



| The Crescent Textile Mills Limited

ANNUAL REPORT | 2020



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COMPANY INFORMATION

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

VISION AND CORE VALUES

VISION

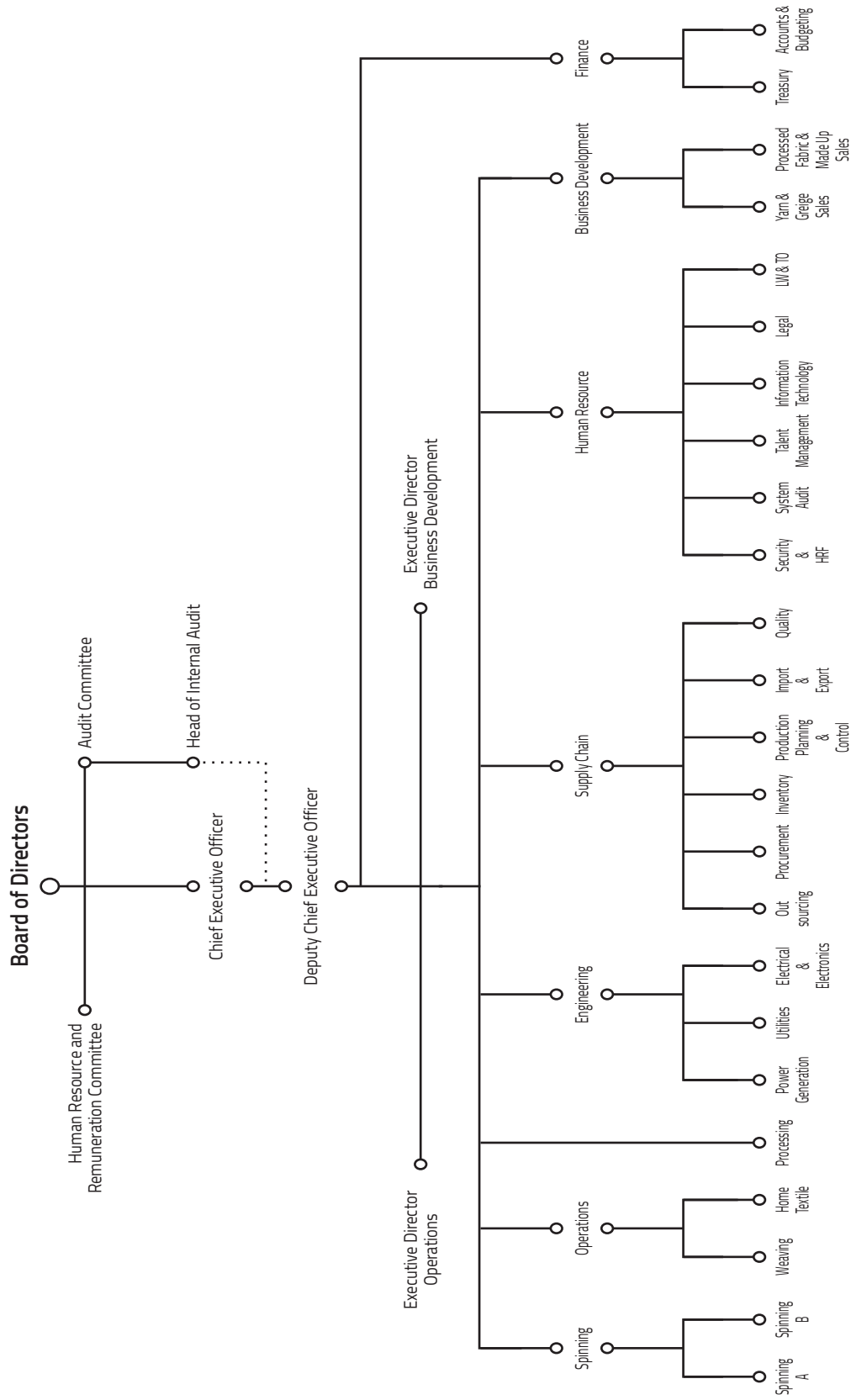
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

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.








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








MANAGEMENT STRUCTURE / ORGANIZATION CHART





Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an investor education initiative of Securities and Exchange Commission of Pakistan

 [jamapunji.pk](https://www.jamapunji.pk)

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

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

CHAIRMAN'S REVIEW

for the year ended June 30, 2020

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

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

For the financial year ended June 30, 2020, 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, 2020

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, 2020.

Industry Overview

Financial Year 2020 was a tough year due to challenges to the macro-economy. Consolidation measures to tackle the challenges brought a lot of pressure on the performance of business and industry. The country's GDP growth rate deteriorated to negative 1.2 percent during the year. Pakistan's textile and clothing exports posted a negative growth of six percent to US\$12.52 billion during

the year, as compared to US\$13.32 billion in the corresponding period. Bedwear exports posted a negative growth of 4.91 percent in value and 2.31 percent in quantity. Readymade garments exports dipped 3.81 percent in value and 10.07 percent in quantity during the year, while knitwear export dropped 3.64 percent in value and 10.11 percent in quantity. The breakout of COVID-19 pandemic has collapsed the demand for the Country's exports during the last four months of financial year. However, subsequent to the year end, the easing of lockdown in the North American and European countries, top export destinations for Pakistani textile goods, helped to revive the sinking exports.

Company's performance

A brief financial analysis is presented as under:

(Rupees in million)	FY 20	FY 19	Variance	%
Revenue	13,264	13,946	(682)	(4.9)
Gross profit	1,549	1,637	(88)	(5.4)
Operating cost	1,009	1,065	(56)	(5.3)
Finance cost	481	507	(26)	(5.1)
Other income	117	330	(213)	(64.5)
Taxation	143	157	(14)	(8.9)
Net profit after tax	34	239	(205)	(85.8)
EPS (Rs. per share)	0.42	2.98	(2.56)	(85.8)

Top line of the Company decreased by 4.9 percent in comparison to last year. The sales revenue decrease was mainly caused by low product demand particularly during last quarter of the financial year due COVID-19 outbreak. In line with dip in sale revenue, gross profit and operating cost also decreased by 5.4 percent and 5.3 percent respectively. Finance cost decreased by 5.1 percent in comparison to last year despite of the increase in average interest rates. During the year the Company closely monitored and managed the exposure to foreign currency risk and uses various available mechanisms, such as minimizing the foreign currency loans and resorting to natural hedging. Other Income squeezed by 64.5 percent due decrease in dividend income and exchange gain on export receivables in corresponding period.

Business Segments

Spinning segment produced 17 million Kgs of Yarn.

Spinning production decreased by 4.4 percent in comparison to last year. Major reason for low production was plant closure during lock down period. Around 35 percent of yarn produced was utilized in house, rest was sold to the range of textile customers. Raw materials include Pakistani and imported cotton, sustainable materials including BCI and organic cotton, synthetic fibers including acrylic, viscose, polyester. In spinning segment average sale rate improved by 9 percent from Rs 176/lbs to Rs 191/lbs. On the other side, average cotton price also increased by 7 percent from last year. Spinning industry faced a number of challenges throughout the year such as high rate of local cotton due to shortfall in local cotton crop and slow world economic growth.

Weaving segment produced 10 million meters of fabric. Weaving segment production improved by 0.5 percent in comparison to last year. Operational performance

DIRECTORS' REPORT

for the year ended June 30, 2020

improved due increase in capacity utilization by 2 percent and increase in average sale rates by 16 percent. This business segment mainly caters in-house requirement for Processing and Home Textile divisions.

Processing and Home Textile segment operational performance remained depressed due decrease in export sales. Processed fabric and made-ups production decreased by 14 percent and 16 percent respectively in comparison to last year. Average selling rates increased by 9 percent in processed fabric export and by 17 percent in made up export. This increase was mainly attributed to Rupee devaluation during the year. However, in dollar terms average selling rates decreased by 7 percent in processed fabric export and remained stable in made-up export.

COVID-19 Considerations

COVID-19 continues to spread as a global pandemic, it has unprecedented impacts including concerns over supply chain disruptions and numerous strategic and operational concerns impacting both the short and long-term plans. The Company had proactively managed relationships with key suppliers and customers. Our major concern was the availability of production inputs. The Company ensured that there were no supply chain disruptions during the lockdown period. Considering the advice regarding reduced travel and avoiding large groups of people, we decided to conduct all meetings including Executive Committee, Management Committee and Plant Operation meetings through video conference. As the safety of employees was a priority during the COVID-19 outbreak, Company made necessary arrangements for the use of technology and related applications in order to enable them to work from home wherever possible.

Corporate Briefing Session (CBS)

The Company held CBS on November 26, 2019. The objective behind the company's engagement through this briefing was to give investors (both existing and potential) the right perspective of the Company's business affairs, which will help them make their investment decisions. Investors from all walks of life attended the event and showed great interest in the affairs of the Company. Board continues to value the importance of building strong

investor relations. The Company believes that the relationship with shareholders is crucial in helping us achieve our aims.

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, after consideration and approval, 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 and Company, Chartered Accountants and their report is attached with the financial statements. They have issued an unqualified report to the members. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' Report.

Appropriations

The Board of Directors of the company feels that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend for the year ended June 30, 2020.

Auditors

The auditors Messrs Riaz Ahmad and Company, Chartered Accountants, retire and offer themselves for re-appointment for the year financial 2021. 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

DIRECTORS' REPORT

for the year ended June 30, 2020

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 FY20 were placed before the Board Audit Committee (BAC) and the Board for their review and approval. These transactions were reviewed by the BAC and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Composition of Board

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

Total number of Directors:

Male directors	6
Female director	1

Composition:

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

Changes in the Board and Committees

The Board of Directors, fixed the number of Directors, at seven (7) for the fresh election at the EOGM of the Company on May 16, 2020. Five (5) retiring directors namely Mr. Ahmad Shafi, Mr. Amjad Mehmood, Mr. Khalid Bashir, Mr. Khurram Mazhar Karim and Mr. Shaukat Shafi were re-elected. Two new directors namely Mrs. Nazia Maqbool and Mr. Amin Anjum Saleem were elected for a term of three (3) years commencing from May 17, 2020.

Mr. Shaukat Shafi resigned from the board on Jun 24, 2020 and Mr. Muhammad Anwar was appointed as director to fill the casual vacancy. The Board unanimously appointed Mr. Muhammad Anwar as the Chief Executive and Mr. Khalid Bashir as chairman of Board.

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. Amjad Mehmood	4/5		
3	Mr. Anjum Muhammad Saleem	2/4	2/4	1/1
4	Mr. Khalid Bashir	5/5	4/4	1/1
5	Mr. Khurram Mazhar Karim	5/5	4/4	
6	Mr. Muhammad Anwar	5/5		
7	Mr. Muhammad Arshad	4/4	4/4	1/1
8	Mr. Shaukat Shafi	3/5		
9	Mr. Amin Anjum Saleem	1/1		
10	Mrs. Nazia Maqbool	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.

DIRECTORS' REPORT

for the year ended June 30, 2020

Principal Risks and Uncertainties

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Significant competition in our product categories;
- Adverse movement in foreign exchange rates and commodity prices;
- Availability of cheaper energy mix; and
- 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; and
- The Board's independence and effectiveness

Individual feedback was obtained and on the basis of that feedback, the average rating of the performance of the Board and role of the Chairman regarding governing the Board was found up to the mark.

Internal Financial Controls

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

Statement on Corporate and Financial Reporting Framework:

- a. Financial statements prepared by Company's management present fairly its state of affairs, results of its operations, cash flows and changes in equity;
- b. Proper books of accounts have been maintained;
- c. Appropriate accounting policies have been consistently applied, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards (IFRSs) and Islamic Financial Accounting Standards (IFASs), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- e. The Company has sound potentials to continue as going concern;
- 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; and
- j. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of Directors. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

DIRECTORS' REPORT

for the year ended June 30, 2020

Corporate Social Responsibility (CSR)

As responsible corporate citizens we strive to build and enhance value for all stakeholders. That includes maximizing returns for our shareholders, enhancing our products and efficiency for our customers, keeping our people motivated, satisfied, practice our business in a sustainable way to do our part in contributing to society and managing the impact of our operations.

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, already 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

Company has donated Rs. 1.6 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society. To ensure health and safety at the workplace employees are trained to protect themselves by occupational safety rules and procedures while performing jobs. Adequate training and awareness about technical jobs are given to all employees in the 'Training Centre' established by the Company. A well-equipped firefighting department is looking after immediate fire hazardous.

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 within the premises for all our employees and the society at large.

Human Resource Development

Training, education and development of its people, is a topic of critical importance to the Company. It is an area where we work continuously with formal trainings, development and growth opportunities, performance appraisal and feedback systems. To attract, retain and bring out the best in its people, the Company arranged multiple leadership trainings for its senior management in Pakistan and abroad. During the year, the Company built a culture of rewarding extraordinary performance through initiating reward & recognition programs to encourage a constructive behavior and develop healthy competition amongst all employees. We encourage participation of a large number of female workforces in the Company's growth and development. The Company prohibits discrimination and harassment of any kind.

Industrial Relations

Company has a long and established history of keeping its cordial relations at all levels with mutual trust, respect, cooperation and confidence. This ensures and improves ultimate efficiency of the Company. Reasonable opportunities are afforded to the workmen in participating Collective Bargaining Agent (CBA) activities and elect representatives of their choice under free and fair environment.

Every year through a demand notice raised by CBA, Company pays incentive bonus, profit bonus, Hajj expenses of 06 employees, distributes cycle, fan and sewing machines on easy installments. Company has also arranged Fair Price Shop and Canteen facilities for its employees.

Environment Protection

Crestex aims to conserve water, energy and ecosystems, to reduce greenhouse gas emissions, to minimize waste and to inspire public consciousness in support of environmental sustainability. The Company seeks to identify, measure and understand the direct and indirect impact of its operations and develop innovative and realistic solutions for mitigating those impacts.

DIRECTORS' REPORT

for the year ended June 30, 2020

Business and operations of the Company are certified for compliance of international standards and regulatory requirements from national and international stakeholders. We have achieved third

party certifications through the accredited agencies for following product, services, and management systems standards:

ISO 9001:2015	Quality Management Systems
ISO 14001:2015	Environment Management Systems
OCS: 2.0	Product & Social Standards, Organic Content Standard
GOTS: 5.0	Product & Social, Global Organic Textile Standard
GRS 4.0	Product & Social, Global Recycled Standard
Oeko-Tex 100	Product Standards for Human Ecology
SA 8000: 2014	Social Accountability
SEDEX /SMETA/ETI	Ethical Trading Initiative / Ethical Performance
Ecolabelling (SWAN)	Environmental, Health and Quality Requirements
Fair Trade	Sustainable Product & Ethical Trade Certification
ZDHC	Zero Discharge of Hazardous Chemicals
Higg Index V3	Social-Chemical & Environment Sustainability
CMIA	Sustainable Cotton Trade Mark
BCI	Sustainable Cotton Trade Mark
EAC	Egyptian Cotton Trade Mark
Supima Cotton	Cotton Trade Mark
USA Cotton	Cotton Trade Mark

Energy Conservation

A focus on energy conservation, waste reduction, water conservation and National Environmental Quality Standards (NEQS) compliance through implementation of sustainability plans continued this year as well.

Company is operating effluent treatment plant for processing plant. This plant recycles water and reduces the effluent load in drainage system. Wet scrubbers, effective air pollution control devices, are installed at our Coal Steam Boiler for removing particles and gases from industrial exhaust streams. This results in decontamination, detoxification, and dust removal for the benefit of our environment. Company is also operating caustic recovery plant at our dyeing unit. This plant recovers chemicals and provides cost savings through recycling process. It also reduces hazardous materials in drained water. Conventional tube lights are being replaced with LED lights for the sake of energy conservation, lower maintenance costs, longer life, high durability and reduced carbon

footprint. Continuous efforts have been made throughout the year to reduce steam leakages and ensure proper insulation to avoid energy losses from the system.

Contribution to National Exchequer

During the year, the Company contributed Rs. 286 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US\$ 50.38 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. 756 million.

DIRECTORS' REPORT

for the year ended June 30, 2020

Future Outlook

Although challenges are high but we are committed to perform in best possible manner and add value to our stakeholders to meet the long-term goals of the Company. For improving quality of our products and get premium on selling prices we will continue to upgrade plant and machinery with the prime objective of reducing imbalance and inefficiencies, reducing utilities and maintenance requirements and develop our human capital.

Acknowledgement

The Board of Directors would like to thank all stakeholders of the company including, customers, shareholders, vendors, government agencies, bankers & all other business associates for their continued support during the year. We place on record our appreciation for the contributions made by the employees at all level.

