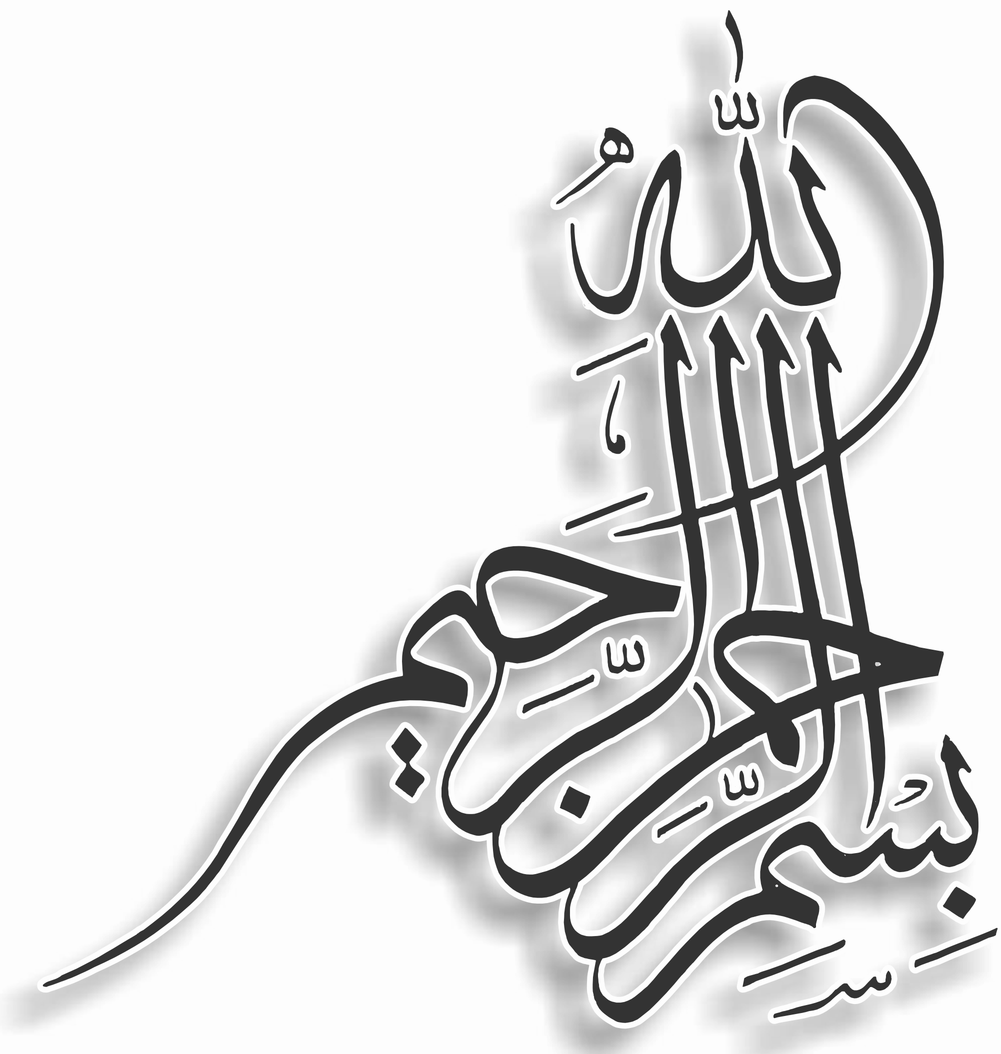
Crescent Cotton Mills Ltd.

ANNUAL REPORT 2022



In the Name of ALLAH, who is the most Merciful & the most Beneficent.

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CRESCENT COTTON MILLS LIMITED

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE
New Lahore Road,
Nishatabad,
Faisalabad.
Phones : (041) 8752111-4
Fax : (041) 8750366
URL : www.crescentcotton.com
info@crescentcotton.com

KARACHI OFFICE

Office # 408, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

LAHORE OFFICE

3rd Floor, 151, CCA, Commercial Area
DHA Phase 5, Above KFC, Lahore.
Phones : (042) 37182005

WORKS

Spinning Unit # 1& 2

Kotla Kahlon,
8/9 Kilometers from
Shahkot towards Sheikupura,
Shahkot Distt. Nankana.
Phones : (041) 2024350
Fax : (041) 2044590

Spinning Unit # 4

46 Km, Lahore Multan Road,
Chak # 66, Dina Nath, Tehsil Pattoki,
Distt. Kasur.
Phone : (049) 4540137-8

SUBSIDIARY

CRESCOT MILLS LIMITED

PRINCIPAL & REGISTERED OFFICE
Office # 408, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
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Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

Chief Executive Officer
Mr. Adnan Amjad

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Taimur Amjad (Chairman)
	Mr. Abid Mehmood (Chief Executive Officer)
DIRECTORS (In alphabetical order)	Mr. Adnan Amjad Mr. Naveed Gulzar Ms. Nazish Arshad Mr. Salman Rafi Mrs. Shameen Azfar
AUDIT COMMITTEE	Mr. Salman Rafi (Chairman) Mr. Adnan Amjad (Member) Mr. Taimur Amjad (Member)
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mrs. Shameen Azfar (Chairman) Mr. Adnan Amjad (Member) Ms. Nazish Arshad (Member)
COMPANY SECRETARY	Mr. Sami Ullah
BANKERS	National Bank of Pakistan
AUDITORS	Riaz Ahmad & Compnay Chartered Accountants
COMPANY REGISTRAR	Vision Consulting Limited. 3-C, LDA Flats, 1st Floor, Lawrance Road, Lahore. Ph: 042-36283096-7
URL	www.crescentcotton.com

CRESCENT COTTON MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting of the shareholders of the Company will be held on Thursday the 27th October, 2022 at 9.30 a.m. at Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad to transact the following business:

1. To approve, as recommended by the Directors the payment of cash dividend @7.5% i.e Rs. 0.75/ per share for the period ended June 30, 2022.
2. To receive, consider and adopt the Chairman's Review Report, the Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2022.
3. To appoint Company's external auditors and to fix their remuneration.
4. To transact any other business with the permission of the chair.

REGISTERED OFFICE:
Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Fax No. 8750366
Dated: October 01, 2022

On Behalf Of The Board
(Sami Ullah Ch.)
Company Secretary

NOTES

1. The Share Transfer Books of the Company will remain closed from October 20, 2022 to October 27, 2022 (both days inclusive).Transfers received at the Share registrar office Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore at the close of business on October 19, 2022 will be treated in time for the purpose of issue of dividend and entitlement to attend the Annual General Meeting.
2. 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. A Proxy must be a member of the Company
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially 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.
4. 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 in Circular No.1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan:

a. For attending the meeting:

i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account; and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their Participants I.D. numbers and account numbers in CDC.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For appointing proxies

i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account; and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii). The proxy form shall be witnessed by two persons whose names and NIC Nos. shall be mentioned on the form.

iii). Attested Copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

Iv). The proxy shall produce his original NIC or original passport at the time of the meeting.

v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

5. 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 of 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.

6. 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 31 May, 2016, the shareholders of Crescent Cotton 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 provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.crescentcotton.com

7. Placement of Financial Statements The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2022 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company.

VISION

To continue to hold a highly prestigious profile amongst the national as well as international industry though producing international quality yarn, embroidered cloth, grey cloth and socks, while ever endeavoring for a sustainable growth of the Company.

