

دستخط

کی موجودگی میں

پچاس روپے کے رسیدی ٹکٹ پر دستخط

اس دستخط کا کینی 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) ویڈیولنک وغیرہ کے ذریعے مینٹگ میں شرکت کے لیے، پراکسی کمپنی کو مطلع کر سکتی ہے اور اپنی تفصیلات بشمول نام، CNIC، سکین (دونوں طرف)، فولیو نمبر، بیل فون نمبر اور ای میل ایڈریس 24 اکتوبر 2022 تک ای میل naseer.ahmad@crestex.pk پر پرفراہم کر سکتی ہے۔
- (iii) مینٹگ کا ویڈیولنک ممبران کو ان کے رجسٹرڈ ای میل ایڈریس پر بھیجا جائے گا۔



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