For and on behalf of the Board of Directors



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹران کی رپورٹ

مالی سال ختم 30 جون 2020ء

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کے آڈٹ کردہ مالی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ 30 جون 2020ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

مالی سال 2020 میکرو اکانومی کو درپیش چیلنجز کی وجہ سے ایک مشکل سال تھا۔ چیلنجز سے نمٹنے کے لیے استحکام کے اقدامات سے کاروبار اور صنعت کی کارکردگی پر بہت دباؤ پڑا۔ مالی سال 2020 میں ملک کی جی ڈی پی کی شرح نمو منفی 1.2 فیصد تک پہنچ گئی۔ پاکستان کی ٹیکسٹائل اور کپڑے کی برآمدات پچھلے سال کے 13.3 بلین ڈالر کے مقابلے میں مالی سال 2020 میں 6 فیصد سے زیادہ منفی شرح نمو کے ساتھ 12.52 بلین ڈالر پر رہیں۔ مالی سال 2020 میں ریڈی میڈ گارمنٹس کی برآمدات قیمت میں 3.81 فیصد جبکہ مقدار میں 10.07 فیصد کم رہیں جبکہ ٹیٹو برآمدات قیمت میں 3.64 فیصد اور مقدار میں 10.11 فیصد کم ہوئیں۔ بیڈ ویئر کی برآمدات کی قیمت میں 4.91 فیصد اور مقدار میں 2.31 فیصد کمی ہوئی۔ کووڈ 19 کی وبا کے دوران نے مالی سال 2020 کے آخری چار ماہ میں ملکی برآمدات کو ملایا میٹ کر کے رکھ دیا ہے۔ تاہم سال کے اختتام کے بعد پاکستانی ٹیکسٹائل مصنوعات کے لیے بہترین برآمدی منڈیوں شمالی امریکہ اور یورپی ملک میں لاک ڈاؤن میں آسانی نے ڈوبتی ہوئی برآمدات کی بحالی میں مدد کی۔

کمپنی کی کارکردگی:

کمپنی کی کارکردگی کا مختصر مالیاتی تجزیہ درج ذیل ہے:

ملین روپے	مالی سال 2020ء	مالی سال 2019ء	فرق	فیصد فرق
آمدنی	13,264	13,946	(682)	(4.9)
خام منافع	1,549	1,637	(88)	(5.4)
عملی اخراجات	1,009	1,065	(56)	(5.3)
مالیاتی اخراجات	481	507	(26)	(5.1)
دیگر آمدنی	117	330	(213)	(64.5)
محصولات	143	157	(14)	(8.9)
خالص منافع بعد از محصولات	34	239	(205)	(85.8)
فی حصص آمدنی (روپے)	0.42	2.98	(2.56)	(85.8)

گزشتہ سال کے مقابلہ میں کمپنی کی ٹاپ لائن میں 4.9 فیصد کمی ہوئی۔ کووڈ 19 پھیلنے کی وجہ سے مالی سال کی آخری سہ ماہی کے دوران پیداواری طلب میں کمی کی وجہ سے فروخت کی آمدنی میں خاطر خواہ کمی واقع ہوئی۔ فروخت کی آمدنی میں کمی کے ساتھ ساتھ مجموعی منافع اور عملی اخراجات میں بھی بالترتیب 5.4 فیصد اور 5.3 فیصد کمی ہوئی۔ اوسط شرح سود میں اضافے کے باوجود گزشتہ سال کے مقابلے میں مالیاتی لاگت میں 5.1 فیصد کمی واقع ہوئی۔ سال کے دوران کمپنی نے نہایت باریک بینی سے فارن کرنسی رسک کے رجحان کا جائزہ لیا اور اس کے انتظام کے لیے مختلف دستیاب طریقہ کار استعمال کیے جیسا کہ فارن کرنسی قرضہ جات میں کمی اور نیچرل پیچنگ کی بحالی۔ اسی عرصہ میں ڈیوڈنڈ کی آمدنی اور برآمدی وصولیوں پر تبادلہ کے منافع میں کمی کی وجہ سے دیگر آمدنی میں 64.5 فیصد کمی ہوئی۔

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کاروباری شعبہ جات:

سپینگ کے شعبہ نے 17 ملین کلوگرام یارن پیدا کی۔ پچھلے سال کے مقابلے میں سپینگ کی پیداوار 4.4 فیصد کم ہوئی۔ کم پیداوار ہونے کی بڑی وجہ لاک ڈاؤن کے دوران پلانٹ کی بندش تھی۔ پیدا کردہ یارن کا 35 فیصد ذاتی استعمال میں رہا جبکہ باقی ماندہ خود کار پلانٹس پر سخت جانچ کے معیارات کی پیروی کرتے ہوئے ٹیکسٹائل صارفین کو فروخت کیا گیا۔ خام مال میں پاکستانی اور درآمدی کپاس، بی سی آئی اور نامیاتی کپاس جیسی پائیدار اشیاء، اکریلک، وکوس اور پولیسٹر سمیت مصنوعی فائبر شامل ہیں۔ سپینگ کے شعبہ میں اوسط شرح فروخت 9 فیصد کی بہتری کے ساتھ 176 روپے فی پاؤنڈ سے بڑھ کر 191 روپے فی پاؤنڈ ہو گئی۔ دوسری طرف کاٹن کی اوسط قیمت بھی گزشتہ سال سے 7 فیصد بڑھ گئی۔ سپینگ انڈسٹری کو پورا سال متعدد چیلنجز کا سامنا رہا جیسا کہ مقامی کپاس کی فصل میں کمی اور عالمی معاشی نمو کی سست روی کی وجہ سے مقامی کاٹن کی زیادہ قیمتیں۔

ویونگ کے شعبہ نے 10 ملین میٹر کپڑا پیدا کیا۔ پچھلے سال کے مقابلے میں ویونگ کے شعبہ کی پیداوار میں 0.5 فیصد اضافہ ہوا۔ پیداواری صلاحیت میں 2 فیصد اور اوسط شرح فروخت میں 16 فیصد اضافہ کی وجہ سے ویونگ کے شعبہ کی عملی کارکردگی بہتر رہی۔ یہ شعبہ مجموعی طور پر پراسیسنگ اور ہوم ٹیکسٹائل کے شعبہ کی ذاتی ضروریات پوری کرتا ہے۔

برآمدی فروخت میں کمی کی وجہ سے پراسیسنگ اور ہوم ٹیکسٹائل کے شعبہ کی عملی کارکردگی ناخوشگوار رہی۔ پچھلے سال کے مقابلے میں پراسیسنگ کپڑے اور میڈاپ کی پیداوار بالترتیب 14 فیصد اور 16 فیصد کم رہی۔ پراسیسنگ کپڑے کی برآمدی اوسط شرح فروخت میں 9 فیصد جبکہ میڈاپ کی برآمد میں 17 فیصد اضافہ ہوا۔ یہ اضافہ بنیادی طور پر سال کے دوران روپے کی قدر میں کمی کی مرہون منت تھا۔ تاہم ڈالر کے حساب سے اوسط شرح فروخت کے لحاظ سے پراسیسنگ کپڑے میں 7 فیصد کمی ہوئی جبکہ میڈاپ کی برآمد مستحکم رہی۔

کووڈ 19 کے تحفظات:

کووڈ 19 عالمی وبائی مرض کے طور پر پھیل رہا ہے۔ اس کے بے شمار اثرات ہیں جن میں کم مدتی اور طویل مدتی دونوں منصوبوں پر اثر انداز ہونے والے سپلائی چین میں خلل پڑنے اور متعدد تدبیراتی اور عملی خدشات شامل ہیں۔ کمپنی نے اہم فروخت کنندگان اور صارفین کے ساتھ پہلے ہی سے باہمی تعلقات استوار کر لیے تھے۔ ہمارا سب سے بڑا مسئلہ پیداواری خام مال کی دستیابی تھا۔ کمپنی نے یقینی بنایا کہ لاک ڈاؤن کے دوران سپلائی چین میں کسی قسم کا خلل واقع نہ ہو۔ سفر میں کمی اور لوگوں کے بڑے اجتماع سے اجتناب کے متعلق مشوروں کو زیر غور لاتے ہوئے ہم نے ایگزیکٹو کمیٹی، انتظامیہ کمیٹی اور پلانٹ اپریشن مینجنگ سمیت تمام اجلاس ویڈیو کانفرنس کے ذریعے منعقد کرنے کا فیصلہ کیا۔ چونکہ کووڈ 19 کے پھیلاؤ کے دوران ملازمین کا تحفظ ہماری پہلی ترجیح تھی اس لیے جہاں تک ممکن ہو گھر بیٹھے کام کرنے کے قابل بنانے کے لیے کمپنی نے ٹیکنالوجی اور دیگر متعلقہ ایپلیکیشنز کے ذریعے ضروری انتظامات کیے۔

کارپوریٹ بریفنگ سیشن (CBS):

کمپنی نے 26 نومبر 2019ء کو کارپوریٹ بریفنگ سیشن کا اہتمام کیا۔ اس بریفنگ کے ذریعے کمپنی کی مصروفیت کا مقصد سرمایہ کاروں (موجودہ اور ممکنہ دونوں) کے سامنے کمپنی کے کاروباری معاملات کا درست نقطہ نظر پیش کرنا تھا، جس سے انہیں سرمایہ کاری کے فیصلے کرنے میں مدد ملے گی۔ تمام شعبہ ہائے زندگی سے سرمایہ کاروں نے تقریب میں شرکت کی اور کمپنی کے معاملات میں گہری دلچسپی کا اظہار کیا۔ بورڈ سرمایہ کاروں کے ساتھ مضبوط تعلقات استوار کرنے کی اہمیت کی قدر و قیمت جانتا ہے۔ کمپنی یقین رکھتی ہے کہ حصص یافتگان کے ساتھ تعلقات ہمارے مقاصد کے حصول میں مدد کے لیے بہت اہم ہیں۔

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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 آڈیٹر 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 کمٹمنٹ وقوع پذیر نہیں ہوئی۔

اختصاص:

کمپنی کا بورڈ آف ڈائریکٹرز محسوس کرتا ہے کہ کمپنی کی مستقبل کی ترقی کے پیش نظر منافع کی واپسی غیر دانشمندانہ اقدام ہے اور 30 جون 2020 کو ختم ہونے والے سال کے لیے کسی قسم کے ڈیویڈنڈ کی سفارش نہیں کرتا۔

آڈیٹران:

آڈیٹر میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2021 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 2020 کے دوران کے تمام متعلقہ پارٹیوں کے معاملات جائزہ اور توثیق کے لیے بورڈ آڈٹ کمیٹی 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:

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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:

16 مئی 2020ء کو کمپنی کے غیر معمولی اجلاس عام کے موقع پر بورڈ آف ڈائریکٹرز نے نئے انتخاب کے لیے ڈائریکٹرز کی تعداد 7 مقرر کر دی۔ ریٹائر ہونے والے 5 ڈائریکٹرز مسٹر احمد شفیع، مسٹر امجد محمود، مسٹر خالد بشیر، مسٹر خرم مظہر کریم اور مسٹر شوکت شفیع دوبارہ منتخب ہو گئے۔ 2 نئے ڈائریکٹرز مسماۃ نازیہ مقبول اور مسٹر امین انجم سلیم 17 مئی 2020ء سے شروع ہونی والی تین سال کی مدت کے لیے منتخب کیے گئے۔ مسٹر شوکت شفیع نے 24 جون 2020ء کو بورڈ سے استعفیٰ دے دیا اور ان کی جگہ مسٹر محمد انور کو ڈائریکٹر مقرر کیا گیا۔ بورڈ نے متفقہ طور پر مسٹر محمد انور کو چیف ایگزیکٹو اور مسٹر خالد بشیر کو بورڈ کا چیئر مین نامزد کیا۔

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

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

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

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ڈائریکٹرز کا مشاہرہ:

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

نمایاں خطرات اور عدم یقینی:

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

- مصنوعات کے زمرے میں نمایاں مقابلہ بازی
 - فارن 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 برداشت سطح تک کم کرنے کے لیے کام کر رہی 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 تنقید 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 رینٹنگ اور بورڈ کی قیادت کے سلسلہ میں چیئر مین کا کردار معیاری پایا گیا۔

اندرونی مالیاتی کنٹرولز:

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

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹ منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔
- 2۔ اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔
- 3۔ مالیاتی سٹیٹمنٹ کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور ٹھوس فیصلوں پر مبنی ہیں۔
- 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

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- 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 روگردانی 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 اسٹیٹمنٹ کے نوٹس میں کر دیا گیا ہے۔
- 10۔ بورڈ کے اکثر ممبران وہ مقرر کردہ اہلیت اور تجربہ رکھتے ہیں جو ڈائریکٹرز کے ٹریننگ پروگرام سے استثناء کے لیے مطلوب ہے۔ تمام ڈائریکٹر ان کارپوریٹ ادارے کے ڈائریکٹر کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔

ادارہ جاتی سماجی ذمہ داری:

ذمہ دار کارپوریٹ شہری کے طور پر ہم تمام شراکت داروں کی تعمیر و ترقی کے لیے کوشاں ہیں۔ اس میں اپنے شراکت داروں کو زیادہ سے زیادہ فائدہ پہنچانا، خریداروں کے لیے اپنی مصنوعات اور کارکردگی کو بڑھانا، اپنے لوگوں کو متحرک اور مطمئن رکھنا، معاشرے میں اپنا کارآمد کردار ادا کرنے کے لیے مستحکم طریقے سے کاروبار کرنا اور اپنے عوامل کے اثرات کو منظم کرنا شامل ہیں۔

تعلیم:

CSR ذمہ داری کے تحت کمپنی دیہاتی علاقوں میں تعلیم کے فروغ کے لیے رہا فی 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 سکشن کے 3 یونٹس کے لیے فنڈنگ کر رہی ہے۔ سال کے دوران ہم نے سالانہ رواں اخراجات کی مد میں 78 لاکھ روپے عطیہ کیے ہیں۔

ہیلتھ اور میڈیکل کیریئر:

کمپنی نے معاشرے کے غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معروف اداروں کو 16 لاکھ روپے عطیہ کیے ہیں۔ کام کی جگہ پر صحت اور حفاظت کو یقینی بنانے کے لیے ملازمین کو تربیت دی گئی ہے کہ وہ اپنی ذمہ داریاں ادا کرنے کے دوران کس طرح حفاظتی اصول و ضوابط کو اپنا کر خود کو محفوظ رکھ سکتے ہیں۔ کمپنی کی طرف سے قائم کردہ ٹریننگ سنٹر میں تمام ملازمین کو تکنیکی ذمہ داریوں کے متعلق ضروری تربیت اور آگاہی فراہم کی گئی ہے۔ ایک اچھی طرح سے لیس فائر فائٹنگ کا شعبہ فوری آگ کے خطرہ سے نمٹنے پر مامور ہے۔

شجرکاری:

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

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کاربن ڈائی آکسائیڈ میں سالانہ 390 ٹن کی کاباعت ہیں۔ شجرکاری سے ہم کاربن ڈائی آکسائیڈ میں کمی اور اپنے تمام ملازمین اور بڑے پیمانے پر معاشرے کے لیے صحت مند، قدرتی ماحول کی فراہمی میں حصہ ڈال رہے ہیں۔

انسانی وسائل کی ترقی:

اپنے لوگوں کی تربیت، تعلیم اور ترقی کمپنی کے لیے انتہائی اہمیت کا موضوع ہے۔ یہ وہ میدان ہے جس پر ہم روایتی تربیت، ترقی و بالیدگی کے مواقع، کارکردگی کی تشخیص اور فیڈ بیک سسٹم کے ذریعے مسلسل کام کر رہے ہیں۔ اپنے لوگوں کو ترغیب دینے، قائم رکھنے اور ان میں سے بہترین کو منتخب کرنے کے لیے کمپنی نے اپنی سینئر انتظامیہ کے لیے پاکستان اور بیرون ملک متعدد قائدانہ مشقوں کا اہتمام کیا۔ سال کے دوران کمپنی نے تعمیری طریقے کی حوصلہ افزائی کرنے اور کارکنوں کے مابین صحت مندانہ مسابقت استوار کرنے کے لیے انعام اور پہچان کے پروگرامز کے اجراء کے ذریعے نمایاں کارکردگی پر انعام دینے کا رجحان ترتیب دیا۔ ہم کمپنی کی تعمیر و ترقی کے لیے خواتین کارکنوں کی بڑی تعداد کی شمولیت کی حوصلہ افزائی کرتے ہیں۔ کمپنی میں کسی بھی قسم کے امتیازی سلوک اور ہراساں کرنے کی ممانعت ہے۔

صنعتی تعلقات:

باہمی اعتماد، احترام، تعاون اور بھروسے کے ساتھ اپنے ہمدردانہ تعلقات ہر سطح پر برقرار رکھنے کی کمپنی کی ایک طویل اور مستقل تاریخ ہے۔ اس سے کمپنی کی حتمی کارکردگی یقینی اور بہتر ہوتی ہے۔ سی بی اے کی سرگرمیوں میں حصہ لینے اور ایک آزاد اور منصفانہ ماحول میں اپنی مرضی کے نمائندے منتخب کرنے کے لیے کارکنوں کو مناسب مواقع فراہم کیے جاتے ہیں۔

ہر سال سی بی اے کی جانب سے کیے گئے مطالبہ کے ذریعے کمپنی مراعاتی بونس، منافع پر بونس، چھ ملازمین کے حج اخراجات کا خرچ اٹھانے کے ساتھ ساتھ آسان اقساط پر سائیکل، پنکھے اور سلائی مشینیں فراہم کرتی ہے۔ کمپنی نے ملازمین کے لیے فینر پرائس شاپ اور کینٹین کی سہولیات بھی فراہم کر رکھی ہیں۔

ماحولیاتی حفاظت:

کریس ٹیکس کا مقصد پانی، توانائی اور ماحولیاتی نظام کی حفاظت کرنا، گرین ہاؤس گیس کے اخراج کو کم کرنا، فضلہ کو کم کرنا اور ماحولیاتی استحکام کے لیے عوامی شعور کو متحرک کرنا ہے۔ کمپنی اپنے عمل کے براہ راست اور بالواسطہ اثرات کی نشاندہی، پیمائش اور تفہیم اور ان اثرات کو کم کرنے کے لئے جدید اور حقیقت پسندانہ حل نکالنے کی کوشش کرتی ہے۔

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

معیاری انتظامی طریقہ کار	ISO 9001:2015
ماحولیاتی انتظامی طریقہ کار	ISO 14001:2015
مصنوعاتی و معاشرتی، نامیاتی مواد معیارات	OCS-2.0
مصنوعاتی و معاشرتی، عالمی نامیاتی ٹیکسٹائلز معیارات	GOTS-5.0
مصنوعاتی و معاشرتی، عالمی ری سائیکل معیارات	GRS 4.0

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انسانی ماحولیات کے لیے مصنوعات کے معیارات	Oeko-Tex 100
معاشرتی محاسبہ	SA 8000 : 2014
اخلاقی تجارتی اقدام / اخلاقی کارکردگی	SEDEX / SMETA / ETI
ماحولیاتی صحت اور معیاری ضروریات	Ecolabelling (SWAN)
پائیدار مصنوعات اور اخلاقی تجارت کی تصدیق	Fair Trade
مضر کیمیکلز کا صفر اخراج	ZDHC
معاشرتی، کیمیائی اور ماحولیاتی استحکام	Higg Index V3
پائیدار کاٹن ٹریڈ مارک	CMIA
پائیدار کاٹن ٹریڈ مارک	BCI
مصری کاٹن ٹریڈ مارک	EAC
کاٹن ٹریڈ مارک	Supima Cotton
کاٹن ٹریڈ مارک	USA Cotton

توانائی کی بچت:

توانائی کی بچت، فضلہ میں کمی، پانی کی بچت اور قومی ماحولیاتی معیارات (NEQS) پر ارتکاز اور استحکام کے منصوبوں پر عملدرآمد کے ذریعے تکمیل کا سلسلہ اس سال بھی جاری رہا۔

کمپنی پراسسنگ پلانٹ کے لیے نکاسی آب کا ٹریٹمنٹ پلانٹ بھی چلا رہی ہے۔ یہ پلانٹ پانی کو ری سائیکل کرتا ہے اور نکاسی کے نظام پر پانی کے دباؤ کو کم کرتا ہے۔ صنعتی نکاس کے راستہ سے ذرات اور گیسیوں کو ہٹانے کے لیے کول سٹیم بوائلر پرویٹ سکریبر، فضائی آلودگی کنٹرول کرنے والے آلات نصب کیے گئے ہیں۔ اس کے نتیجے میں ماحول کے تحفظ کے لیے تابکاری، زہریلے مادے اور دھول سے بچاؤ ہوتا ہے۔ کمپنی اپنے ڈائینگ یونٹ پر کاسٹک ریکوری پلانٹ بھی چلا رہی ہے۔ یہ پلانٹ کیمیکلز کی بحالی کرتا ہے اور ری سائیکلنگ کے عمل کے ذریعے لاگت میں کمی فراہم کرتا ہے۔ اس سے نکاسی کے پانی میں خطرناک مادوں کی بھی کمی واقع ہوتی ہے۔ توانائی کی بچت، دیکھ بھال کے اخراجات میں کمی، پائیداری، مضبوطی اور کاربن کے کم اثرات کے لیے روایتی ٹیوب لائٹس کو ایل ای ڈی لائٹس کے ساتھ تبدیل کیا جا رہا ہے۔ بھاپ کے رساؤ کو کم کرنے اور سسٹم سے توانائی کے ضیاع سے بچنے کے لیے مناسب انسولیشن کو یقینی بنانے کے لیے سال بھر مسلسل کوششیں جاری رکھی گئی ہیں۔

قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 286 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 50.38 ملین ڈالر کا قابل قدر ریزر مبادلہ حاصل کیا۔

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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 756 ملین روپے تھی۔

مستقبل کی منصوبہ بندی:

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

خدمات کا اعتراف:

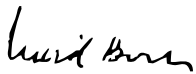
بورڈ آف ڈائریکٹرز کمپنی کے تمام شراکت داروں بشمول خریداران، شیئرز، ہولڈرز، فروخت کنندگان، حکومتی ایجنسیوں، بینکاروں اور تمام دیگر تجارتی رفقاء کے مسلسل تعاون پر ان کا مشکور ہے۔ ہم ملازمین کی طرف سے ہر سطح پر کیے گئے تعاون کے لیے انہیں خراج تحسین پیش کرتے ہیں۔

منجانب: بورڈ آف ڈائریکٹرز



محمد انور

چیف ایگزیکٹو آفیسر



خالد بشیر

ڈائریکٹر

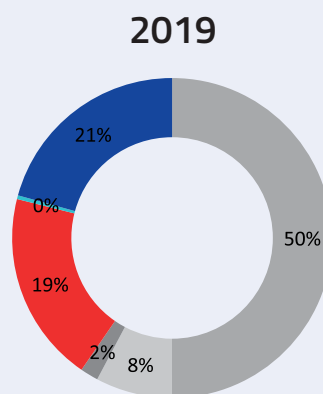
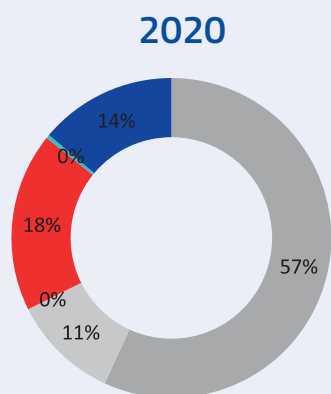
STATEMENT OF VALUE ADDITION

(Rupees in million)	2020	%	2019	%
WEALTH GENERATED				
Revenue	13,264	100%	13,946	100%
Bought-in-material and services	10,613	80%	11,323	81%
	2,651	20%	2,623	19%
WEALTH DISTRIBUTED				
TO EMPLOYEES				
Salaries, wages and other benefits	1,507	57%	1,312	50%
TO GOVERNMENT				
Taxes and duties	286	11%	203	8%
TO SHAREHOLDERS				
Dividend*	-	0%	48	2%
TO PROVIDERS OF FINANCE				
Finance cost	481	18%	507	19%
TO SOCIETY				
Donation toward health and education	9	0%	10	0%
RETAINED WITHIN THE BUSINESS FOR FUTURE GROWTH				
Retained earning and depreciation*	368	14%	543	21%
	2,651	100%	2,623	100%

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

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

Distribution of Wealth



- Employees
- Providers of finance
- Government
- Society
- Shareholders
- Retained within the business

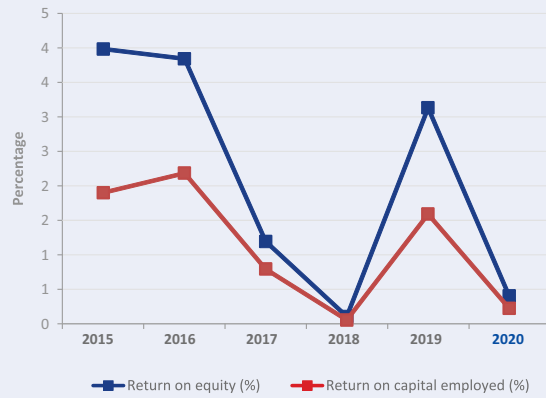
PERFORMANCE INDICATORS

		2020	2019	2018	2017	2016	2015
A. PROFITABILITY RATIOS							
Gross profit ratio	%	11.68	11.74	9.72	8.94	12.67	12.37
Net profit to sales	%	0.25	1.71	0.07	1.04	2.37	1.87
EBITDA margin to sales *	%	7.48	8.65	8.40	5.83	8.71	8.32
Return on equity	%	0.39	3.02	0.10	1.15	3.70	3.84
Return on capital employed	%	0.21	1.53	0.05	0.76	2.11	1.83
B. LIQUIDITY RATIOS							
Current ratio	Times	0.83	0.80	0.88	0.90	0.90	0.81
Quick ratio	Times	0.46	0.50	0.55	0.59	0.62	0.58
Cash to current liabilities	%	0.43	0.05	0.04	0.05	0.14	0.08
Cash flow from operations to sales	%	7.45	11.08	3.97	2.79	1.01	6.50
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	4	5	4	5	6	7
Number of days in inventory	Days	85	72	83	68	59	50
Debtors turnover	Times	5	6	5	5	4	5
Number of days in receivables	Days	70	65	74	77	85	75
Creditors turnover	Times	6	8	8	10	9	10
Number of days in payables	Days	64	47	44	35	38	36
Total assets turnover	Times	0.71	0.80	0.64	0.60	0.76	0.95
Property, plant and equipment turnover	Times	1.79	2.07	1.79	1.68	2.35	2.85
Operating cycle	Days	91	91	112	110	105	88
D. INVESTMENT / MARKET RATIO							
Basic and diluted earning per share	Rs	0.42	2.98	0.11	1.42	3.57	3.89
Price earning ratio	Times	50	7	238	26	5	5
Dividend Yield ratio **	%	-	2.76	-	-	6.44	6.86
Dividend Payout ratio **	%	-	20.12	-	-	40.07	40.48
Dividend Cover ratio **	Times	-	4.97	-	-	2.84	2.68
Cash dividend **	%	-	6.00	-	-	12.55	14.50
Market value per share							
- At the end of the period	Rs	20.82	21.76	25.20	37.45	19.48	21.15
- Highest during the period	Rs	26.30	38.53	43.93	57.48	24.43	22.53
- Lowest during the period	Rs	17.25	20.51	24.48	19.50	17.30	16.24
Break up value	Rs	108.00	98.83	104.63	123.19	84.57	71.74
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	0.86	0.93	0.90	0.71	0.89	0.92
Weighted average cost of debt	%	6.53	6.82	8.76	4.40	6.37	8.03
Long term debt to Equity ratio	%	12.97	14.17	10.10	10.79	6.58	1.94
Interest Cover ratio	Times	1.37	1.78	1.02	1.28	1.96	1.84

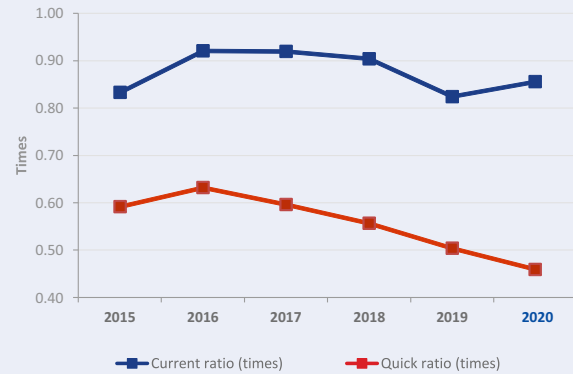
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

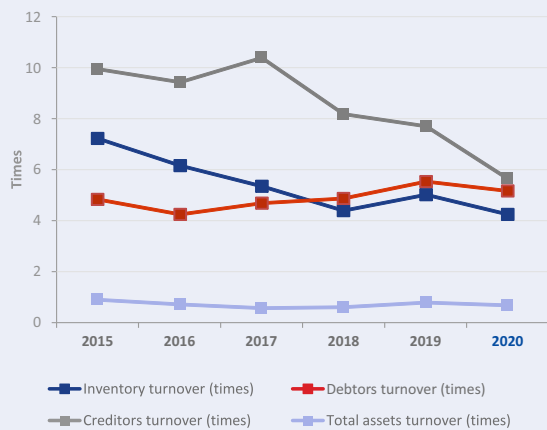
RETURN ON CAPITAL AND EQUITY



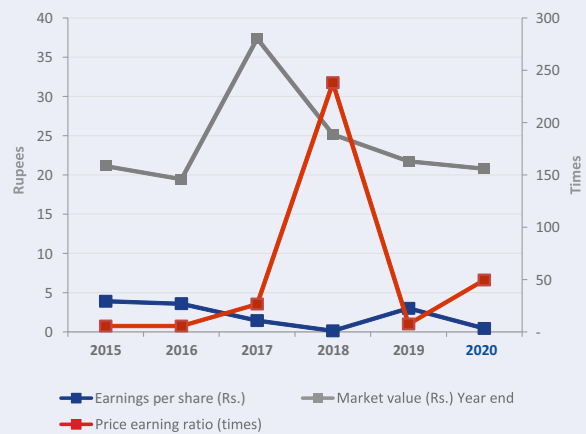
LIQUIDITY



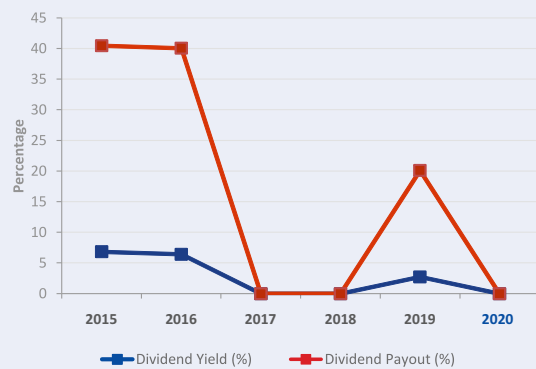
ASSET MANAGEMENT



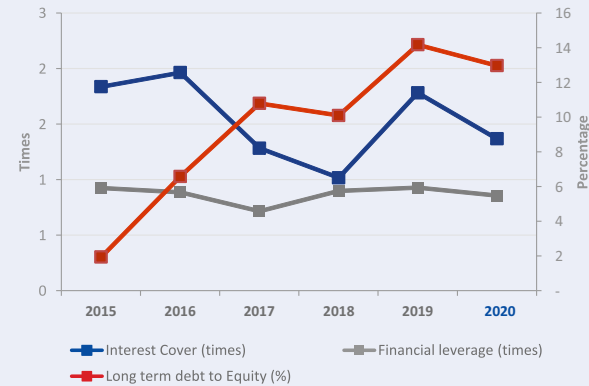
PER SHARE RESULT



DIVIDEND AND RETURNS



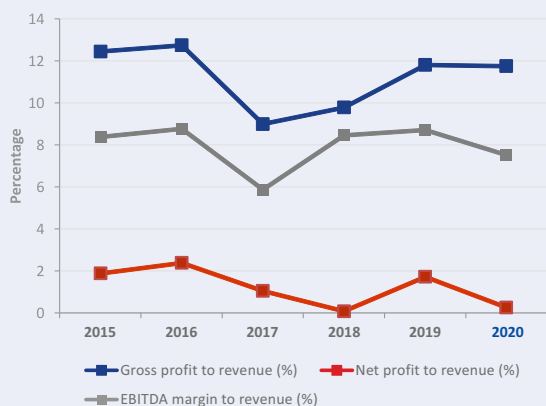
DEBT MANAGEMENT



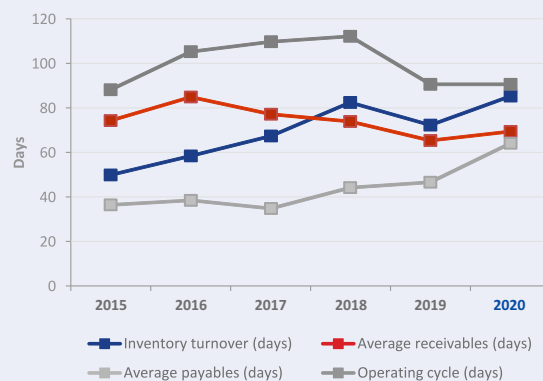
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2020	2019	2018	2017	2016	2015
SUMMARY OF STATEMENT OF PROFIT OR LOSS						
Revenue	13,264	13,946	11,314	10,873	10,579	11,779
Gross profit	1,549	1,637	1,100	972	1,340	1,457
Profit from operations	657	903	648	368	774	761
Share of (loss) / profit from associate	-	-	-	-	(67)	26
Profit before taxation	177	396	10	81	347	358
Profit after taxation	34	239	8	113	251	220
SUMMARY OF STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	7,402	6,727	6,328	6,478	4,495	4,140
Stock in trade	3,187	2,285	2,589	2,029	1,636	1,338
Trade debts	2,419	2,648	2,346	2,236	2,365	2,567
Current assets	7,541	6,713	7,398	6,444	5,923	5,343
Non-Current assets held for sale	-	-	-	-	-	84
Total assets	18,795	17,371	17,614	18,115	13,875	12,453
Total Equity	8,640	7,907	8,370	9,855	6,766	5,739
Long term financing	1,120	1,120	845	1,063	445	111
Trade and other payables	2,483	1,866	1,488	1,109	916	1,182
Unclaimed Dividend	11	9	10	10	9	9
Short term borrowings	6,240	5,936	6,417	5,790	5,485	5,079
Current liabilities	9,035	8,344	8,399	7,196	6,606	6,571
Total equity and liabilities	18,795	17,371	17,614	18,115	13,875	12,453
SUMMARY OF STATEMENT OF CASH FLOWS						
Cash and cash equivalents at the beginning of the year	5	3	4	9	5	7
Net cash from / (used in) operating activities	257	864	(312)	(268)	(547)	104
Net cash (used in) / from investing activities	(286)	(674)	(164)	(785)	(467)	(223)
Net cash (used in) / from financing activities	64	(189)	476	1,048	1,018	117
Net increase / (decrease) in Cash and cash equivalents	35	1	(0)	(5)	4	(2)
Cash and cash equivalents at the end of the year	39	5	3	4	9	5