MISSION

The company's primary mission is to be a profitable performance proven leader in quality yarn, embroidered cloth, grey cloth and socks manufacturing, with recognition coming from our customers, our equity holder, our employees and the public at large. The company seeks to accomplish this in a manner that contributes to the strengthening of the free enterprise system, to the development and growth of its employees, and to the goals of the country and the community towards fulfilling its social responsibilities/obligations in a befitting manner.

CHAIRMAN'S REVIEW

I present this report to the shareholders of Crescent Cotton 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. For the financial year ended June 30, 2022, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

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

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

TAIMUR AMJAD
CHAIRMAN
Faisalabad
September, 30, 2022

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the year ended June 30, 2022 together with the auditors' report thereon. The board of directors has not recommended payment of any dividend.

Overview Of Economy And Industry

The textile industry has performed well during the first nine months of the current financial year. However, during the last one quarter we have seen severe inflationary pressures, the increasing cost of money along with a weak rupee. Presently global economy is facing key challenges of high commodity prices and severe supply-chain disruptions due to various factors especially shipping which is affecting the flow of goods. The highly disturbed vessel schedule increased transit times for export and import shipments. This problem has not only affected global supply chain but also significantly increased shipping cost. All these challenges have fueled global inflation and downgraded the growth outlook. The Gradual recovery of global economy from Covid-19 pandemic was a good sign for textile sector during the nine months ended 31 March 2022. However, the period of next three months was overshadowed by rising cotton and polyester fiber prices, increase in RLNG rate and shutdown of gas supply. All these factors severely affected the performance of textile sector.

Raw cotton prices continued to rise in international market due to US-China trade commitments and opening up of markets after improvement in Covid-19 situation. Local cotton prices also recorded increasing trend due to global short supply and hasty buying by spinners. The Company planned to cover annual raw cotton requirements with the mix of local and imported cotton by closely watching market dynamics. Therefore, the Company started buying raw cotton at prevailing prices as soon as it became available in markets. Local yarn prices increased in tandem with raw cotton prices, but export yarn prices remained steady despite rising demand in foreign markets. Yarn supply in international market at low rates from India, Vietnam, Indonesia made it difficult for us to export at competitive prices. However, local market remained supportive during the period. Reviewing the market dynamics, the Company sold major portion of its production in local market instead of foreign market.

Financial And Operational Performance

The company, despite of many operational challenges has been able to post better results in profitability through persistent and diligent efforts.

Our textile business faced a number of challenges wherein both the demand and margins fell considerably. In spite of operating in such adverse circumstances your company managed to earn profit during the year under review hence, we have performed much better than many other similar units operating in the country.

The company earned a pre-tax profit of Rs. 332.479 million as compared to pre-tax profit of Rs. 398.158 million in the last year.

Sales revenue during the year under review have been recorded at Rs. 7,115.273 million which has comparatively increased than last year's sales of Rs. 5,405.943 million. The increase in revenue is due to addition of home textiles segment. Our gross profit ratio to sales this year is 10.21% (2021 : 13.42%).

Summary of key financial results in comparison to last year are highlighted as below :-

SUMMARY OF KEY FINANCIAL RESULTS IN COMPARISON TO LAST YEAR

PROFIT AND LOSS	FY-2022		FY-2021		INCREASE/(DECREASE)	
	RS. IN "000"	%	RS. IN "000"	%	RS. IN "000"	%
Sales revenue	7,115,273	100.00	5,405,943	100.00	1,709,330	31.62
Cost of sales	6,388,941	89.79	4,680,320	86.58	1,708,621	36.51
Gross profit	726,332	10.21	725,623	13.42	709	0.10
Operating expenses	364,529	5.12	313,977	5.81	50,552	16.10
Other income	69,809	0.98	73,470	1.36	(3,661)	(4.98)
Profit from operations	431,612	6.07	485,116	8.97	(53,504)	(11.03)
Finance cost	99,133	1.39	86,958	1.61	12,175	14.00
Taxation	83,475	1.17	76,574	1.42	6,901	9.01
Profit after taxation	249,004	3.50	321,584	5.95	(72,580)	(22.57)
Earnings per share (Rs.)	10.99		14.19		(3.20)	

Local raw cotton prices consistently increased due to shortage of local cotton output and ban on imports from India during the financial year 2021-22. The management of the Company had already anticipated it and worked out its strategy to procure mix of local and imported cotton in order to have an optimal raw material consumption cost.

Despite an increase of almost 20% in local raw cotton output in the last year, the country continues to face a shortage of domestic raw materials. The requirements of the textile spinning industry have increased due to full scale operations and expansion, due to which a significant quantity of raw cotton is being imported. This will result in maintaining pressure on the exchange rate. We understand the government in contemplating steps to increase our cotton production and we can only hope that they succeed. There are severe cost push pressures with a rising trend in the agricultural complex as well as oil and gas. Presently the industry is faced with severe shortage of power to operate at full capacity with electricity and gas both remaining short of demand. Even if we are able to overcome this shortage, our utility charges are expected to rise significantly due to peak world prices of oil and gas.

Financial Strength

The company has been able to improve its financial strength, the current ratio of the company is now 1.16 (2021 : 1.07). The Company's cash flow management system projects cash inflows and outflows on a regular basis and monitors the cash position on a daily basis. The Company manages its working capital requirements through short term borrowings.

Earnings Per Share

The profit per share from operations stood at Rs. 10.99 per share (2021 : Profit Rs. 14.19 per share).

Risk And Opportunities

Crescent Cotton Mills Limited takes risks and creates opportunities in the normal course of business. Taking risk is important to remain competitive and ensure sustainable success. Our risk and opportunity management encompass an effective framework to conduct business in a well controlled environment where risk is mitigated and opportunities are availed. Each risk and opportunity is properly weighted and considered before making any choice. Decisions are formulated only if opportunities outweigh risks. Following is the summary of risks and strategies to mitigate those risks:

Strategic Risks

We are operating in a competitive environment where innovation, quality and cost matters. This risk is mitigated through continuous research & development and persistent introduction of new technologies under BMR. Strategic risk is considered as the most crucial of all the risks. Head of all business divisions meet at regular basis to form an integrated approach towards tackling risks both at the international and national level.

Business Risks

The Company faces a number of following business risks:

Cotton Supply and Price

The supply and prices of cotton is subject to the act of nature and demand dynamics of local and international cotton markets. There is always a risk of non-availability of cotton and upward shift in the cotton prices in local and international markets. The Company mitigates this risk by the procurement of the cotton in bulk at the start of the harvesting season.

Export Demand and Price

The exports are major part of our sales. We face the risk of competition and decline in demand of our products in international markets. We minimize this risk by building strong relations with customers, broadening our customer base, developing innovative products without compromising on quality and providing timely deliveries to customers.

Energy Availability and Cost

The rising cost and un-availability of energy i.e. electricity and gas shortage is a major threat to manufacturing industry. This risk, if unmitigated can render us misfit to compete in the international markets. In order to counter the rising energy costs, the Company is opting for alternative renewable energy sources. The measures to conserve energy have also been taken at all manufacturing facilities of the Company. Likewise, risk of non-availability of the energy has been minimized by installing power plants for generating electricity at almost all locations of the Company along with securing electricity connections from WAPDA.

Financial Risks

The Board of Directors of the Company is responsible to formulate the financial risk management policies that are implemented by the Finance Department of the Company. The Company faces the following financial risks:

Currency risk

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

Interest rate risk

The Company's interest rate risk arises from long term financing, short term borrowings, loans and advances to subsidiary companies, term deposit receipts and bank balances in saving accounts. Fair value sensitivity analysis and cash flow sensitivity analysis shows that the Company's profitability is not materially exposed to the interest rate risk.

Credit risk

The Company's credit exposure to credit risk and impairment losses relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial standing and we have a long standing business relationship with all our customers. We do not expect nonperformance by our customers; hence, the credit risk is minimal.

Liquidity risk

It is at the minimum due to the availability of enough funds through committed credit facilities from the Banks and Financial institutions.

Employee Recruitment And Retention

Failure to attract and retain the right people may adversely affect the achievement of company's growth plan. Strong emphasis is placed on the company's human resource and its skill set. We operate the best talent management and human resource instruments to attract, retain and motivate personnel and staff.

Product Development

The management of the company is focused on the product development for the export market and later on development of our own brand of high international value products, which should create its own demand in the international market. More than 90% production of the company can be classified to the basic commodity items and to develop a suitable market for a commodity item is a big task for which the management is constantly striving.

Statement on Corporate and financial reporting framework

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the listed Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained, if any.
- The system of internal control is sound in design and has been effectively implemented and monitored, and,
- There are no significant doubts upon the listed Company's ability to continue as a going concern.
- Details of significant deviations in the Company's operating results during the current year are stated in the Director Report.
- Summarized key operating and financial data for last six years is annexed.
- All the statutory payments on account of taxes, duties, levies and charges have been made except those disclosed in the financial statements.
- There have been four (4) Board Meetings during the year and attendance of each director is stated under :-

NAME OF DIRECTORS (In alphabetical order)	MEETINGS ATTENDED
Mr. Abid Mahmood	4
Mr. Adnan Amjad	4
Mr. Naveed Gulzar	4
Miss. Nazish Arshad	4
Mr. Salman Rafi	4
Mr. Shameen Azfar	4
Mr. Taimur Amjad	4

Leave of absence was granted to directors who could not attend board meetings.

- During the year four (4) meetings of the Audit Committee were held and following were the attendance :-

NAME OF DIRECTORS (In alphabetical order)	MEETINGS ATTENDED
Mr. Adnan Amjad	4
Mr. Salman Rafi	4
Mr. Taimur Amjad	4

Financial Statements

As required under clause 25 of Listed Companies (Code of Corporate Governance) Regulations 2019, the Chief Executive Officer and Chief Financial Officer presented the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board after consideration and approval authorized the signing of financial statements for issuance and circulation.

The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company M/s. Riaz Ahmad & Company, Chartered Accountants and their report is attached with the financial statements.

Appropriations

The Board has recommended a final cash dividend of PKR 0.75 per share subject to approval of shareholders in upcoming Annual General Meeting scheduled to be held on October 27, 2022.

Pattern of Shareholding

The pattern of shareholding as per section 227 of the Companies Act, 2017 is attached.
During the year the detail of shares purchased/sold by directors is as under:-

SR.#	NAME OF DIRECTORS/SPOUSE/MINOR	SHARES PURCHASED TRANMITTED
1.	Mr. Abid Mehmood (CEO)	33,363
2.	Ms. Shireen Abid W/o. Mr. Abid Mehmood	8,841
3.	Mr. Naveed Gulzar	669,727
4.	Miss Nazish Arshad	336,364

Except that of the above directors/spouses/minor children, remaining directors, CFO, Company Secretary and their spouses and minor children have not traded in the shares of the Company.

Related Parties

The transactions between the related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. These transactions have been ratified by the Audit Committee and approved by the Board.

Corporate Governance

The Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 is annexed.

Committees Of The Board

The board of directors in compliance with the Code of Corporate Governance has established an Audit Committee and Human Resources and Remuneration Committee. The names of its members are given in the company profile.

Corporate Social Responsibility

Your company understands its corporate responsibility towards the society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing best quality products and after-sales technical services to its valued customers.

Your company regularly donates generous amounts to various institutions constituted for dealing with natural calamities as part of its philanthropic activities. Your company is providing healthy, safe and learning work environment to its employees and sends them to attend training courses, seminars, workshops and conferences both within the country and abroad.

External Auditors

The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending June 30, 2023.

Post Balance Sheet Events

There is no significant post balance sheet event which needs mention in Directors' Report.

Consolidated financial statements

Consolidated financial statements with accompanying information have been annexed as required under section 228 of the Companies Act, 2017.

Crescot Mills Limited

- The auditors have drawn attention that the company has ceased all production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the company is no more a going concern. The company has been de-listed from KSE with effect from 28 July 2005.

Way Forward

Pakistan has been devastated by heavy monsoon rains that have left millions homeless, destroyed bridges and roads and left much of the country underwater. The terrible floods that have ravaged Pakistan for the last three months have killed more than 1,130 people, destroyed nearly one million homes and displaced millions of Pakistanis forcing them to live on the streets.

Besides the urgent response needed to mitigate this human disaster, one that will have to be dealt with in the long term too, the issue of reconstruction is very much at the forefront. But the adverse weather has severely hit one of the main national economic assets Pakistan could rely on that is its textile industry. In addition to being a key textiles supplier of western markets, the Asian country with a population of 220 million is also the world's fifth largest cotton producer. Now that half of the crops have been destroyed, the issue is what impact there will be on materials availability. In the eastern provinces of Sindh and Punjab, the authorities have made the situation starkly clear that the entire cotton and sugarcane crops have been ruined.

It has estimated that nationally billions of dollars worth cotton has been destroyed by the torrential rains that have ravaged cities and countryside alike. Over 45% of the country's cotton crops are officially deemed to have been swept away by the flooding. Accounting for 8.5% of Pakistan's GDP and 40% of its jobs, the textile and apparel industry is expected to play a central role in the recovery, and it will have to do so without losing its global standing despite the fact that infrastructure and equipment have been compromised. Besides an output capacity problem, the Pakistani disaster will soon raise the issue of global raw materials availability and prices.

As cotton is an agricultural product, the catastrophic flooding means a substantial financial loss to Pakistan's cotton production and exports. The flooding would also worsen the world cotton shortage problem this year, resulting in the cotton price maintaining a historically high level in the months ahead. This loss has started showing its results in the shape of closure of many textiles manufacturing units.

The interest rate in Pakistan was increased by 125 basis points to 15% in July 2022 - following a 13-year peak in inflation, the rate was raised from 13.75 percent. Consequently, this is causing detrimental effects on the fuel cost as well as the inflation. Despite having a high interest rate (15%) in Pakistan, exchange rate devaluation isn't in control; although the detrimental effects of high interest rate are quite visible in the form of lower investments, absence of progression in almost all industries among others. This calls for a spontaneous, long-term strategic action from the government side at large to bring back the economy on track by lowering the interest rate. If we look at Pakistan's experience with rupee depreciation, we can say that it has always resulted in cost-driven inflation and relentlessly harsh economic conditions. Pakistan has suffered significantly from currency devaluation both as a buyer and a seller. Devaluation of the Pakistani rupee will result in a devaluation of Pakistani labor and talent on the global market, which will act more as a stimulant than a medicine and lead to unheard-of inflation.