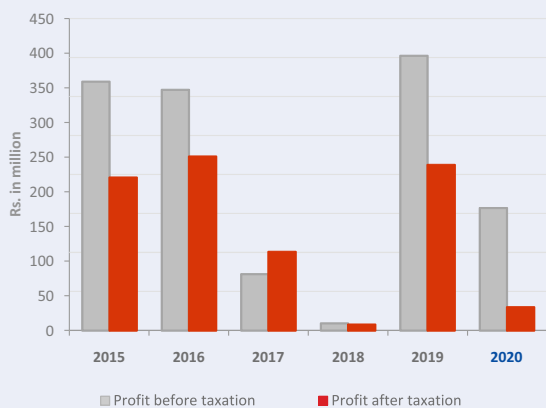
PROFITABILITY



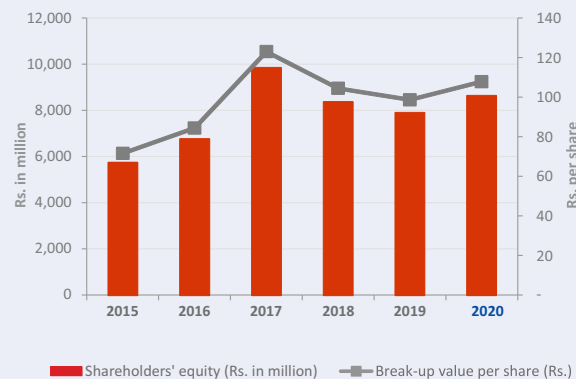
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	7,402	39.4	6,727	38.7	6,328	35.9	6,478	35.8	4,495	32.4	4,140	33.2
Intangible assets	20	0.1	6	0.0	12	0.1	18	0.1	-	-	-	-
Investment in an associate	-	-	-	-	-	-	-	-	-	-	336	2.7
Long term investments	3,693	19.7	3,792	21.8	3,736	21.2	5,167	28.5	3,449	24.9	2,541	20.4
Long term loans and advances	-	0.0	1	0.0	1	0.0	2	0.0	3	0.0	4	0.0
Long term deposits and prepayments	29	0.2	30	0.2	10	0.1	5	0.0	5	0.0	5	0.0
Deferred income tax asset	110	0.6	103	0.6	128	0.7	-	-	-	-	-	-
Stores, spare parts and loose tools	234	1.2	265	1.5	198	1.1	192	1.1	185	1.3	177	1.4
Stock in trade	3,187	17.0	2,285	13.2	2,589	14.7	2,029	11.2	1,636	11.8	1,338	10.7
Trade debts	2,419	12.9	2,648	15.2	2,346	13.3	2,236	12.3	2,365	17.0	2,567	20.6
Loans and advances	800	4.3	754	4.3	687	3.9	577	3.2	469	3.4	418	3.4
Short term deposits and prepayments	84	0.4	71	0.4	61	0.3	62	0.3	29	0.2	23	0.2
Accrued interest	6	0.0	5	0.0	3	0.0	4	0.0	4	0.0	5	0.0
Other receivables	296	1.6	291	1.7	1,416	8.0	1,253	6.9	1,130	8.1	744	6.0
Short term investments	477	2.5	390	2.2	94	0.5	88	0.5	94	0.7	66	0.5
Cash & bank balances	39	0.2	4	0.0	3	0.0	4	0.0	9	0.1	5	0.0
Non-Current assets held for sale	-	-	-	-	-	-	-	-	-	-	84	0.7
TOTAL ASSETS	18,795	100	17,371	100	17,614	100	18,115	100	13,875	100	12,453	100
Issued, subscribed and paid up share capital	800	4.3	800	4.6	800	4.5	800	4.4	800	5.8	615	4.9
Premium on issue of right shares	200	1.1	200	1.2	200	1.1	200	1.1	200	1.4	62	0.5
Fair value reserve	673	3.6	524	3.0	1,226	7.0	2,719	15.0	1,004	7.2	462	3.7
Surplus on revaluation of operating fixed assets	4,161	22.1	3,567	20.5	3,568	20.3	3,575	19.7	2,214	16.0	2,291	18.4
Revenue reserves	2,805	14.9	2,815	16.2	2,577	14.6	2,561	14.1	2,548	18.4	2,310	18.5
Shareholders equity	8,640	46.0	7,907	45.5	8,370	47.5	9,855	54.4	6,766	48.8	5,739	46.1
Long term financing	1,120	6.0	1,120	6.4	845	4.8	1,063	5.9	445	3.2	100	0.8
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	11	0.1
Deferred income tax liability	-	-	-	-	-	-	0	0.0	58	0.4	32	0.3
Trade and other payables	2,483	13.2	1,866	10.7	1,488	8.4	1,109	6.1	916	6.6	1,182	9.5
Unclaimed Dividend	11	0.1	9	0.1	10	0.1	10	0.1	9	0.1	9	0.1
Accrued mark-up	101	0.5	120	0.7	86	0.5	65	0.4	60	0.4	85	0.7
Short term borrowings	6,240	33.2	5,936	34.2	6,417	36.4	5,790	32.0	5,485	39.5	5,079	40.8
Current portion of non-current liabilities	35	0.2	275	1.6	258	1.5	190	1.1	66	0.5	112	0.9
Provision for taxation	166	0.9	138	0.8	141	0.8	31	0.2	70	0.5	104	0.8
TOTAL EQUITY AND LIABILITIES	18,795	100	17,371	100	17,614	100	18,115	100	13,875	100	12,453	100
STATEMENT OF PROFIT OR LOSS												
Revenue	13,264	100.0	13,946	100.0	11,314	100.0	10,873	100.0	10,579	100.0	11,779	100.0
Cost of sales	11,715	88.3	12,309	88.3	10,214	90.3	9,901	91.1	9,239	87.3	10,322	87.6
Gross profit	1,549	11.7	1,637	11.7	1,100	9.7	972	8.9	1,340	12.7	1,457	12.4
Distribution cost	574	4.3	679	4.9	468	4.1	644	5.9	633	6.0	648	5.5
Administrative expenses	392	3.0	345	2.5	295	2.6	300	2.8	283	2.7	234	2.0
Other expenses	43	0.3	42	0.3	14	0.1	10	0.1	26	0.2	63	0.5
Other income	117	0.9	330	2.4	325	2.9	350	3.2	376	3.6	249	2.1
Profit from operations	657	5.0	903	6.5	648	5.7	368	3.4	774	7.3	761	6.5
Finance cost	481	3.6	507	3.6	638	5.6	287	2.6	360	3.4	429	3.6
Share of (loss) / profit from associate	-	-	-	-	-	-	-	-	(67)	(0.6)	26	0.2
Profit before taxation	177	1.3	396	2.8	10	0.1	81	0.7	347	3.3	358	3.0
Taxation	143	1.1	157	1.1	2	0.0	(32)	(0.3)	96	0.9	138	1.2
Profit after taxation	34	0.3	239	1.7	8	0.1	113	1.0	251	2.4	220	1.9

HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	7,402	10.0	6,727	6.3	6,328	(2.3)	6,478	44.1	4,495	8.6	4,140	(0.9)
Intangible assets	20	247.6	6	(52.2)	12	(34.3)	18	100.0	-	-	-	-
Investment in an associate	-	-	-	-	-	-	-	-	-	(100)	336	8.1
Long term investments	3,693	(2.6)	3,792	1.5	3,736	(27.7)	5,167	49.8	3,449	35.7	2,541	0.1
Long term loans and advances	0	(38.0)	1	(53.8)	1	(43.8)	2	(32.9)	3	(21.8)	4	22.1
Long term deposits and prepayments	29	(4.1)	30	191.6	10	99.6	5	(2.6)	5	(3.3)	5	(21.9)
Deferred income tax asset	110	7	103	(19)	128	100	-	-	-	-	-	(100)
Stores, spare parts and loose tools	234	(12.0)	265	34.0	198	3.4	192	3.5	185	4.6	177	12.7
Stock in trade	3,187	39.5	2,285	(11.8)	2,589	27.6	2,029	24.0	1,636	22.3	1,338	(10.2)
Trade debts	2,419	(8.6)	2,648	12.8	2,346	4.9	2,236	(5.5)	2,365	(7.8)	2,567	14.2
Loans and advances	800	6.2	754	9.7	687	19.1	577	22.9	469	12.1	418	14.9
Short term deposits and prepayments	84	18.6	71	16.9	61	(2.2)	62	110.8	29	29.2	23	8.6
Accrued interest	6	18.4	5	50.0	3	(17.6)	4	(6.0)	4	(18.9)	5	26.7
Other receivables	296	1.8	291	(79.5)	1,416	13.1	1,253	10.8	1,130	51.9	744	30.3
Short term investments	477	22.2	390	313.3	94	7.0	88	(6.5)	94	43.0	66	(19.4)
Cash & bank balances	39	772.5	4	30.9	3	(12.4)	4	(58.1)	9	79.0	5	(25.8)
Non-Current assets held for sale	-	-	-	-	-	-	-	-	-	-	84	100
TOTAL ASSETS	18,795	8.2	17,371	(1.4)	17,614	(2.8)	18,115	30.6	13,875	11.4	12,453	3.9
Issued, subscribed and paid up share capital	800	-	800	-	800	-	800	-	800	30.1	615	25.0
Premium on issue of right shares	200	-	200	-	200	-	200	-	200	225.4	62	100.0
Fair value reserve	673	28.6	524	(57.3)	1,226	(54.9)	2,719	170.8	1,004	117.3	462	6.3
Surplus on revaluation of operating fixed assets	4,161	16.6	3,567	(0.0)	3,568	(0.2)	3,575	61.5	2,214	(3.3)	2,291	(0.0)
Revenue reserves	2,805	(0.4)	2,815	9.3	2,577	0.6	2,561	0.5	2,548	10.3	2,310	7.4
Total Equity	8,640	9.3	7,907	(5.5)	8,370	(15.1)	9,855	45.7	6,766	17.9	5,739	6.9
Long term financing	1,120	-	1,120	33	845	(21)	1,063	139	445	345	100	26.6
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	(100)	11	(74.9)
Deferred liability	-	-	-	-	-	-	0	(99.6)	58	80.8	32	100
Trade and other payables	2,483	33.1	1,866	25.4	1,488	34.2	1,109	21.0	916	(22.5)	1,182	16.0
Unclaimed Dividend	11	19.0	9	(0.8)	10	(1.3)	10	10.1	9	(6.6)	9	37.9
Accrued mark-up	101	(16.1)	120	40.1	86	30.9	65	9.1	60	(29.7)	85	(12.1)
Short term borrowings	6,240	5.1	5,936	(7.5)	6,417	10.8	5,790	5.6	5,485	8.0	5,079	(0.1)
Current portion of non-current liabilities	35	(87.4)	275	6.5	258	35.5	190	189.6	66	(41.2)	112	(31.8)
Provision for taxation	166	20.1	138	(1.6)	141	349.3	31	(55.4)	70	(32.7)	104	(14.5)
TOTAL EQUITY AND LIABILITIES	18,795	8.2	17,371	(1.4)	17,614	(2.8)	18,115	30.6	13,875	11.4	12,453	(12.7)
STATEMENT OF PROFIT OR LOSS												
Revenue	13,264	(4.9)	13,946	23.3	11,314	4.1	10,873	2.8	10,579	(10.2)	11,779	(5.1)
Cost of sales	11,715	(4.8)	12,309	20.5	10,214	3.2	9,901	7.2	9,239	(10.5)	10,322	(6.5)
Gross profit	1,549	(5.4)	1,637	48.8	1,100	13.2	972	(27.5)	1,340	(8.0)	1,457	6.0
Distribution cost	574	(15.5)	679	44.9	468	(27.3)	644	1.6	633	(2.3)	648	6.1
Administrative expenses	392	13.6	345	16.9	295	(1.7)	300	5.9	283	21.1	234	19.9
Other expenses	43	4.5	42	191.9	14	40.1	10	(61.5)	26	(58.0)	63	(6.2)
Other income	117	(64.6)	330	1.7	325	(7.1)	350	(7.1)	376	51.0	249	(30.9)
Profit from operations	657	(27.2)	903	39.3	648	76.1	368	(52.4)	774	1.6	761	(11.8)
Finance cost	481	(5.1)	507	(20.5)	638	122.3	287	(20.3)	360	(16.0)	429	(9.2)
Share of (loss) / profit from associate	-	-	-	-	-	-	-	(100.0)	(67)	(362.5)	26	(153.2)
Profit before taxation	177	(55)	396	3,790	10	(87)	81	(77)	347	(3)	358	4
Taxation	143	(9)	157	9,043	2	(105.3)	(32)	(133.5)	96	(30.4)	138	32.8
Profit after taxation	34	(86)	239	2,722	8	(92.5)	113	(54.8)	251	13.7	220	(7.8)

STATEMENT OF COMPLIANCE

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

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 eight 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. One director has already attended Directors' Training Program. Two independent directors will complete their DTP within the time limit as allowed under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

STATEMENT OF COMPLIANCE

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

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

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

Mrs. Nazia Maqbool	(Chairperson)
Mr. Ahmad Shafi	(Member)
Mr. Khurram Mazhar Karim	(Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four meetings during the financial year ended 30 June 2020
 - b) HR and Remuneration Committee: one meeting during the financial year ended 30 June 2020
15. The board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied

STATEMENT OF COMPLIANCE

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

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.	<p>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.</p> <p>Risk Management Committee: The Board may constitute the Risk Management Committee (RMC), 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.</p>	<p>Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.</p> <p>Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and appraises the Board accordingly.</p>	<p>29(1)</p> <p>30(1)</p>

For and on behalf of the Board of Directors



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Chairman

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Crescent Textile Mills Limited (the Company) for the year ended 30 June 2020 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 2020.

RIAZ AHMAD & COMPANY

Chartered Accountants



Date: September 30, 2020

Faisalabad

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of The Crescent Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2020, 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 2020 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2020 amounting to Rupees 3,420.070 million, break up of which is as follows:</p> <ul style="list-style-type: none"> - Stores, spare parts and loose tools of Rupees 233.516 million - Stock-in-trade of Rupees 3,186.554 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 18.20% of the total assets of the Company as at 30 June 2020, and the judgment involved in valuation.</p>	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. ▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

For further information on inventories, refer to the following:

- Summary of significant accounting policies, Inventories (Note 2.10 to the financial statements).
- Stores, spare parts and loose tools (Note 17) and Stock-in-trade (Note 18) to the financial statements.

- We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.
- On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.
- In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents.
- 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 2020, the Company carried its portfolio of investments as follows:

- Quoted investments carried at fair value through other comprehensive income amounting to Rupees 1,007.278 million.
- Un-quoted investments carried at fair value through other comprehensive income amounting to Rupees 3,162.849 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 greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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 2020 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 these un-quoted investments at Rupees 3,162.675 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 2.9 to the financial statements).
- Long term investments (Note 13 to the financial statements).
- Short term investments (Note 24 to the financial statements).