The world is going under severe recession in which demands especially textile products have been curtailed. The big retail stores in United States and Western Europe have surplus stocks and they are not placing further new orders. Pakistan textile industry has best Christmas season, but we expect Pakistan will receive new orders soon as Pakistan is the cheapest country for export.

SUBSIDIARIES

CRESCOT MILLS LIMITED

As already reported, the company has ceased all its production activities and during the year ended June 30, 2022, the company earned a profit of Rs. 16.776 million as compared to profit of Rs. 463.323 million of last year. The company has been de-listed from the Karachi Stock Exchange with effect from July 28, 2005.

For and on behalf of
the Board of Directors

ABID MEHMOOD	**NAVEED GULZAR**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

Faisalabad
September 30, 2022

CCML
Crescent Cotton Mills Ltd.

کریسنٹ کاٹن ملز لمیٹڈ

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز مالی سال مختتمہ 30 جون 2022ء کے لیے آڈٹ شدہ مالی معلومات پر مبنی رپورٹ آڈیٹران کی رپورٹ کے ہمراہ آپ کی خدمت میں پیش کرتے ہوئے فخر محسوس کر رہے ہیں۔ بورڈ آف ڈائریکٹرز نے کسی بھی ڈیویڈنڈ کی ادائیگی کی سفارش نہیں کی ہے۔

معیشت اور انڈسٹری کا جائزہ:

ٹیکسٹائل انڈسٹری نے رواں مالی سال کے پہلے نو مہینوں کے دوران اچھی کارکردگی کا مظاہرہ کیا ہے۔ تاہم، پچھلی ایک سہ ماہی کے دوران ہم نے روپے کی کمزوری کے ساتھ بڑھتی ہوئی لاگت کی وجہ سے مہنگائی کے شدید دباؤ کا سامنا کیا ہے۔ اس وقت عالمی معیشت کو اشیاء کی اونچی قیمتوں اور سپلائی چین میں شدید رکاوٹوں کے اہم چیلنجز کا سامنا ہے جس کے باعث مختلف عوامل خاص طور پر شپنگ کی وجہ سے سامان کی روانی متاثر ہو رہی ہے۔ بحری جہازوں کے انتہائی پریشان کن شیڈول نے برآمدی اور درآمدی ترسیل کے لیے نقل وحمل کے اوقات میں اضافہ کیا ہے۔ اس مسئلے نے نہ صرف عالمی سپلائی چین کو متاثر کیا ہے بلکہ شپنگ لاگت میں بھی نمایاں اضافہ کیا ہے۔ ان تمام چیلنجوں نے عالمی افراط زر کو ہوا دی ہے اور ترقی کے نقطہ نظر کو کم کیا ہے۔ 31 مارچ 2022 کو ختم ہونے والے نو مہینوں کے دوران وبائی مرض کووڈ 19 سے عالمی معیشت کی بتدریج بحالی ٹیکسٹائل کے شعبے کے لیے ایک اچھی علامت تھی۔ تاہم، اگلے تین ماہ کا عرصہ کپاس اور پولیسٹر فائبر کی بڑھتی ہوئی قیمتوں، RLNG کی شرح میں اضافہ اور گیس کی فراہمی کی بندش سے ماند پڑ گیا۔ ان تمام عوامل نے ٹیکسٹائل سیکٹر کی کارکردگی کو بری طرح متاثر کیا۔

امریکہ اور چین کے تجارتی وعدوں اور کووڈ 19 کی صورتحال میں بہتری کے بعد منڈیوں کے کھلنے کی وجہ سے بین الاقوامی منڈی میں خام کپاس کی قیمتوں میں اضافہ جاری ہے۔ عالمی سطح پر سپلائی کی کمی اور اسپنرز کی جانب سے جلد بازی کی وجہ سے مقامی کپاس کی قیمتوں میں بھی اضافہ کا رجحان ریکارڈ کیا گیا۔ کمپنی نے مارکیٹ کی حرکیات کو قریب سے دیکھ کر مقامی اور درآمدی کپاس کے آمیزے سے خام کپاس کی سالانہ ضروریات کا احاطہ کرنے کی منصوبہ بندی کی۔ اس لیے، کمپنی نے مارکیٹ میں دستیاب ہوتے ہی خام کپاس کو مروجہ قیمتوں پر خریدنا شروع کر دیا۔ مقامی یارن کی قیمتوں میں خام کپاس کی قیمتوں کے ساتھ ساتھ اضافہ ہوا، تاہم بیرونی منڈیوں میں طلب میں اضافے کے باوجود برآمدی دھاگے کی قیمتیں مستحکم رہیں۔ بھارت، ویتنام، انڈونیشیا سے کم نرخوں پر بین الاقوامی مارکیٹ میں یارن کی سپلائی نے ہمارے لیے مسابقتی قیمتوں پر برآمد کرنا مشکل بنا دیا۔ تاہم، مقامی مارکیٹ اس عرصے کے دوران معاون رہی۔ مارکیٹ کی حرکیات کا جائزہ لیتے ہوئے، کمپنی نے اپنی پیداوار کا بڑا حصہ غیر ملکی مارکیٹ کے بجائے مقامی مارکیٹ میں فروخت کیا۔

مالیاتی اور عملی کارکردگی:

کمپنی، کئی عملی چیلنجز کے باوجود مسلسل اور مستعد کوششوں کے ذریعے منافع میں شاندار بہتری لانے میں کامیاب رہی ہے۔

ہمارے ٹیکسٹائل کے کاروبار کو متعدد چیلنجز کا سامنا کرنا پڑا ہے جس میں طلب اور منافع دونوں کافی حد تک کم ہو گئے ہیں۔ اس طرح کے

نامساعد حالات میں کام کرنے کے باوجود آپ کی کمپنی زیر جائزہ سال کے دوران نفع حاصل کرنے میں کامیاب رہی ہے۔ ہم نے ملک میں کام کرنے والے ایسے ہی دیگر یونٹوں کے مقابلے میں بہت بہتر کارکردگی کا مظاہرہ کیا ہے۔

کمپنی کو پچھلے سال کے 398.158 ملین روپے قبل از ٹیکس منافع کے مقابلہ میں 332.479 ملین روپے قبل از ٹیکس منافع ہوا۔

زیر جائزہ سال کے دوران فروخت کی آمدنی 7,115.273 ملین روپے ریکارڈ کی گئی جو پچھلے سال کی فروخت 5,405.943 ملین روپے کے مقابلے میں نسبتاً بڑھ گئی ہے۔ آمدنی میں اضافہ ہوم ٹیکسٹائل کے شعبے میں اضافے کی وجہ سے۔ اس سال فروخت پر ہمارے مجموعی منافع کا تناسب 10.21 فیصد ہے۔ (2021 میں 13.42 فیصد)

پچھلے سال کے مقابلے میں کلیدی مالی نتائج کا خلاصہ ذیل میں نمایاں ہے:

پچھلے سال کے مقابلے میں کلیدی مالی نتائج کا خلاصہ

نفع اور نقصان	مالی سال 2022 (ہزار روپے)	فیصد %	مالی سال 2021 (ہزار روپے)	فیصد %	اضافہ / (کمی) (ہزار روپے)	فیصد %
فروخت کی آمدنی	7,115,273	100.00	5,405,943	100.00	1,709,330	31.62
فروخت کی لاگت	6,388,941	89.79	4,680,320	86.58	1,708,621	36.51
خام منافع	726,332	10.21	725,623	13.42	709	0.10
عملی اخراجات	364,529	5.12	313,977	5.81	50,552	16.10
دیگر آمدنی	69,809	0.98	73,470	1.36	(3,661)	(4.98)
عوامل سے منافع	431,612	6.07	485,116	8.97	(53,504)	(11.03)
مالیاتی لاگت	99,133	1.39	86,958	1.61	12,175	14.00
محصولات	83,475	1.17	76,574	1.42	6,901	9.01
منافع بعد از محصولات	249,004	3.50	321,584	5.95	(72,580)	(22.57)
فی حصص آمدنی (روپے)	10.99		14.19		(3.20)	

مالی سال 22-2021 کے دوران مقامی کپاس کی پیداوار میں کمی اور بھارت سے درآمد پر پابندی کی وجہ سے مقامی خام کپاس کی قیمتوں میں مسلسل اضافہ ہوا۔ کمپنی کی انتظامیہ پہلے ہی اسے بھانپ چکی تھی اور اس نے خام مال کے زیادہ سے زیادہ لاگتی اخراجات کے حساب سے مقامی اور درآمدی کپاس کی مخلوط خریداری کے لیے اپنی حکمت عملی تیار کر لی تھی۔

گزشتہ سال مقامی خام کپاس کی پیداوار میں تقریباً 20 فیصد اضافے کے باوجود ملک کو مقامی خام مال کی قلت کا سامنا ہے۔ بھرپور پیمانے پر

آپریشنز اور توسیع کی وجہ سے ٹیکسٹائل اسپننگ انڈسٹری کی ضروریات بڑھ گئی ہیں جس کی وجہ سے خام کپاس کی قابل ذکر مقدار درآمد کی جارہی ہے۔اس کے نتیجے میں شرح تبادلہ پر دباؤ برقرار رہے گا۔ہم حکومت کی جانب سے کپاس کی پیداوار بڑھانے کے اقدامات کو سمجھتے ہیں اور ہم صرف امید کر سکتے ہیں کہ وہ کامیاب ہو جائیں گے۔زرعی الجھاؤ کے ساتھ ساتھ تیل اور گیس میں بڑھتے ہوئے رجحان کے ساتھ لاگت کے شدید دباؤ ہیں۔اس وقت صنعت کو پوری صلاحیت سے کام کرنے کے لیے بجلی اور گیس دونوں کی رسد میں کمی کے باعث توانائی کی شدید قلت کا سامنا ہے۔ یہاں تک کہ اگر ہم اس کمی پر قابو پانے میں کامیاب ہو جاتے ہیں، تب بھی تیل اور گیس کی بلند ترین عالمی قیمتوں کی وجہ سے ہمارے یوٹیلیٹی چارجز میں نمایاں اضافہ متوقع ہے۔

مالی طاقت:

کمپنی اپنی مالی طاقت کو بہتر بنانے میں کامیاب رہی ہے، کمپنی کا موجودہ تناسب اب 1.16 ہے(2021 میں 1.07)۔کمپنی کا کیش فلو مینجمنٹ سسٹم مستقل بنیادوں پر کیش ان فلو اور آؤٹ فلو کا منصوبہ بناتا ہے اور روزانہ کی بنیاد پر کیش پوزیشن پر نظر رکھتا ہے۔کمپنی مختصر مدت کے قرضوں کے ذریعے اپنے جاری سرمایہ کی ضروریات کا انتظام کرتی ہے۔

فی حصص آمدنی:

عوامل کے لیے فی حصص نفع 10.99 روپے رہا۔(2021ء میں فی حصص نفع 14.19 روپے)

خطرات اور مواقع:

کریسنٹ کاٹن ملز لمیٹڈ خطرہ مول لیتی ہے اور عام کاروبار میں مواقع پیدا کرتی ہے۔مسابقتی رہنے اور پائیدار کامیابی کو یقینی بنانے کے لئے خطرہ مول لینا ضروری ہے۔ہمارا ''خطرہ اور موقع'' کا نظم ونسق ایک اچھے کنٹرولڈ ماحول میں کاروبار کرنے کے لئے ایک موثر فریم ورک کا احاطہ کرتا ہے جہاں خطرہ کم ہوتا ہے اور مواقع سے استفادہ کیا جاتا ہے۔کسی بھی فیصلے سے قبل ''خطرہ اور موقع'' کو مناسب طریقے سے پرکھا اور سمجھا جاتا ہے۔فیصلے صرف اسی صورت میں طے کیے جاتے ہیں جب مواقع خطرے سے کہیں زیادہ ہوں۔درپیش خطرات اور ان خطرات کو کم کرنے کی حکمت عملی کا خلاصہ درج ذیل ہے:

تزویراتی خطرات:

ہم ایک مسابقانہ ماحول میں کام کررہے ہیں جہاں جدت، معیار اور لاگت معنی رکھتے ہیں۔قوت عملیہ (BMR) کے تحت مسلسل تحقیق وترقی اور نئی ٹیکنالوجیز کے مستقل تعارف کے ذریعے اس خطرے کو کم کیا جاسکتا ہے۔تزویراتی خطرہ تمام خطرات میں سب سے اہم سمجھا جاتا ہے۔تمام کاروباری شعبہ جات کے سربراہ ملکی وبین الاقوامی سطح پر پیش آمدہ خطرات سے نمٹنے کے لیے مربوط حکمت عملی بنانے کیلئے مستقل بنیادوں پر رابطے میں رہتے ہیں۔

کاروباری خطرات:

کمپنی کو درج ذیل متعدد کاروباری خطرات کا سامنا ہے:

کپاس کی رسد اور قیمت:

کپاس کی رسد اور قیمتیں قدرتی عمل اور مقامی و بین الاقوامی کپاس کی منڈیوں میں طلب کے محرکات کے تابع ہیں۔ کپاس کی عدم دستیابی اور قومی و بین الاقوامی منڈیوں میں کپاس کی قیمتوں میں اضافے کا خطرہ ہمیشہ رہتا ہے۔ کمپنی کٹائی کے آغاز پر ہی کپاس کی بھاری مقدار کی خریداری کر کے اس خطرہ کو کم کرتی ہے۔

برآمدی طلب اور قیمت:

برآمدات ہماری فروخت کا بڑا حصہ ہیں۔ ہمیں بین الاقوامی منڈیوں میں اپنی مصنوعات کی طلب میں کمی اور مسابقت کا سامنا رہتا ہے۔ ہم صارفین کے ساتھ مضبوط تعلقات استوار کرنے، کسٹمر بیس کو وسیع کرنے، معیار پر سمجھوتہ کیے بغیر جدید مصنوعات تیار کرنے اور صارفین کو بروقت فراہمی کو یقینی بنا کر اس خطرے کو کم کرتے ہیں۔

توانائی کی دستیابی اور قیمت:

توانائی کی بڑھتی ہوئی قیمتیں اور عدم دستیابی یعنی بجلی اور گیس کی کمی پیداواری صنعت کیلئے بہت بڑا خطرہ ہے۔ اگر یہ خطرہ کم نہ کیا جائے تو بین الاقوامی منڈیوں میں مسابقت کیلئے ہمیں نااہل کر سکتا ہے۔ توانائی کے بڑھتے ہوئے اخراجات کا مقابلہ کرنے کے لیے کمپنی متبادل قابل تجدید توانائی کے ذرائع اختیار کر رہی ہے۔ کمپنی کی تمام پیداواری سہولیات پر بھی توانائی کی بچت کے اقدامات کیے گئے ہیں۔ اسی طرح واپڈا سے بجلی کے کنکشن حاصل کرنے کے ساتھ ساتھ کمپنی کے تقریباً تمام مقامات پر بجلی پیدا کرنے کے لئے پاور پلانٹس لگا کر توانائی کی عدم دستیابی کے خطرے کو کم کیا گیا ہے۔