3. Revenue recognition

The Company recognized revenue of Rupees 13,264.005 million for the year ended 30 June 2020.

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.

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

Our procedures included, but were not limited to:

- We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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

- Summary of significant accounting policies, Revenue from contracts with customers (Note 2.13 to the financial statements).
- Revenue (Note 26 to the financial statements).

- 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 requirements of IFRS 15 'Revenue from Contracts with Customers';
- We compared the detail of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited in Central Zakat Fund established under section 7 of that Ordinance.

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

RIAZ AHMAD & COMPANY

Chartered Accountants



Date: September 30, 2020

Faisalabad

STATEMENT OF FINANCIAL POSITION

as at June 30, 2020

(Rupees in '000')	Note	2020	2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (2019: 100 000 000) ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital	3	800,000	800,000
Capital reserves			
Premium on issue of right shares	4.1	200,169	200,169
Fair value reserve	4.1	673,438	523,811
Surplus on revaluation of operating fixed assets - net of deferred income tax	5	4,160,766	3,567,457
Revenue reserves	4.2	2,805,331	2,815,298
TOTAL EQUITY		8,639,704	7,906,735
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,120,213	1,120,213
CURRENT LIABILITIES			
Trade and other payables	7	2,482,544	1,865,597
Unclaimed dividend		11,232	9,435
Accrued mark-up	8	100,604	119,940
Short term borrowings	9	6,239,650	5,935,657
Current portion of long term financing	6	34,727	274,858
Provision for taxation		166,194	138,368
		9,034,951	8,343,855
TOTAL LIABILITIES		10,155,164	9,464,068
CONTINGENCIES AND COMMITMENTS			
	10		
TOTAL EQUITY AND LIABILITIES		18,794,868	17,370,803

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



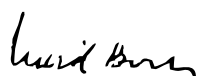
Muhammad Anwar
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

as at June 30, 2020

(Rupees in '000')	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	7,401,664	6,726,762
Intangible asset	12	20,180	5,806
Long term investments	13	3,693,231	3,792,196
Long term loans and advances	14	310	500
Long term deposits and prepayments	15	28,737	29,962
Deferred income tax asset	16	109,643	102,906
		11,253,765	10,658,132
CURRENT ASSETS			
Stores, spare parts and loose tools	17	233,516	265,357
Stock-in-trade	18	3,186,554	2,284,668
Trade debts	19	2,419,493	2,647,825
Loans and advances	20	800,033	753,660
Short term deposits and prepayments	21	84,145	70,973
Accrued interest	22	5,651	4,771
Other receivables	23	295,830	290,591
Short term investment	24	476,896	390,358
Cash and bank balances	25	38,985	4,468
		7,541,103	6,712,671
		18,794,868	17,370,803

TOTAL ASSETS



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

for the Year Ended June 30, 2020

(Rupees in '000')	Note	2020	2019
Revenue	26	13,264,005	13,946,144
Cost of sales	27	(11,714,594)	(12,308,973)
Gross profit		1,549,411	1,637,171
Distribution cost	28	(573,546)	(678,533)
Administrative expenses	29	(391,788)	(344,751)
Other expenses	30	(43,465)	(41,579)
		(1,008,799)	(1,064,863)
		540,612	572,308
Other income	31	116,780	330,282
Profit from operations		657,392	902,590
Finance cost	32	(480,866)	(506,750)
Profit before taxation		176,526	395,840
Taxation	33	(142,927)	(157,251)
Profit after taxation		33,599	238,589
Earnings per share - Basic and diluted (Rupees)	34	0.42	2.98

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, 2020

(Rupees in '000')	2020	2019
Profit after taxation	33,599	238,589
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
Surplus on revaluation of operating fixed assets	594,381	-
Deferred income tax relating to surplus on revaluation of operating fixed assets	(1,033)	-
	593,348	-
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	162,923	(705,126)
Deferred income tax relating to investments at fair value through other comprehensive income	(8,901)	2,963
	154,022	(702,163)
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive income / (loss) for the year - net of tax	747,370	(702,163)
Total comprehensive income / (loss) for the year	780,969	(463,574)

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, 2020

(Rupees in '000')	SHARE CAPITAL	RESERVES									TOTAL EQUITY	
		CAPITAL RESERVES					REVENUE RESERVES					TOTAL
		Premium on issue of righgt shares	Fair value reserve of available for sale investments	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Dividend equalization	Unappropriated profit	Sub total		
Balance as at 30 June 2018	800,000	200,169	1,225,974	-	3,567,516	4,993,659	1,773,643	30,000	773,027	2,576,670	7,570,329	8,370,329
Adjustment on adoption of IFRS 9	-	-	(1,225,974)	1,225,974	-	-	-	-	-	-	-	-
Balance as at 01 July 2018	800,000	200,169	-	1,225,974	3,567,516	4,993,659	1,773,643	30,000	773,027	2,576,670	7,570,329	8,370,329
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(39)	(39)	-	-	39	39	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(20)	(20)	-	-	-	-	(20)	(20)
Transferred from dividend equalization reserve to general reserve	-	-	-	-	-	-	30,000	(30,000)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	238,589	238,589	238,589	238,589
Other comprehensive loss for the year	-	-	-	(702,163)	-	(702,163)	-	-	-	-	(702,163)	(702,163)
Total comprehensive loss for the year	-	-	-	(702,163)	-	(702,163)	-	-	238,589	238,589	(463,574)	(463,574)
Balance as at 30 June 2019	800,000	200,169	-	523,811	3,567,457	4,291,437	1,803,643	-	1,011,655	2,815,298	7,106,735	7,906,735
Transaction with owners - Final dividend for the year ended 30 June 2019 at the rate of Rupee 0.60 per share	-	-	-	-	-	-	-	-	(48,000)	(48,000)	(48,000)	(48,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(39)	(39)	-	-	39	39	-	-
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(4,395)	-	(4,395)	-	-	4,395	4,395	-	-
Profit for the year	-	-	-	-	-	-	-	-	33,599	33,599	33,599	33,599
Other comprehensive income for the year	-	-	-	154,022	593,348	747,370	-	-	-	-	747,370	747,370
Total comprehensive income for the year	-	-	-	154,022	593,348	747,370	-	-	33,599	33,599	780,969	780,969
Balance as at 30 June 2020	800,000	200,169	-	673,438	4,160,766	5,034,373	1,803,643	-	1,001,688	2,805,331	7,839,704	8,639,704

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, 2020

(Rupees in '000')	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	988,051	1,545,886
Finance cost paid		(499,287)	(472,349)
Income tax paid		(173,372)	(189,986)
Dividend paid		(46,203)	(78)
Workers' profit participation fund paid		(13,732)	(85)
Net decrease in long term loans and advances		190	582
Net decrease / (increase) in long term deposits and prepayments		1,225	(19,686)
Net cash generated from operating activities		256,872	864,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant, equipment and intangible asset		(307,352)	(731,317)
Proceeds from sale of property, plant and equipment		12,775	46,710
Proceeds from sale of investment		7,507	-
Dividends received		853	10,550
Net cash used in investing activities		(286,217)	(674,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	550,001
Repayment of long term financing		(240,131)	(258,039)
Short term borrowings - net		303,993	(481,134)
Net cash from / (used in) financing activities		63,862	(189,172)
Net increase in cash and cash equivalents		34,517	1,055
Cash and cash equivalents at the beginning of the year		4,468	3,413
Cash and cash equivalents at the end of the year (note 25)		38,985	4,468

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, 2020

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except for the weaving unit which is situated at Industrial Estate, Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa, stitching unit which is situated at Chak No. 66 J.B., Dhandra Road, Airport Chowk, Jhang Road, Faisalabad, Punjab and liaison office situated at 8th Floor, Sidco Avenue Centre, 264-R.A. Lines, Stretchen Road, Karachi, Sindh.

1.1 Impact of COVID-19 on these financial statements

The pandemic of COVID-19 which rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March 2020, the Federal Government and the Provincial Governments announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from 25 March 2020 to 05 April 2020. The lockdown caused disruptions in supply chain including supply of goods to the customers resulting in a decline in sales. Subsequent to the year ended 30 June 2020, due to significant reduction in outbreak, demand for the Company's goods is fast reverting back to normal levels. Moreover, at the start of outbreak, State Bank of Pakistan vide its circular No. ERD/M&PRD/PR/01/2020-32 dated 26 March 2020 allowed deferment of principal repayments on loan obligations due to banks by a period of one year. The Company has availed this opportunity and the repayments of long term financing from Pak Libya Holding Company (Private) Limited, The Bank of Punjab and National Bank of Pakistan as given in Note 6 have been deferred for one year. The Company has also assessed expected credit losses on receivable balances due to the pandemic situation and a suitable allowance for expected credit losses has been made as given in Note 19. Apart from these, according to management's assessment, there is no other significant accounting impact of the effects of COVID-19 in these financial statements.

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.

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

b) **Accounting convention**

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

c) **Critical accounting estimates and judgments**

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

Financial instruments – fair value

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

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets including intangible asset for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible asset with a corresponding effect on the depreciation charge and impairment.

Inventories

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

Income tax

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

Recovery of deferred income tax assets

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

Allowance for expected credit losses

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

NOTES TO THE FINANCIAL STATEMENTS

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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) Standard, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases'
- Amendments to IFRS 9 'Financial Instruments'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRSs: 2015 – 2017 Cycle

The amendments and interpretation listed above do not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods. However the implications of IFRS 16 are given hereunder:

IFRS 16 'Leases' is effective for annual periods beginning on or after 01 January 2019. This standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

As per SRO 431(I)/2007 dated 22 May 2007, the Securities and Exchange Commission of Pakistan directed that the Islamic Financial Accounting Standard 2 (IFAS 2), issued by the Institute of Chartered Accountants of Pakistan, shall be followed in regard to the financial statements by companies while accounting for Ijarah (Lease) transactions as defined in IFAS 2. As where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed. Therefore, the Company is not required to account for operating leases (Ijarah) under IFRS 16.

- e) Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other standard and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2019 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 2020 or later periods:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

Interest Rate Benchmark Reform which amended IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 39 'Financial Instruments: Recognition and Measurement', is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published report setting out its recommended reforms of some major interest rate benchmarks such as Interbank Offer Rates (IBORs). Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rates benchmarks reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provided relief from the potential impacts of the uncertainty caused by the reform. A company shall apply these exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

Amendments to IFRS 16 'Leases' (effective for annual periods beginning on or after 01 June 2020). Under previous requirements of IFRS 16, lessee assesses whether rent concessions are lease modifications, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring these lease liabilities using the revised lease payments and revised discount rates. In light of the effects of the COVID-19 pandemic and the fact that many lessees are applying the standard for the first time in their financial statements, the IASB has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for as if these were not lease modifications. Rent concessions are eligible for the practical expedient if these occur as a direct consequence of the COVID-19 pandemic and if following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially same as, or less than, the considerations for the lease immediately preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2022). These amendments have been added to further clarify when a liability is classified as current. These amendments also changes the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify 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 the cumulative effect of initially applying the amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify 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, 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 these amendments retrospectively, but only to items of property, plant and equipment which 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. The amendments are not likely to affect the financial statements of the Company.

On 14 May 2020, IASB issued Annual Improvements to IFRSs: 2018 - 2020 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 9 'Financial Instruments', and IFRS 16 'Leases', relevant to the Company. The amendments are effective for annual periods beginning on or after 01 January 2022. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the IASB has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

NOTES TO THE FINANCIAL STATEMENTS

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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 Provisions

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

2.4 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.

2.5 Taxation

Current

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

Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other

NOTES TO THE FINANCIAL STATEMENTS

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comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.6 Property, plant and equipment

2.6.1 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. 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 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 11.1. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

c) De-recognition

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

2.7 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.

2.8 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.

2.9 Financial Instruments

i) Recognition of financial instruments

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

ii) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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 investments 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 to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). The Company classifies its equity instruments into following measurement category:

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are also subsequently measured at amortized cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

Financial assets

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

Financial liabilities

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

v) Offsetting of financial instruments

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

2.10 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

Stock of waste materials is stated at net realizable value.

2.11 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.

2.12 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowing using the effective interest method.

2.13 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. Related Government grant is recognized when there is reasonable assurance that Company will comply with the conditions attached to it and grant will be received.

Rendering of services

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

Interest

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

Rent

Revenue is recognized when rent is accrued.

Sale of electricity

Revenue from sale of electricity is recognized at time of transmission

Dividend

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

Other revenue

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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.

2.14 **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. Trade receivables generally do not include amounts overdue by 365 days.

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.

2.15 **Trade and other payables**

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

2.16 **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.

2.17 **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.

2.18 **Share capital**

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

2.19 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.

2.20 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.

2.21 Segment reporting

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

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

The Company's reportable business segments comprise of Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

2.22 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.23 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.

2.24 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.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2020 (Number of Shares)	2019 (Number of Shares)		2020 (Rupees in '000')	2019 (Rupees in '000')
50 571 213	50 571 213	Ordinary shares of Rupees 10 each fully paid in cash	505,712	505,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
80 000 000	80 000 000		800,000	800,000

3.1 Ordinary shares of the Company held by related parties:

(Number of Shares)	2020	2019
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	4 878 002	4 878 002
Suraj Cotton Mills Limited	1 648 500	1 648 500
Premier Insurance Limited	755 985	755 985
Crescent Group (Private) Limited	110	110
Shakarganj Limited	5 898	5 898
	7 288 495	7 288 495

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')		2020	2019
4.	RESERVES		
	Composition of reserves is as follows:		
4.1	Capital reserves		
	Premium on issue of right shares (Note 4.2.1)	200,169	200,169
	Fair value reserve of investments at FVTOCI - net of deferred income tax (Note 4.2.2)	673,438	523,811
	Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5)	4,160,766	3,567,457
		5,034,373	4,291,437
4.2	Revenue reserves		
	General reserve	1,803,643	1,803,643
	Unappropriated profit	1,001,688	1,011,655
		2,805,331	2,815,298
		7,839,704	7,106,735

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

4.2.2 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:

Balance as at 01 July	520,848	1,225,974
Fair value adjustment during the year	162,923	(705,126)
	683,771	520,848
Gain realized on disposal of equity investment at fair value through other comprehensive income	(4,395)	-
Deferred income tax relating to investments at fair value through other comprehensive income	(5,938)	2,963
	(10,333)	2,963
Balance as at 30 June	673,438	523,811

5. SURPLUS ON REVALUATION OF OPERATING FIXEDASSETS - NET OF DEFERRED INCOME TAX

Surplus on revaluation of operating fixed assets as at 01 July	3,567,882	3,567,927
Surplus arising on revaluation during the year	594,381	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	39	39
Related deferred income tax liability	5	6
	44	45
	4,162,219	3,567,882
Less:		
Deferred income tax liability as at 01 July	425	411
Adjustment of deferred income tax liability due to surplus arising on revaluation during the year	1,033	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	20
Incremental depreciation charged during the year transferred to the statement of profit or loss	(5)	(6)
	1,453	425
	4,160,766	3,567,457

- 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 11.1.1. Previously revaluation was carried out on 30 June 2007, 30 June 2013 and 30 June 2017 by an independent valuer.

6. LONG TERM FINANCING

From banking companies - secured (Note 6.1)	1,154,940	1,395,071
Less: Current portion shown under current liabilities	34,727	274,858
	1,120,213	1,120,213

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

6.1	LENDER	2020	2019	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
	Pak Libya Holding Company (Private) Limited	-	12,500	3 months KIBOR plus 2.75 % without any floor or cap	16 equal quarterly installments	03 January 2016	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	50,000	87,500	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	16,590	23,700	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	31 March 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	22,520	33,779	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	20 July 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	21,214	28,285	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	26 August 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
	The Bank of Punjab	49,580	69,411	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	20 January 2018	Quarterly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	24,635	32,846	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	27 September 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	23,396	31,195	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	11 October 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	7,480	9,973	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	11 October 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	4,499	5,998	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 November 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	12,561	16,747	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	05 December 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

6.1	LENDER	2020	2019	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
	National Bank of Pakistan	119,219	153,282	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	13 January 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	131,537	169,119	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	25 January 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	14,374	18,481	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	26 January 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	11,241	14,452	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	26 January 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	36,026	46,320	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	07 February 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	26,870	34,548	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	14 February 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	18,449	23,720	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	23 April 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	26,571	33,214	SBP rate for LTFF plus 2.50%	12 equal half yearly installments	29 December 2018	Half yearly	Joint pari passu charge over fixed assets of the Company.
	Pak Libya Holding Company (Private) Limited	173,724	173,724	Pak Libya's spread 2% plus SBP's spread 2%	20 equal quarterly installments	23 December 2021	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	26,277	26,277	3 months KIBOR plus 2.5% without any floor or cap	22 equal quarterly installments	10 June 2022	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	31,575	33,238	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	27 March 2020	Quarterly	First pari passu charge over present and future fixed assents of the company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

6.1	LENDER	2020	2019	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	DATE OF REPAYMENT OF FIRST INSTALLMENT	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
	The Bank of Punjab	38,475	40,500	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	154,546	162,681	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	113,581	113,581	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	03 May 2021	Quarterly	First pari passu charge over present and future fixed assets of the company.
		1,154,940	1,395,071					

- 6.2 Repayment terms of the above mentioned loans outstanding during the year from Pak Libya Holding Company (Private) Limited, The Bank of Punjab and National Bank of Pakistan were deferred by one year on request of the Company in accordance with the circular No. ERD/M&PRD/PR/01/2020-32 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic. Moreover in accordance with the requirements of the above mentioned lenders of long term financing, there is restriction on distribution of dividend by the Company during the deferred period.