مالی خطرات:

کمپنی کا بورڈ آف ڈائریکٹرز ذمہ دار ہے کہ وہ مالیاتی رسک مینجمنٹ کی پالیسیاں مرتب کرے جو کمپنی کے شعبہ فنانس کے ذریعہ نافذ ہیں۔ کمپنی کو درج ذیل مالی خطرات کا سامنا ہے:

کرنسی کا خطرہ:

کمپنی کو بنیادی طور پر امریکی ڈالر اور یورو کے سلسلے میں مختلف کرنسیوں کے اظہار سے پیدا ہونے والے کرنسی کے خطرے کا سامنا ہے۔ کمپنی کے غیر ملکی زرمبادلہ کے خطرہ کا اظہار بینک بیلنس اور غیر ملکی اداروں کو قابل ادائیگی یا ان سے قابل وصولی رقومات تک محدود ہے۔

شرح سود کا خطرہ:

کمپنی کو شرح سود کا خطرہ طویل مدتی فنانسنگ، قلیل مدتی قرضے، ادھار اور ماتحت کمپنیوں کو پیشگی ادائیگیوں، ٹرم ڈیپازٹ کی رسیدوں اور بچت کھاتوں میں بینک بیلنس سے پیدا ہوتا ہے۔ مناسب قدر کی حساسیت کا تجزیہ اور نقد بہاؤ کی حساسیت کا تجزیہ ظاہر کرتا ہے کہ کمپنی کا نفع شرح سود کے خطرے سے مادی طور پر خالی نہیں ہے۔

ادھار کا خطرہ:

کمپنی کے ادھار کے خطرات اور خرابی کے نقصانات کا تعلق اس کے تجارتی قرضوں سے ہوتا ہے۔ اس خطرے کو اس حقیقت سے کم کیا جا سکتا ہے کہ ہمارے بیشتر صارفین کی مالی حیثیت مضبوط ہے اور ہمارے تمام صارفین کے ساتھ ہمارے دیرینہ کاروباری تعلقات ہیں۔ ہم اپنے صارفین کی طرف سے عدم تعاون کی توقع نہیں کرتے لہٰذا ادھار کا خطرہ کم ہے۔

لیکیوڈٹی کا خطرہ:

بینکوں اور مالیاتی اداروں سے وابستہ ادھار کی سہولیات کے ذریعہ معقول فنڈز کی دستیابی کی وجہ سے یہ خطرہ کم از کم ہے۔

ملازمین کی بھرتی اور معاوضہ:

درست لوگوں کو راغب کرنے اور انہیں قائم رکھنے میں ناکامی کمپنی کے ترقیاتی منصوبے کے حصول کو بری طرح متاثر کر سکتی ہے۔ کمپنی کے انسانی وسائل اور ہنر مندی پر سخت زور دیا جاتا ہے۔ ہم عملے اور اسٹاف کو راغب اور برقرار رکھنے اور ان کی حوصلہ افزائی کے لیے بہترین ٹیلنٹ مینجمنٹ اور انسانی وسائل کے ذرائع بروئے عمل لاتے ہیں۔

پیداوار میں بہتری:

کمپنی کی انتظامیہ برآمدی منڈی کے لیے مصنوعات کی بہتری اور بعد ازاں ہمارے اپنے برانڈ کی اعلیٰ بین الاقوامی معیار کی مصنوعات کی تیاری پر توجہ مرکوز کیے ہوئے ہے جسے بین الاقوامی مارکیٹ میں اپنی طلب پیدا کرنا چاہئے۔ مزید برآں کمپنی کی 90 فیصد سے زیادہ پیداوار کو بنیادی اجناس کی اشیاء میں درجہ بندی کیا جا سکتا ہے اور کسی عام جنس کی مناسب مارکیٹ تیار کرنا ایک بہت بڑا کام ہے جس کے لئے انتظامیہ مسلسل کوشش کر رہی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی کو ظاہر کرتے ہیں۔

2۔ متذکرہ کمپنی اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔

3۔ مالیاتی بیانات کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات معقول اور ٹھوس فیصلوں پر مبنی ہیں۔

4۔ مالیاتی سٹیٹمنٹ کی تیاری میں عالمی مالیاتی رپورٹنگ کے معیارات، جیسے پاکستان میں لاگو ہیں، ان کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔

5۔ اندرونی کنٹرول کا نظام ڈیزائن میں محفوظ ہے اور اس کا نفاذ اور نگرانی مؤثر طریقے سے کی گئی ہے، اور

6۔ اس میں کوئی شک نہیں کہ کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔

7۔ رواں سال کے دوران کمپنی کے عملی نتائج میں مخصوص رخنوں کی تفصیلات چیف ایگزیکٹو آفیسر کے جائزہ میں بیان کی گئی ہیں۔

8۔ پچھلے چھ سال کا تلخیص شدہ بنیادی عملی اور مالیاتی ڈیٹا لف ہے۔

9۔ مالیاتی بیانات میں ظاہر شدہ کے علاوہ ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں تمام قانونی ادائیگیاں کر دی گئی ہیں۔

10۔ سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے جن میں ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام (الفبائی ترتیب کے مطابق)	شرکت کردہ اجلاس
مسٹر عابد محمود	4
مسٹر عدنان امجد	4
مسٹر نوید گلزار	4
مسماۃ نازش ارشد	4
مسٹر سلمان رفیع	4
مسماۃ شامین اظفر	4
مسٹر تیمور امجد	4

جو ڈائریکٹران بورڈ کے اجلاس میں شرکت نہ کر سکے انہیں رخصت دے دی گئی۔

11۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام (الفبائی ترتیب کے مطابق)	شرکت کردہ اجلاس
مسٹر عدنان امجد	4
مسٹر سلمان رفیع	4
مسٹر تیمور امجد	4

مالیاتی بیانات:

مندرج کمپنیوں کے قواعد وضوابط کوڈ آف کارپوریٹ گورننس 2019 کی شق نمبر 25 کے تحت چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے اپنے دستخطوں کے ہمراہ مالیاتی بیانات بورڈ آف ڈائریکٹرز کے غور وخوض اور منظوری کے لیے پیش کیے اور بورڈ نے غور وخوض اور منظوری کے بعد دستخط کردہ مالیاتی بیانات کے اجراء اور اشاعت کی اجازت دی۔

کمپنی کے مالیاتی بیانات کمپنی کے آڈیٹرز میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹینٹس کی طرف سے اچھی طرح آڈٹ اور بغیر قابلیت کے منظور کیے گئے ہیں اور ان کی رپورٹ مالیاتی بیانات کے ساتھ لف ہے۔

تخصیصات:

بورڈ نے 27 اکتوبر 2022 کو منعقد ہونے والی آئندہ سالانہ جنرل میٹنگ میں حصص یافتگان کی منظوری سے مشروط 0.75 روپے فی حصص

کے حتمی نقد منافع کی سفارش کی ہے۔

حصص یافتگی کا نمونہ:

کمپنیز ایکٹ 2017 کی دفعہ 227 کے تحت حصص یافتگی کا نمونہ لف ہے۔

سال کے دوران ڈائریکٹران کی طرف سے خریدے گئے حصص کی تفصیل درج ذیل ہے:

نمبر شمار	ڈائریکٹر/اہلیہ/نابالغ بچوں کا نام	خریدے/منتقل کیے گئے حصص
1	مسٹر عابد محمود (چیف ایگزیکٹو آفیسر)	33,363
2	مسماۃ شیریں عابد زوجہ مسٹر عابد محمود	8,841
3	مسماۃ نازش ارشد	669,727
4	مسٹر نوید گلزار	336,364

متذکرہ بالا ڈائریکٹرز/اہلیہ/نابالغ بچوں کے علاوہ سال کے دوران کسی بھی ڈائریکٹر، اس کی اہلیہ/نابالغ بچوں، چیف فنانشل آفیسر، کمپنی سیکرٹری اوران کی بیگمات یا نابالغ بچوں کی طرف سے حصص کی کوئی خرید وفروخت نہیں ہوئی۔

متعلقہ پارٹیاں:

متعلقہ پارٹیوں کے درمیان لین دین طے شدہ حیثیت کے مطابق قابل موازنہ طریقہ قیمت کے مطابق عمل میں لایا گیا۔ یہ ٹرانزیکشنز محاسب کمیٹی کی طرف سے تصدیق اور بورڈ کی طرف سے منظور کی گئی ہیں۔

کارپوریٹ گورننس:

مندرج کمپنیوں کے ہمراہ تکمیل کا بیان قواعد وضوابط کوڈ آف کارپوریٹ گورننس 2019 لف ہے۔

بورڈ کی کمیٹیاں:

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کی تکمیل کے ضابطہ کے ہمراہ محاسب کمیٹی اور انسانی وسائل وتجدید کمیٹی قائم کی ہے۔ اس کے ممبران کے نام کمپنی پروفائل میں دیئے گئے ہیں۔

ادارہ جاتی سماجی ذمہ داری:

آپ کی کمپنی معاشرے کی طرف سے عائد اپنی ادارہ جاتی ذمہ داری سمجھتی ہے اور معاشرے کے پسماندہ افراد اور اپنے مستحق ملازمین کو مالی امداد فراہم کرنے کے ساتھ ساتھ رفاہِ عامہ کے کام کے ذریعے اپنی ذمہ داری پوری کرتی ہے۔ کمپنی توانائی کی بچت اور ماحولیاتی تحفظ کے لیے مختلف حل لاگو کر

کے، اپنے قابل قدر گاہکوں کو بہترین معیار کی مصنوعات اور بعد از فروخت تکنیکی خدمات کی فراہمی کے ذریعے قومی خزانے میں بھی معتد بہ مقدار میں اپنا حصہ ڈال رہی ہے۔

آپ کی کمپنی رفاہِ عامہ کی سرگرمیوں کے طور پر مختلف اداروں کو بھاری رقوم مستقلاً چندہ دے رہی ہے جو قدرتی آفات سے نمٹنے کے لیے قائم کیے گئے ہیں۔ آپ کی کمپنی اپنے ملازمین کو صحت مند، محفوظ اور سیکھنے کا ماحول فراہم کر رہی ہے اور انہیں اندرون و بیرون ملک تربیتی کورسز، سیمینارز، ورکشاپس اور کانفرنسز میں بھیجا جاتا ہے۔

بیرونی محاسب:

موجودہ بیرونی محاسب میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹینٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی صورت میں انہوں نے اپنی رضامندی ظاہر کی ہے۔ محاسب کمیٹی کی تجویز کی بنیاد پر بورڈ نے میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹینٹس کی 30 جون 2023ء کو ختم ہونے والے مالی سال کے لیے بطور بیرونی محاسب دوبارہ تعیناتی کی سفارش کی ہے۔

بعد از بیلنس شیٹ تغیرات:

بیلنس شیٹ کی تیاری کے بعد ایسا کوئی اہم وقوعہ یا تغیر رونما نہیں ہوا جسے ڈائریکٹرز رپورٹ میں ظاہر کرنا ضروری ہو۔

مضبوط مالی بیانات:

مضبوط مالیاتی بیانات ہمراہ متعلقہ معلومات کمپنیز ایکٹ 2017ء کی شق 228 کے تحت لف ہیں۔

کریسکوٹ ملز لمیٹڈ:

آڈیٹرز نے توجہ دلائی ہے کہ کمپنی اپنی تمام پیداواری سرگرمیاں اگست 1998ء سے ختم کر چکی ہے اور اپنی پلانٹ اور مشینری کا بیشتر حصہ فارغ کر چکی ہے۔ اسکے مطابق اس کمپنی کا اب مزید کوئی تعلق باقی نہیں رہا۔ کمپنی کو 28 جولائی 2005ء سے کے ایس ای کی فہرست سے نکالا جا چکا ہے۔

پیش بندی:

پاکستان میں مون سون کی شدید بارشوں نے تباہی مچا دی ہے جس نے لاکھوں افراد کو بے گھر کر دیا ہے، پل اور سڑکیں تباہ کر دی ہیں اور ملک کا بیشتر حصہ زیرِ آب آ گیا ہے۔ گزشتہ تین ماہ سے پاکستان کے لیے تباہ کن خوفناک سیلاب نے 1,130 سے زائد افراد کی جان لے لی، تقریباً 10 لاکھ گھر تباہ کیے اور لاکھوں پاکستانی بے گھر ہو کر سڑکوں پر زندگی گزارنے پر مجبور ہوئے۔

اس انسانی تباہی کو کم کرنے کے لیے فوری امدادی کارروائیوں کی ضرورت کے علاوہ جنہیں طویل مدت کے لیے بھی جاری رکھنا ہوگا، تعمیرِ نو کا

معاملہ بھی سرفہرست ہے۔لیکن ناموافق موسم نے پاکستان کے اہم اقتصادی اثاثوں میں سے ایک جس پر پاکستان کا انحصار ہے یعنی ٹیکسٹائل کی صنعت کو بری طرح متاثر کیا ہے۔مغربی منڈیوں میں ٹیکسٹائل کا کلیدی سپلائر ہونے کے علاوہ، 220 ملین کی آبادی والا ایشیائی ملک دنیا کا پانچواں بڑا کپاس پیدا کرنے والا ملک بھی ہے۔اب جبکہ نصف فصلیں تباہ ہوچکی ہیں، مسئلہ یہ ہے کہ خام مال کی دستیابی پر کیا اثر پڑے گا۔حکام نے صورتحال کو واشگاف طور پر واضح کر دیا ہے کہ مشرقی صوبوں سندھ اور پنجاب میں کپاس اور گنے کی پوری فصلیں تباہ ہوچکی ہیں۔