	(Rupees in '000')	2020	2019
7. TRADE AND OTHER PAYABLES			
Creditors (Note 7.1)		1,209,104	768,491
Accrued liabilities		1,205,058	1,035,500
Advances from customers		50,250	32,176
Payable to Employees' Provident Fund Trust		6,152	5,182
Retention money payable		1,857	1,526
Income tax deducted at source		4,921	6,544
Sales tax deducted at source		403	417
Workers' profit participation fund (Note 7.2)		2,818	14,797
Other payables		1,981	1,036
		2,482,544	1,865,597
7.1 These include amounts due to the following related parties.			
Suraj Cotton Mills Limited		16,069	-
Premier Insurance Limited		6,961	3,244
		23,030	3,244

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
7.2 Workers' profit participation fund		
Balance as on 01 July	14,797	2,531
Interest for the year (Note 32)	915	57
Provision for the year (Note 30)	838	12,294
	16,550	14,882
Less: Payments during the year	13,732	85
Balance as on 30 June	2,818	14,797

7.2.1 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.

8. ACCRUED MARK-UP

Long term financing	13,489	16,481
Short term borrowings	87,115	103,459
	100,604	119,940

9. SHORT TERM BORROWINGS

From banking companies - secured		
Short term finances (Note 9.1 and Note 9.4)	2,190,030	2,116,351
State Bank of Pakistan (SBP) refinance (Note 9.2 and Note 9.4)	3,716,000	3,092,000
Short term foreign currency finances (Note 9.3 and Note 9.4)	333,620	727,306
	6,239,650	5,935,657

9.1 The finances aggregating to Rupees 2,837 million (2019: Rupees 2,528 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.50 to 2.50 percent (2019: KIBOR plus 1.50 to 2.50 percent) per annum.

9.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 3.00 percent (2019: 2.90 to 3.00 percent) per annum are payable. Aggregate borrowing limits of these facilities are of Rupees 3,716 million (2019: Rupees 3,092 million).

9.3 Short term foreign currency finances amounting to Rupees 346 million (2019: Rupees 1,083 million) are available at mark-up ranging from LIBOR plus 1.00 to 3.61 percent (2019: LIBOR plus 1.50 to 3.00 percent) per annum.

9.4 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

10. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 245.736 million (2019: Rupees 199.073 million) are given by the banks of the Company to Collector of Customs against import of certain items, Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.
- ii) Guarantee of Rupees 2.000 million (2019: Rupees 2.000 million) is given by the bank of the Company to Total Parco Pakistan Limited against fuel cards.
- iii) Post dated cheques of Rupees 342.800 million (2019: Rupees 318.875 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iv) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) Lahore, for the collection of PRA withholding tax amounting to Rupees 23.348 million (2019: 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.

b) Commitments

- i) Contracts for capital expenditure are of Rupees 384.177 million (2019: Rupees 302.884 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 447.143 million (2019: Rupees 460.319 million).
- iii) Ijarah commitments are of Rupees 38.023 million (2019: Rupees 72.197 million).

The total of future ijarah payments under arrangement are as follows:

(Rupees in '000')	2020	2019
Not later than one year	30,418	30,942
Later than one year and not later than five years	7,605	41,255
	38,023	72,197
11. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 11.1)	7,328,499	6,618,899
Capital work-in-progress (Note 11.2)	73,165	107,863
	7,401,664	6,726,762

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

11.1 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 2018												
Cost / revalued amount	3,569,765	8,441	407,143	130,778	5,618,694	30,717	100,552	65,915	7,247	38,293	113,523	10,091,068
Accumulated depreciation	-	(1,536)	(276,898)	(56,635)	(3,236,603)	(21,523)	(71,193)	(28,975)	(5,973)	(32,034)	(106,295)	(3,837,665)
Net book value	3,569,765	6,905	130,245	74,143	2,382,091	9,194	29,359	36,940	1,274	6,259	7,228	6,253,403
Year ended 30 June 2019												
Opening net book value	3,569,765	6,905	130,245	74,143	2,382,091	9,194	29,359	36,940	1,274	6,259	7,228	6,253,403
Segregation in proper heads												
Cost	-	-	-	-	(1,675)	-	-	-	-	-	1,675	-
Accumulated depreciation	-	-	-	-	694	-	-	-	-	-	(694)	-
	-	-	-	-	(981)	-	-	-	-	-	981	-
Additions	-	-	-	-	653,476	-	3,246	34,047	-	7,420	-	698,189
Disposals:												
Cost	-	-	(987)	(4,157)	(176,543)	-	-	(9,599)	-	-	(1,675)	(192,961)
Accumulated depreciation	-	-	926	4,075	145,776	-	-	6,823	-	-	760	158,360
	-	-	(61)	(82)	(30,767)	-	-	(2,776)	-	-	(915)	(34,601)
Depreciation charge	-	(95)	(11,525)	(6,744)	(254,786)	(1,839)	(6,210)	(10,236)	(255)	(5,614)	(788)	(298,092)
Closing net book value	3,569,765	6,810	118,659	67,317	2,749,033	7,355	26,395	57,975	1,019	8,065	6,506	6,618,899
At 30 June 2019												
Cost / revalued amount	3,569,765	8,441	406,156	126,621	6,093,952	30,717	103,798	90,363	7,247	45,713	113,523	10,596,296
Accumulated depreciation	-	(1,631)	(287,497)	(59,304)	(3,344,919)	(23,362)	(77,403)	(32,388)	(6,228)	(37,648)	(107,017)	(3,977,397)
Net book value	3,569,765	6,810	118,659	67,317	2,749,033	7,355	26,395	57,975	1,019	8,065	6,506	6,618,899
Year ended 30 June 2020												
Opening net book value	3,569,765	6,810	118,659	67,317	2,749,033	7,355	26,395	57,975	1,019	8,065	6,506	6,618,899
Additions	99,783	-	89,268	-	213,804	2,434	224	40,807	-	3,517	-	449,837
Effect of surplus on revaluation												
as at 30 June 2020	586,095	8,286	-	-	-	-	-	-	-	-	-	594,381
Disposals:												
Cost	-	-	(192)	-	(16,309)	-	-	(6,955)	-	-	-	(23,456)
Accumulated depreciation	-	-	166	-	12,513	-	-	2,843	-	-	-	15,522
	-	-	(26)	-	(3,796)	-	-	(4,112)	-	-	-	(7,934)
Depreciation charge	-	(95)	(12,703)	(6,098)	(278,023)	(1,773)	(5,299)	(16,702)	(204)	(5,136)	(651)	(326,684)
Closing net book value	4,255,643	15,001	195,198	61,219	2,681,018	8,016	21,320	77,968	815	6,446	5,855	7,328,499
At 30 June 2020												
Cost / revalued amount	4,255,643	16,727	495,232	126,621	6,291,447	33,151	104,022	124,215	7,247	49,230	113,523	11,617,058
Accumulated depreciation	-	(1,726)	(300,034)	(65,402)	(3,610,429)	(25,135)	(82,702)	(46,247)	(6,432)	(42,784)	(107,668)	(4,288,559)
Net book value	4,255,643	15,001	195,198	61,219	2,681,018	8,016	21,320	77,968	815	6,446	5,855	7,328,499
Annual rate of depreciation (%)	-	1.01	5.10	5.10	10	20	20	20	20	50	10	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

11.1.1 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.

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

(Rupees in '000')	2020			2019		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	105,076	-	105,076	5,293	-	5,293
Land - Leasehold	4,719	1,370	3,349	4,719	1,319	3,400
	109,795	1,370	108,425	10,012	1,319	8,693

11.1.3 Fixed assets of the Company with carrying amount of Rupees 7,121 million (2019: Rupees 6,561 million) are subject to first pari passu charge to secured bank borrowings.

11.1.4 The power of attorney instead of title of shops located at Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi valuing Rupees 53.963 million is in the name of Company.

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

(Rupees in '000')	2020	2019
Cost of sales (Note 27)	304,094	281,639
Administrative expenses (Note 29)	22,590	16,453
	326,684	298,092

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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

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

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Plant and machinery								
Card Crossroll MK-5	1	1,848	1,124	724	415	(309)	Negotiation	Adnan Idress, Faisalabad.
Pin Beater with Condensor	1	1,700	746	954	150	(804)	Negotiation	Zeeshan Traders, Faisalabad.
Contamination Sorter	1	5,535	4,818	717	70	(647)	Negotiation	Zeeshan Traders, Faisalabad.
		9,083	6,688	2,395	635	(1,760)		
Vehicles								
Suzuki Wagon R FD-18-724	1	1,089	319	770	980	210	Company's policy	Mr. Rizwan ul Haq, Faisalabad (Company's Employee).
Suzuki Wagon R LEA-18A-9724	1	1,159	306	853	1,043	190	Company's policy	Mr. Mustafa Kamal Pasha, Faisalabad (Company's Employee).
Suzuki Wagon R LEA-18A-6639	1	1,159	306	853	1,043	190	Company's policy	Mr. Imran Ali, Faisalabad (Company's Employee).
Suzuki Wagon R LEA-19-6692	1	1,144	201	943	1,043	100	Company's policy	Mr. Awais Abubakar, Faisalabad (Company's Employee).
		4,551	1,132	3,419	4,109	690		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000								
		9,822	7,702	2,120	8,031	5,911		
		23,456	15,522	7,934	12,775	4,841		

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')		2020	2019
11.2	Capital work-in-progress		
	Buildings on freehold land	22,992	31,606
	Plant and machinery	-	12,214
	Advance against purchase of vehicles	-	1,359
	Advance against office equipment	-	908
	Advance against purchase of land	49,911	49,911
	Advance against gas and electric installations	262	-
	Advance against Enterprise Resource Planning (ERP) implementation	-	11,865
		73,165	107,863
12.	INTANGIBLE ASSET		
	Computer Software		
	Net carrying value basis		
	Opening net book value	5,806	12,139
	Add: Addition during the year	22,128	-
	Amortization (Note 29)	(7,754)	(6,333)
	Closing net book value	20,180	5,806
	Gross carrying amount		
	Cost	41,128	19,000
	Accumulated amortization	(20,948)	(13,194)
	Closing net book value	20,180	5,806
	Amortization rate (per annum)	33.33%	33.33%
13.	LONG TERM INVESTMENTS		
	Equity instruments (Note 13.1)	3,693,231	3,599,653
	Debt instruments (Note 13.2)	-	192,543
		3,693,231	3,792,196

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

	(Rupees in '000')	2020	2019
13.1	Equity instruments		
	At fair value through other comprehensive income		
	Related parties - Quoted		
	Crescent Jute Products Limited 2 738 637 (2019: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2019: 11.52%)	-	-
	Shams Textile Mills Limited 812 160 (2019: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2019: 9.40%)	4,629	4,629
	Premier Insurance Limited 141 573 (2019: 141 573) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2019: 0.28%)	35	35
	Shakarganj Limited 9 019 690 (2019: 9 019 690) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2019: 7.22%)	118,623	118,623
	Others		
	Quoted		
	Crescent Cotton Mills Limited 1 034 499 (2019: 1 034 499) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2019: 4.56%)	5,124	5,124
	Jubilee Spinning and Weaving Mills Limited 182 629 (2019: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2019: 0.56%)	213	213
	Crescent Fibres Limited 351 657 (2019: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2019: 2.83%)	2,162	2,162

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Unquoted		
Crescent Bahuman Limited 26 926 433 (2019: 26 926 433) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2019: 19.80%) (Note 13.1.2)	269,264	269,264
197 600 000 fully paid preference shares of Rupees 10 each. Equity held 73.37% (Note 13.1.1)	-	1,976,000
Dividend receivable	-	864,500
	-	2,840,500
286 520 000 fully paid non-voting ordinary shares of Rupees 10 each. Equity held 73.37% (2019: Nil) (Note 13.1.1 and Note 13.1.2)	2,865,200	-
Premier Financial Services (Private) Limited 500 (2019: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2019: 2.22%)	500	500
Cresox (Private) Limited 4 199 792 (2019: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2019: 11.66%)	-	-
	3,265,750	3,241,050
Add: Fair value adjustment	427,481	358,603
	3,693,231	3,599,653

13.1.1 During the year 197 600 000 non-voting cumulative and participatory preference shares along with accumulated preference dividend of Rupees 889.200 million have been converted into 286 520 000 non-voting ordinary shares of Rupees 10 each on 03 March 2020 in accordance with the term sheet regarding the issuance of preference shares.

13.1.2 Fair value of voting and non-voting ordinary shares of Crescent Bahuman Limited is determined as Rupees 10.09 per share. The valuation has been determined by an independent valuer during the year using discounted cash flow technique which has been adjusted by the market factors on 30 June 2020.

(Rupees in '000')	2020	2019
13.2 Debt instruments		
At amortized cost		
Sales tax refund bonds (Note 13.2.1)		
Nil (2019: 1 914) bonds of Rupees 100,000 each	-	191,400
Add: Accrued interest	-	1,143
	-	192,543

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

13.2.1 During the year sales tax refund bonds issued by Federal Board of Revenue (FBR) Refund Settlement Company Limited, under section 67A of Sales Tax Act, 1990 have been encashed on 16 December 2019.

(Rupees in '000')	2020	2019
14. LONG TERM LOANS AND ADVANCES		
Considered good:		
Employees	1,591	2,320
Less: Current portion shown under current assets (Note 20)	1,281	1,820
	310	500

14.1 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.

14.2 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.

15. LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits	23,958	23,958
Prepayments	6,005	7,230
	29,963	31,188
Less: Current portion shown under current assets (Note 21)	1,226	1,226
	28,737	29,962
16. DEFERRED INCOME TAX ASSET		
Taxable temporary differences on		
Tax depreciation allowance	(177,229)	(176,200)
Surplus on revaluation of operating fixed assets	(1,453)	(425)
Fair value reserve of investments	(5,938)	-
	(184,620)	(176,625)
Deductible temporary differences on		
Provision for doubtful receivables	14,012	13,282
Fair value reserve of investments	-	2,963
Unused tax losses and minimum tax	280,251	263,286
	294,263	279,531
Deferred income tax asset	109,643	102,906

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
17. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 17.1)	185,287	237,805
Spare parts (Note 17.2)	48,132	27,348
Loose tools	97	204
	233,516	265,357

17.1 These include stores in transit of Rupees 7.649 million (2019: Rupees 60.593 million).

17.2 These include spare parts in transit of Rupees 15.109 million (2019: Rupees Nil).

18. STOCK-IN-TRADE		
Raw materials (Note 18.1)	876,270	575,072
Work-in-process	227,357	142,034
Finished goods (Note 18.2)	2,072,351	1,563,676
Waste	10,576	3,886
	3,186,554	2,284,668

18.1 Raw materials include stock in transit of Rupees 69.098 million (2019: Rupees 37.130 million).

18.2 Finished goods include stock in transit of Rupees 388.924 million (2019: Rupees 244.780 million) and stock with third parties amounting to Rupees 215.260 million (2019: Rupees 210.772 million).

19. TRADE DEBTS		
Considered good:		
Secured		
Against confirmed letters of credit - secured	543,961	637,599
Unsecured		
Related party (Note 19.1)	-	4,857
Others - against contract	1,926,890	2,046,572
	1,926,890	2,051,429
	2,470,851	2,689,028
Less: Allowance for expected credit losses (Note 19.2)	51,358	41,203
	2,419,493	2,647,825

19.1 As at 30 June 2020, trade debts due from the related party, Suraj Cotton Mills Limited are amounting to Rupees Nil (2019: Rupees 4.857 million). The ageing analysis of these trade debts is as follows:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Upto 1 month	-	4,717
1 to 6 months	-	140
	-	4,857

19.1.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 0.309 million (2019: Rupees 25.638 million).

19.2 Allowance for expected credit losses

As at 01 July	41,203	41,203
Add: Recognized during the year (Note 30)	10,155	-
As at 30 June	51,358	41,203

19.3 As at 30 June 2020, trade debts receivable from other than the related party are aggregating to Rupees 2,419.493 million (2019: Rupees 2,642.968 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	1,505,000	1,751,950
Upto 1 month	226,920	142,718
1 to 6 months	364,301	43,104
More than 6 months	323,272	705,196
	2,419,493	2,642,968

20. LOANS AND ADVANCES

Considered good:		
Employees against expenses	656	486
Current portion of long term loans and advances (Note 14)	1,281	1,820
Advances to suppliers	20,262	15,049
Letters of credit	649	720
Income tax	777,774	736,174
	800,622	754,249
Less: Provision for doubtful advances to suppliers	(589)	(589)
	800,033	753,660

21. SHORT TERM DEPOSITS AND PREPAYMENTS

Considered good:		
Margin deposits	81,729	69,077
Prepayments	1,190	670
Current portion of long term deposits and prepayments (Note 15)	1,226	1,226
	84,145	70,973

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')		2020	2019
22.	ACCRUED INTEREST		
	This includes interest receivable from Crescent Bahuman Limited on overdue receivable balance.		
23.	OTHER RECEIVABLES		
	Considered good:		
	Due from related party (Note 23.1)	617	109
	Export rebate and claims	45,796	63,381
	Duty drawback	33,491	131,574
	Sales tax and special excise duty refundable	279,384	159,696
	Miscellaneous	1,265	554
		360,553	355,314
	Less: Provision for doubtful export rebate, sales tax and special excise duty refundable (Note 23.2)	64,723	64,723
		295,830	290,591
23.1	This represents amounts due from Shams Textile Mills Limited. The ageing analysis is as follows:		
	Upto 1 month	60	55
	1 to 6 months	360	54
	More than 6 months	197	-
		617	109
23.1.1	The maximum aggregate amount due from the related party at the end of any month during the year is Rupees 0.617 million (2019: Rupees 0.225 million).		
23.2	Provision for doubtful export rebate, sales tax and special excise duty refundable		
	As at 01 July	64,723	45,307
	Add: Provision made during the year	-	19,416
	As at 30 June	64,723	64,723
24.	SHORT TERM INVESTMENTS		
	At fair value through other comprehensive income		
	Others - quoted		
	Samba Bank Limited		
	11 319 238 (2019: 12 346 238) fully paid ordinary shares of Rupees 10 each. Equity held 1.12% (2019: 1.22%)	34,332	37,444

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Crescent Steel and Allied Products Limited		
8 538 303 (2019: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2019: 11%)	190,669	190,669
	225,001	228,113
Add: Fair value adjustment	251,895	162,245
	476,896	390,358
25. CASH AND BANK BALANCES		
With banks:		
On current accounts		
Including US\$ 1,579 (2019: US\$ 1,579)	25,513	2,412
On saving account (Note 25.1)	11,232	-
	36,745	2,412
Cash in hand	2,240	2,056
	38,985	4,468
25.1 This bank account was opened in accordance with section 244 of Companies Act, 2017 regarding the deposit of unclaimed dividend in a profit bearing account of a scheduled bank. Rate of profit on saving account was 5.94% per annum (2019: Nil). Profit generated on this bank account is Rupees 0.002 million as disclosed in Note 31.		
26. REVENUE		
Local sales (Note 26.1)	5,202,099	5,625,858
Export sales	7,905,227	8,170,079
Export rebate	55,079	71,912
Duty drawback	101,600	78,295
	13,264,005	13,946,144
26.1 Local sales		
Sales	5,748,405	5,424,175
Waste	328,158	225,459
Processing income	14,806	3,482
Cold storage	-	4,016
	6,091,369	5,657,132
Less: Sales tax	889,270	31,274
	5,202,099	5,625,858

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
27. COST OF SALES		
Raw materials consumed (Note 27.1)	4,835,208	4,855,524
Cost of raw material sold	19,758	-
Cloth and yarn purchased	1,953,440	2,309,814
Stores, spare parts and loose tools consumed	1,048,800	868,666
Packing materials consumed	706,395	722,695
Processing and weaving charges	699,071	782,740
Salaries, wages and other benefits (Note 27.2)	1,176,722	1,034,857
Fuel and power	1,444,462	1,418,642
Repair and maintenance	47,071	33,948
Insurance	14,729	18,534
Depreciation (Note 11.1.4)	304,094	281,639
Other factory overheads (Note 27.3)	65,532	52,835
	12,315,282	12,379,894
Work-in-process		
Opening stock	142,034	159,243
Closing stock	(227,357)	(142,034)
	(85,323)	17,209
Cost of goods manufactured	12,229,959	12,397,103
Finished goods		
Opening stock	1,567,562	1,479,432
Closing stock	(2,082,927)	(1,567,562)
	(515,365)	(88,130)
	11,714,594	12,308,973
27.1 Raw materials consumed		
Opening stock	575,072	950,283
Add: Purchased during the year	5,136,406	4,480,313
	5,711,478	5,430,596
Less: Closing stock	(876,270)	(575,072)
	4,835,208	4,855,524

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 18.274 million (2019: Rupees 16.261 million) by the Company.

27.3 These include ijarah rentals amounting to Rupees 31.590 million (2019: Rupees 22.931 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
28. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 28.1)	57,611	44,155
Freight and shipment	177,826	267,044
Postage	13,010	11,126
Duties and other charges	101,313	106,637
Commission to selling agents	221,478	247,425
Advertisement	2,308	2,146
	573,546	678,533

28.1 Salaries, wages and other benefits include provident fund contribution of Rupees 1.427 million (2019: Rupees 1.377 million) by the Company.

29. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 29.1)	272,995	232,594
Meeting fee to directors	720	560
Travelling, conveyance and entertainment	11,910	17,612
Rent, rates and taxes	3,086	2,815
Repair and maintenance	27,753	20,840
Insurance	1,886	1,412
Printing and stationery	3,478	3,284
Communication and advertisement	4,752	4,010
Subscription	13,072	12,242
Legal and professional	8,233	5,519
Auditor's remuneration (Note 29.2)	2,525	1,925
Amortization (Note 12)	7,754	6,333
Depreciation (Note 11.1.4)	22,590	16,453
Other charges	11,034	19,152
	391,788	344,751

29.1 Salaries, wages and other benefits include provident fund contribution of Rupees 7.561 million (2019: Rupees 7.409 million) by the Company.

29.2 Auditor's remuneration

Audit fee	1,900	1,500
Half yearly review	300	300
Other certification fees	275	75
Reimbursable expenses	50	50
	2,525	1,925

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
30. OTHER EXPENSES		
Donations (Note 30.1 and Note 30.2)	9,399	9,869
Provision for doubtful other receivables	-	19,416
Allowance for expected credit losses (Note 19)	10,155	-
Workers' profit participation fund (Note 7.2)	838	12,294
De-recognition of accrued interest on debt instruments	1,143	-
Net exchange loss	21,930	-
	43,465	41,579

30.1 The Company has made donations exceeding Rupees 1 million or 10% of total donation, whichever is higher, to The Citizens Foundation amounting to Rupees 7.800 million (2019: Rupees 7.800 million).

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

31. OTHER INCOME		
Income from financial assets		
Dividend income (Note 31.1)	25,553	109,350
Net exchange gain on export bills	-	142,276
Mark-up on overdue receivables (Note 31.2)	67,904	47,715
Profit on saving account	2	-
Interest income on sales tax refund bonds	-	1,143
	93,459	300,484
Income from non-financial assets		
Sale of empties and scrap	16,586	15,776
Rental income	1,894	1,913
Gain on sale of property, plant and equipment	4,841	12,109
	23,321	29,798
	116,780	330,282
31.1 Dividend income		
From related parties:		
Shams Textile Mills Limited	853	1,909

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
From others:		
Crescent Bahuman Limited-Preference dividend	24,700	98,800
Crescent Steel and Allied Products Limited	-	8,538
Crescent Cotton Mills Limited	-	103
	24,700	107,441
	25,553	109,350

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

32. FINANCE COST

Mark up on:		
Long term financing	64,010	68,507
Short term borrowings	398,094	419,736
Interest on workers' profit participation fund (Note 7.2)	915	57
Bank charges and commission	17,847	18,450
	480,866	506,750

33. TAXATION

Charge for the year:		
Current (Note 33.1)	159,598	131,773
Prior year adjustment	-	(2,379)
	159,598	129,394
Deferred (Note 33.2)	(16,671)	27,857
	142,927	157,251

33.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 June 2020 are Rupees 835.833 million (2019: Rupees 706.563 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.

33.2 Deferred income tax effect due to:

Tax depreciation allowance	177,229	176,200
Unused tax losses and minimum tax	(280,251)	(263,286)
Provision for doubtful other receivables	(14,012)	(13,282)
Surplus on revaluation of operating fixed assets	420	425
	(116,614)	(99,943)

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Opening balance as at 01 July	99,943	127,820
Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end	-	(20)
	(16,671)	27,857
34. EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	33,599	238,589
Weighted average number of ordinary shares (Numbers)	80 000 000	80 000 000
Earnings per share (Rupees)	0.42	2.98
35. CASH GENERATED FROM OPERATIONS		
Profit before taxation	176,526	395,840
Adjustments for non-cash charges and other items:		
Depreciation	326,684	298,092
Amortization	7,754	6,333
Gain on sale of property, plant and equipment	(4,841)	(12,109)
Dividend income	(25,553)	(109,350)
De-recognition / (recognition) of accrued interest on debt instruments	1,143	(1,143)
Provision for doubtful other receivables	-	19,416
Allowance for expected credit losses	10,155	-
Provision for workers' profit participation fund	838	12,294
Finance cost	480,866	506,750
Profit on saving account	2	-
Working capital changes (Note 35.1)	14,477	429,763
	988,051	1,545,886
35.1 Working capital changes		
Decrease / (increase) in current assets:		
- Stores, spare parts and loose tools	31,841	(67,327)
- Stock-in-trade	(901,886)	304,290
- Trade debts	132,495	(301,487)
- Loans and advances	(4,773)	(8,266)
- Short term deposits and prepayments	(13,172)	(10,259)
- Accrued interest	(880)	(1,590)
- Other receivables	186,159	149,215
	(570,216)	64,576
Increase in trade and other payables	584,693	365,187
	14,477	429,763

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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

(Rupees in '000')	2020			2019		
	Long term financing	Short term borrowings	Total	Long term financing	Short term borrowings	Total
Balance as at 01 July	1,395,071	5,935,657	7,330,728	1,103,109	6,416,791	7,519,900
Financing obtained	-	-	-	550,001	-	550,001
Short term borrowings - net	-	303,993	303,993	-	(481,134)	(481,134)
Repayment of financing	(240,131)	-	(240,131)	(258,039)	-	(258,039)
Balance as at 30 June	1,154,940	6,239,650	7,394,590	1,395,071	5,935,657	7,330,728

36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

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

(Rupees in '000')	Chief Executive Officer		Directors		Executives	
	2020	2019	2020	2019	2020	2019
Managerial remuneration	10,563	7,200	18,328	9,000	95,367	86,541
Allowances						
House rent	4,754	3,240	8,247	4,050	22,129	20,118
Cost of living	-	-	-	-	132	127
Utilities	1,056	720	1,833	-	9,537	7,094
Medical	-	-	-	-	6,941	6,954
Special	-	-	-	-	7,007	7,017
Other allowances	704	-	2,305	-	2,716	-
Reimbursable expenses	775	2,916	6,365	3,288	4,153	6,804
Contribution to provident fund	660	450	477	563	4,570	5,609
	18,512	14,526	37,555	16,901	152,552	140,264
Number of persons	1	1	2	2	32	32

36.1 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.

36.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2019: six directors) was Rupees 720,000 (2019: Rupees 560,000).

36.3 Out of two directors to whom the remuneration was paid during the year, one director Mr. Shaukat Shafi resigned on 24 June 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

37. PROVIDENT FUND

As at the reporting date, The Crescent Textile Mills Limited - Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan which allows transition period of three years for bringing the Trust in conformity with the requirements of the regulations.

38. NUMBER OF EMPLOYEES

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

(Number of Persons)	2020	2019
Number of employees as on 30 June	4 102	3 741
Average number of employees during the year	3 954	3 727

39. 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')			2020	2019
Name of related party	Basis of relationship	Nature of transactions		
Associated companies				
Premier Insurance Limited	Common directorship	Insurance premium paid	22,839	23,790
		Dividend paid	454	-
Suraj Cotton Mills Limited	Common directorship	Purchase of goods	70,622	107,384
		Sale of goods	-	98,730
		Dividend paid	989	-
Shams Textile Mills Limited	Common directorship	Services provided	702	651
		Sale of goods	82	-
		Dividend received	853	1,909
Shakarganj Limited	Common directorship	Dividend paid	4	-
Other related parties				
The Crescent Textile Mills Limited	Post employment	Contribution paid	27,263	25,047
- Employees' Provident Fund Trust	benefit plan	Dividend paid	2,927	-
Chief Executive Officer, directors,	Members of Board of	Dividend paid	5,091	-
and executives	directors and key	Sale of vehicles	2,086	-
	management personnel			

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

39.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 36.

(Figures in '000')		2020	2019
40.	PLANT CAPACITY AND ACTUAL PRODUCTION		
	Spinning		
	100 % plant capacity converted to 20s count (Kgs.)	33 587	33 587
	Actual production converted to 20s count (Kgs.)	27 886	29 168
	Weaving		
	100 % plant capacity converted to 50 picks (Sq. Mtr.)	45 770	45 770
	Actual production converted to 50 picks (Sq. Mtr.)	34 432	34 275
	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)	75	75

40.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to spread of COVID-19 pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan resulting in closure of plant during the lock down period. Moreover normal repair and maintenance was another factor for low production. Actual power generation in comparison to installed capacity is low due to utilization of electricity supplied by FESCO.

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for the Year Ended June 30, 2020

41. SEGMENT INFORMATION

	Spinning		Weaving	
(Rupees in '000')	2020	2019	2020	2019
Revenue				
External	4,739,801	5,278,865	399,070	298,101
Intersegment	2,402,182	1,975,462	5,913,368	6,334,924
	7,141,983	7,254,327	6,312,438	6,633,025
Cost of sales	(6,802,442)	(6,866,972)	(6,208,670)	(6,556,739)
Gross profit	339,541	387,355	103,768	76,286
Distribution cost	(56,683)	(49,795)	(14,482)	(12,207)
Administrative expenses	(113,221)	(99,290)	(35,326)	(30,977)
	(169,904)	(149,085)	(49,808)	(43,184)
Profit before taxation and unallocated income and expenses	169,637	238,270	53,960	33,102
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Taxation				
Profit after taxation				

41.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving	
(Rupees in '000')	2020	2019	2020	2019
Total assets for reportable segments	3,267,675	2,718,487	1,423,516	1,387,798
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	3,619,918	3,927,319	859,304	1,231,578
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, 2020

Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
2020	2019	2020	2019	2020	2019	2020	2019
8,125,134	8,369,178	-	-	-	-	13,264,005	13,946,144
-	-	1,190,616	1,098,024	(9,506,166)	(9,408,410)	-	-
8,125,134	8,369,178	1,190,616	1,098,024	(9,506,166)	(9,408,410)	13,264,005	13,946,144
(7,046,444)	(7,220,185)	(1,163,204)	(1,073,487)	9,506,166	9,408,410	(11,714,594)	(12,308,973)
1,078,690	1,148,993	27,412	24,537	-	-	1,549,411	1,637,171
(497,344)	(612,681)	(5,037)	(3,850)	-	-	(573,546)	(678,533)
(223,352)	(197,040)	(19,889)	(17,444)	-	-	(391,788)	(344,751)
(720,696)	(809,721)	(24,926)	(21,294)	-	-	(965,334)	(1,023,284)
357,994	339,272	2,486	3,243	-	-	584,077	613,887
						(43,465)	(41,579)
						116,780	330,282
						(480,866)	(506,750)
						(142,927)	(157,251)
						33,599	238,589

Processing & Home Textile		Power Generation		Total - Company	
2020	2019	2020	2019	2020	2019
3,480,550	3,543,960	390,496	230,102	8,562,237	7,880,347
				10,232,631	9,490,456
				18,794,868	17,370,803
and tax assets.					
2,957,133	2,235,608	58,839	56,163	7,495,194	7,450,668
				2,659,970	2,013,400
				10,155,164	9,464,068

payables and current tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

41.2 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Europe	-	-	83,382	74,720	6,734,867	6,912,912	6,818,249	6,987,632
America	-	-	6,217	-	465,122	383,613	471,339	383,613
Asia, Africa and Australia	-	53,271	-	-	772,318	895,769	772,318	949,040
Pakistan	4,739,801	5,225,594	309,471	223,381	152,827	172,868	5,202,099	5,625,859
	4,739,801	5,278,865	399,070	298,101	8,125,134	8,365,162	13,264,005	13,946,144

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

41.4 Revenue from major customers

Revenue from one major customer of Processing and Home Textile segment of the Company is of Rupees 1,432 million (2019: one major customer of Processing & Home Textile of Rupees 1,436 million).

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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:

	2020	2019
Cash at banks - USD	1,579	1,579
Trade debts - USD	8,083,792	8,595,659
Trade debts - Euro	659,553	910,285
Trade and other payables - USD	(480,900)	(390,762)
Trade and other payables - Euro	(387,205)	(64,853)
Short term borrowings - USD	(1,982,020)	(4,546,285)
Net exposure - USD	5,622,451	3,660,191
Net exposure - Euro	272,348	845,432

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	164.00	140.68
Reporting date rate	168.25	159.75
Rupees per Euro		
Average rate	183.55	159.67
Reporting date rate	189.11	178.00

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 44.934 million (2019: Rupees 27.774 million) and Rupees 2.446 million (2019: Rupees 7.148 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted securities and implementing strict discipline in internal risk management and investment policies, which includes disposing of its equity investments before it would led the Company to credit loss. As of reporting date, the Company was exposed to equity price risk since it had investments in quoted

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

securities amounting to Rupees 1,007.277 million (2019: Rupees 879.802 million). The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value.

Sensitivity analysis

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

Index (Rupees in '000')	Impact on statement of other comprehensive income (fair value reserve)	
	2020	2019
PSX 100 (5% increase)	50,364	43,990
PSX 100 (5% decrease)	(50,364)	(43,990)

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, trade debts of Crescent Bahuman Limited (CBL) and bank deposit in saving account. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Fixed rate instruments		
Financial assets		
Sales tax refund bonds	-	191,400
Financial liabilities		
Long term financing	1,128,663	1,356,294
Short term borrowings	3,716,000	3,092,000
Floating rate instruments		
Financial assets		
Trade debts-CBL	480,012	501,719
Deposit on saving account	11,232	-
Financial liabilities		
Long term financing	26,277	38,777
Short term borrowings	2,523,650	2,843,657

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 19.557 million (2019: Rupees 22.617 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. Credit risk of the Company mainly arises from investments, trade debts, deposits, bank balances, accrued interest, loans, advances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

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for the Year Ended June 30, 2020

(Rupees in '000')	2020	2019
Investments	4,170,127	3,990,011
Loans and advances	1,591	2,320
Deposits	105,687	93,035
Trade debts	2,419,493	2,647,825
Accrued interest	5,651	4,771
Other receivables	1,882	663
Bank balances	25,513	2,412
	6,729,944	6,741,037

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 A-1 in short term and AAA to A in long term.

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

c) **Liquidity risk**

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2020, the Company had Rupees 659 million (2019: Rupees 767 million) available borrowing limits from financial institutions and Rupees 38.985 million (2019: Rupees 4.468 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 2020:

(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	1,154,940	1,327,128	28,630	62,923	360,985	874,590
Trade and other payables	2,418,000	2,418,000	2,418,000	-	-	-
Unclaimed dividend	11,232	11,232	11,232	-	-	-
Accrued mark-up	100,604	100,604	100,604	-	-	-
Short term borrowings	6,239,650	6,415,623	4,151,623	2,263,999	-	-
	9,924,426	10,272,587	6,710,089	2,326,922	360,985	874,590

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

Contractual maturities of financial liabilities as at 30 June 2019:

(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	1,395,071	1,580,899	163,060	176,167	368,927	872,745
Trade and other payables	1,806,481	1,806,481	1,806,481	-	-	-
Unclaimed dividend	9,435	9,435	9,435	-	-	-
Accrued mark-up	119,940	119,940	119,940	-	-	-
Short term borrowings	5,935,657	6,204,045	5,282,580	921,465	-	-
	9,266,584	9,720,800	7,381,496	1,097,632	368,927	872,745

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 9 to these financial statements.

42.2 Financial instruments by categories

(Rupees in '000')	2020	2019
Financial assets as per statement of financial position		
At amortized cost		
Loans and advances	1,591	2,320
Deposits	105,687	93,035
Trade debts	2,419,493	2,647,825
Accrued interest	5,651	4,771
Other receivables	1,882	663
Cash and bank balances	38,985	4,468
	2,573,289	2,753,082
At fair value through other comprehensive income		
Investments	4,170,127	3,990,011
	6,743,416	6,743,093
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	1,154,940	1,395,071
Trade and other payables	2,418,000	1,806,481
Unclaimed dividend	11,232	9,435
Accrued mark-up	100,604	119,940
Short term borrowings	6,239,650	5,935,657
	9,924,426	9,266,584

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

42.3 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.

42.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred in Note 6 and 9 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy which was unchanged from last year is to maintain a gearing ratio of 40% debt and 60% equity.

(Rupees in '000')	2020	2019
Borrowings	7,394,590	7,330,728
Total equity	8,639,704	7,906,735
Total capital employed	16,034,294	15,237,463
Gearing ratio (Percentage)	46.12	48.11

The decrease in the gearing ratio resulted primarily from increase in surplus on revaluation of operating fixed assets and fair value of investments of the Company.

43. 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:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

(Rupees in '000')	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 30 June 2020				
At fair value through other comprehensive income	1,007,278	-	3,162,849	4,170,127
	1,007,278	-	3,162,849	4,170,127
At 30 June 2019				
At fair value through other comprehensive income	879,802	-	2,245,709	3,125,511
	879,802	-	2,245,709	3,125,511

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.

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

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

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

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

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices for listed securities and discounted cash flow method for most of the unlisted securities.

iii) Fair value measurements using significant unobservable inputs (level 3)

Following table presents the changes in level 3 items for the period ended 30 June 2020:

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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

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)	Relationship of unobservable inputs to fair value
(Rupees in '000')	30 June 2020	30 June 2019		30 June 2020	
At fair value through other comprehensive income					
Crescent Bahuman Limited	3,162,675	2,245,264	Revenue growth factor	6.20%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees
			Risk adjusted discount rate	13.60%	+ 564.385 million / - 502.884 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair value. Moreover, the remaining unquoted investment representing shares of Premier Financial Services (Private) Limited having carrying value of Rupees 0.174 million (2019: Rupees 0.445 million) have been valued at breakup value of shares due to its meager cost.

Valuation process

Previously the investments in Crescent Bahuman Limited (CBL) included unlisted ordinary shares and non-voting cumulative and participatory preference shares. On 03 March 2020, all preferences shares along with accumulated dividend have been converted into non-voting ordinary shares at a price of Rupees 10 per non-voting ordinary share. 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 2020.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

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

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

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

44. 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 2020				
Land - freehold	-	4,255,643	-	4,255,643
Land - leasehold	-	15,001	-	15,001
Total	-	4,270,644	-	4,270,644
At 30 June 2019				
Land - freehold	-	3,569,765	-	3,569,765
Land - leasehold	-	6,810	-	6,810
Total	-	3,576,575	-	3,576,575

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

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

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

The Company obtains independent valuation for its freehold and leasehold land (classified as property, plant and equipment) at least in every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The fair value of freehold and leasehold land has been determined as on 30 June 2020 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of SBP as per basis stated in Note 11.1.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2020

45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 30, 2020.

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made.

47. 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, 2020

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
550	1	100	16,461	1	210,001	215,000	212,500
556	101	500	169,393	2	215,001	220,000	437,146
289	501	1,000	246,032	1	235,001	240,000	239,500
503	1,001	5,000	1,373,220	2	240,001	245,000	483,388
162	5,001	10,000	1,289,847	1	245,001	250,000	250,000
62	10,001	15,000	805,559	1	250,001	255,000	254,329
39	15,001	20,000	704,939	1	255,001	260,000	256,931
29	20,001	25,000	681,066	3	260,001	265,000	790,210
17	25,001	30,000	472,524	1	265,001	270,000	266,000
15	30,001	35,000	485,587	2	275,001	280,000	557,500
10	35,001	40,000	393,998	1	280,001	285,000	280,430
11	40,001	45,000	471,710	2	290,001	295,000	586,866
15	45,001	50,000	735,299	1	300,001	305,000	303,500
3	50,001	55,000	156,885	1	305,001	310,000	306,279
3	55,001	60,000	172,000	1	315,001	320,000	317,777
6	60,001	65,000	377,131	2	320,001	325,000	647,954
2	65,001	70,000	132,169	1	330,001	335,000	333,297
6	70,001	75,000	436,571	1	335,001	340,000	339,543
5	75,001	80,000	385,755	1	340,001	345,000	343,058
3	80,001	85,000	249,500	1	345,001	350,000	348,335
3	85,001	90,000	261,942	1	390,001	395,000	391,743
6	90,001	95,000	547,933	1	405,001	410,000	406,096
7	95,001	100,000	695,602	1	425,001	430,000	426,622
1	100,001	105,000	102,589	2	450,001	455,000	904,444
1	110,001	115,000	113,523	2	485,001	490,000	974,217
2	115,001	120,000	235,763	2	495,001	500,000	1,000,000
2	120,001	125,000	242,436	1	500,001	505,000	500,611
5	125,001	130,000	638,118	1	520,001	525,000	525,000
1	130,001	135,000	130,672	1	525,001	530,000	527,799
2	135,001	140,000	277,140	1	540,001	545,000	542,003
2	140,001	145,000	283,463	1	570,001	575,000	571,848
2	145,001	150,000	299,729	1	605,001	610,000	609,710
1	150,001	155,000	155,000	1	635,001	640,000	635,905
1	155,001	160,000	158,198	1	645,001	650,000	650,000
2	160,001	165,000	320,420	1	665,001	670,000	665,346
1	165,001	170,000	165,709	1	705,001	710,000	707,805
3	170,001	175,000	517,728	1	745,001	750,000	748,018
1	180,001	185,000	183,000	1	755,001	760,000	755,985
2	185,001	190,000	376,910	1	895,001	900,000	897,103
1	190,001	195,000	193,780	1	935,001	940,000	939,667
1	195,001	200,000	200,000	1	950,001	955,000	950,612
2	200,001	205,000	407,847	1	965,001	970,000	969,036
2	205,001	210,000	416,926	1	975,001	980,000	978,536

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2020

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
1	985,001	990,000	988,599	1	1,680,001	1,685,000	1,684,101
1	990,001	995,000	992,782	1	1,995,001	2,000,000	2,000,000
1	1,060,001	1,065,000	1,061,719	1	2,595,001	2,600,000	2,600,000
1	1,075,001	1,080,000	1,079,275	1	3,600,001	3,605,000	3,603,635
1	1,385,001	1,390,000	1,389,541	1	4,355,001	4,360,000	4,359,891
1	1,590,001	1,595,000	1,594,629	1	4,375,001	4,380,000	4,378,002
1	1,645,001	1,650,000	1,648,500	1	4,495,001	4,500,000	4,500,000
1	1,675,001	1,680,000	1,677,239	1	5,925,001	5,930,000	5,929,364
				2,406			
							80,000,000

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2020

Categories of Shareholders		Physical	CDC	Total	% age
		(Number of shares held)			
1 -	Directors, Chief Executive Officer, Their Spouses and Minor Children				
1.1-	Chief Executive Officer				
	Mr. Muhammad Anwar	-	897,103	897,103	1.12
1.2-	Directors				
	Mr. Amin Anjum Saleem	-	25,360	25,360	0.03
	Mr. Ahmad Shafi	-	3,603,635	3,603,635	4.50
	Mr. Amjad Mahmood	-	102,589	102,589	0.13
	Mr. Khalid Bashir	-	992,782	992,782	1.24
	Mr. Khurram Mazhar Karim	-	165,709	165,709	0.21
	Mrs. Nazia Maqbool	-	571,848	571,848	0.71
1.3-	Director's Spouses				
	Begum Tanveer Khalid Bashir	-	343,058	343,058	0.43
	Mr. Nadeem Maqbool	-	339,543	339,543	0.42
	Mrs. Abida Anwar	-	33,326	33,326	0.04
	Mrs. Mehreen Ahmad	-	64,000	64,000	0.08
	Mrs. Naheed Amjad	-	426,622	426,622	0.53
		-	7,565,575	7,565,575	9.46
2-	Associated Companies, Undertakings & Related Parties				
	Shakarganj Limited	5,898	-	5,898	0.01
	Crescent Group (Private) Limited	110	-	110	0.00
	Suraj Cotton Mills Limited	-	1,648,500	1,648,500	2.06
	Trustees The Crescent Textile Mills Employees Provident Fund Trust	-	4,878,002	4,878,002	6.10
	Premier Insurance Limited	-	755,985	755,985	0.94
		6,008	7,282,487	7,288,495	9.11
3-	NIT & ICP				
	CDC- Trustee National Investment (Unit) Trust	-	1,684,101	1,684,101	2.11
		-	1,684,101	1,684,101	2.11
4-	Mutual Funds				
	TRI-Star Mutual Fund Limited	-	383	383	0.00
		-	383	383	0.00
5-	Banks, NBFCs, DFIs, Takaful, Pension Funds				
	Banks	12,255	255,552	267,807	0.33
	Pension Funds	-	188,340	188,340	0.24
		12,255	443,892	456,147	0.57

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2020

	Physical	CDC	Total	% age
	(Number of shares held)			
6- Insurance Companies	704	291,981	292,685	0.37
7- Modarabas	842	-	842	0.00
8- Other Companies, Corporate Bodies, Trust etc.				
Other Companies, Corporate Bodies	52,375	18,679,059	18,731,434	23.41
Trust	5,434	-	5,434	0.01
	57,809	18,679,059	18,736,868	23.42
9- General Public				
General Public (Local)	2,922,814	41,048,969	43,971,783	54.96
General Public (Foreigner)	-	3,121	3,121	0.00
	2,922,814	41,052,090	43,974,904	54.97
	3,000,432	76,999,568	80,000,000	100.00
Shareholders More Than 5.00%				
Umair Amanullah			4,500,000	5.63
CS Capital (Private) Limited			5,929,364	7.41
Trustees The Crescent Textile Mills Employees Provident Fund Trust			4,878,002	6.10
Crescent Cotton Mills Limited			4,359,891	5.45

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 71st Annual General Meeting (AGM) of the members of The Crescent Textile Mills Limited (the "Company") will be held on Wednesday, October 28, 2020 at 10:00 am at the registered office of the Company, Sargodha Road, Faisalabad, to transact the following Ordinary Business:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2 To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s. Riaz Ahmad and Company Chartered Accountants 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:+92-41-878 65 25
Dated: October 07, 2020

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from October 22, 2020 to October 28, 2020 (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 21, 2020, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

Shareholders are encouraged to consolidate their attendance and participation through proxies.

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

NOTICE OF ANNUAL GENERAL MEETING

6. CNIC/IBAN for E-Dividend Payment

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

7. Zakat Declarations

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

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

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

9. Tax Deductions

Pursuant to the provisions of Finance Act, 2020 effective from July 1, 2020, the deduction of income tax from dividend payments shall be made on the basis of following categories of shareholders at the rates prescribed under section 150 of the Income Tax Ordinance, 2001:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

The shareholders who have joint shareholdings shall be dealt separately as appearing in ATL or not appearing in ATL and in such particular situation, tax will be deducted according to proportionate shareholding of joint shareholders. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio / CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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10. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.

11. Deposit Of Physical Shares Into CDC Account

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form, this will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the stock exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by the SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Act.

12. Video Conference Facility

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

13. Change of address

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

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

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended June 30, 2020 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.crescenttextile.com.

مختارنامہ

میں / ہم _____
کا / کے _____
بحیثیت رکن کریڈنٹ ٹیکسٹائل ملز لمیٹڈ اور حامل حصص، بمطابق شیئرز رجسٹر فوئیو نمبر _____
اور / یا سی ڈی سی پارٹنر شپ (شرکت آئی ڈی) نمبر _____
اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
محترم / محترمہ _____
کو اپنے / ہمارے ایماء پر _____ مورخہ 28 اکتوبر 2020ء بدھ
بمقام: _____ رجسٹرڈ آفس: سرگودھا روڈ، فیصل آباد۔
منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔
آج بروز _____ تاریخ _____ 2020ء کو دستخط کئے گئے۔

گواہان:

پانچ روپے مالیت کے رسید ٹکٹ پر دستخط

دستخط: _____
نام: _____
پتہ: _____
کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

دستخط کمپنی کے نمونہ دستخط سے
مماثل ہونے چاہئیں

دستخط: _____
نام: _____
پتہ: _____
کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

نوٹ:

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

Mills & Registered Office

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

Share Register

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

www.ctm.com.pk