اندازہ لگایا گیا ہے کہ موسلا دھار بارشوں سے قومی سطح پر اربوں ڈالر مالیت کی کپاس تباہ ہوگئی ہے جس نے شہروں اور دیہی علاقوں کو یکساں طور پر تباہ کر دیا ہے۔سرکاری طور پر ملک کی 45 فیصد سے زیادہ کپاس کی فصلوں کا سیلاب میں بہہ جانا تسلیم کرلیا گیا ہے۔پاکستان کی جی ڈی پی کا 8.5 فیصد اور اس کی ملازمتوں کا 40 فیصد حصہ ہونے کی وجہ سے ٹیکسٹائل اور ملبوسات کی صنعت سے امید کی جاتی ہے کہ بحالی میں مرکزی کردار ادا کرے گی، اور اسے اپنی عالمی حیثیت کو کھوئے بغیر ایسا کرنا پڑے گا، اس حقیقت کے باوجود کہ بنیادی ڈھانچے اور آلات پر سمجھوتہ کیا گیا۔پیداواری صلاحیت کے مسئلے کے علاوہ، پاکستانی تباہی جلد ہی عالمی سطح پر خام مال کی دستیابی اور قیمتوں کا مسئلہ پیدا کرے گی۔

چونکہ کپاس ایک زرعی پیداوار ہے، اس لیے تباہ کن سیلاب کا مطلب پاکستان کی کپاس کی پیداوار اور برآمدات کا بڑا مالی نقصان ہے۔سیلاب سے اس سال کپاس کی عالمی قلت کا مسئلہ بھی بڑھ جائے گا، جس کے نتیجے میں آنے والے مہینوں میں کپاس کی قیمت تاریخ کی بلند ترین سطح پر برقرار رہے گی۔اس نقصان نے ٹیکسٹائل بنانے والے بہت سے یونٹس کی بندش کی صورت میں اپنے نتائج دکھانا شروع کر دیے ہیں۔

13 سال کی بلند ترین افراطِ زر کے بعد، جولائی 2022 میں پاکستان میں شرح سود 125 بنیادی پوائنٹس کا اضافہ کر کے 13.75 فیصد سے 15 فیصد کر دی گئی۔نتیجتاً، یہ ایندھن کی قیمت کے ساتھ ساتھ مہنگائی پر بھی مضر اثرات مرتب کر رہا ہے۔پاکستان میں بلند شرح سود (15%) ہونے کے باوجود، شرح مبادلہ کی قدر میں کمی کنٹرول میں نہیں ہے۔اگرچہ بلند شرح سود کے نقصان دہ اثرات دیگر معاملات کے علاوہ کم سرمایہ کاری، تقریباً تمام صنعتوں میں ترقی کی عدم موجودگی کی صورت میں کافی حد تک نظر آتے ہیں۔یہ شرح سود کو کم کر کے معیشت کو پٹری پر واپس لانے کے لیے بڑے پیمانے پر حکومت کی جانب سے ایک بے ساختہ، طویل مدتی اسٹریٹجک کارروائی کا مطالبہ کرتا ہے۔اگر ہم روپے کی گراوٹ کے حوالے سے پاکستان کے تجربے پر نظر ڈالیں تو ہم کہہ سکتے ہیں کہ اس کا نتیجہ ہمیشہ ہی لاگت پر مبنی افراط زر اور مسلسل سخت معاشی حالات کی صورت میں نکلا ہے۔پاکستان کو خریدنے اور بیچنے والے دونوں کے طور پر کرنسی کی قدر میں کمی سے کافی نقصان ہوا ہے۔پاکستانی روپے کی قدر میں کمی کے نتیجے میں عالمی منڈی میں پاکستانی محنت اور ہنر کی قدر میں کمی آئے گی، جو دوا سے زیادہ محرک کے طور پر کام کرے گی اور ناقابل قبول مہنگائی کا باعث بنے گی۔

دنیا شدید کساد بازاری سے گزر رہی ہے جس میں خاص طور پر ٹیکسٹائل مصنوعات کی مانگ کم ہوگئی ہے۔ریاستہائے متحدہ اور مغربی یورپ کے بڑے ریٹیل اسٹورز کے پاس اضافی اسٹاک ہے اور وہ مزید نئے آرڈر نہیں دے رہے ہیں۔پاکستان کی ٹیکسٹائل انڈسٹری میں کرسمس کا بہترین موسم ہے، لیکن ہم توقع کرتے ہیں کہ پاکستان کو جلد ہی نئے آرڈر ملیں گے کیونکہ پاکستان برآمدات کے لیے سب سے سستا ملک ہے۔

ماتحت کمپنیاں:

کریسکوٹ ملز لمیٹڈ:

جیسا کہ پہلے بتایا جا چکا ہے کہ کمپنی اپنی تمام پیداواری سرگرمیاں ختم کر چکی ہے اور کمپنی نے پچھلے سال کے 463.323 ملین روپے منافع کے مقابلہ میں 30 جون 2022ء کو ختم ہونے والے سال میں 16.776 ملین روپے کا منافع کمایا۔ کمپنی کو 28 جولائی 2005ء سے کے ایس ای کی فہرست سے نکالا جا چکا ہے۔

منجانب

بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر	ڈائریکٹر

فیصل آباد

30 اکتوبر 2022

KEY OPERATING AND FINANCIAL DATA

(RUPEES IN MILLION)

	2022	2021	2020	2019	2018	2017
Summary of Profit and Loss Account						
Sales	7,115	5,406	5,517	7,393	6,094	3,984
Gross profit	726	726	365	289	244	127
Profit from operations	431	485	156	80	104	110
Finance cost	99	87	104	84	55	29
Profit/(Loss) before taxation	332	398	52	(4)	49	81
Taxation	83	76	10	88	43	52
Profit/(Loss) after taxation	249	322	42	(92)	6	29
Summary of Balance Sheet						
Property, plant and equipment	5,312	5,204	5,191	5,151	4,135	4,024
Other non-current assets	57	60	65	63	31	43
Stock in trade	658	488	540	475	379	270
Trade debts	514	195	280	200	127	64
Other current assets	840	744	753	636	716	729
Current assets	2,012	1,427	1,573	1,311	1,222	1,063
Total assets	7,381	6,691	6,829	6,525	5,388	5,130
Shareholders equity	1,091	887	560	531	698	861
Surplus on revaluation of operating fixed assets	4,283	4,137	4,137	4,137	3,080	3,080
Long term financing	111	204	195	131	178	226
Other non-current liabilities	161	149	127	101	81	75
Trade and other payables	803	678	740	789	723	392
Short trem borrowings	674	369	841	661	529	440
Other current liabilities	258	267	229	175	99	56
Current liabilities	1,735	1,314	1,810	1,625	1,351	888
Total equity and liabilities	7,381	6,691	6,829	6,525	5,388	5,130
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	143	42	50	106	41	32
Net cash (used in) / generated from operating activities	(233)	548	(121)	(125)	118	18
Net cash used in investing activities	(64)	(59)	(103)	(25)	(130)	(240)
Net cash from / (used in) financing activities	198	(388)	216	94	77	231
Net increase / (decrease) in cash and cash equivalents	(99)	101	(8)	(56)	65	9
Cash and cash equivalents at the end of the year	44	143	42	50	106	41

PERFORMANCE INDICATORS

		2022	2021	2020	2019	2018	2017
Profitability Ratios							
Gross profit ratio	%	10.20	13.43	6.69	3.91	4.00	3.19
Net profit to sales	%	3.50	5.96	0.76	(1.24)	0.10	0.73
Return on equity	%	22.82	36.30	7.50	(17.33)	0.86	3.37
Return on capital employed	%	49.73	59.61	7.70	(0.60)	7.34	12.87
Earning/(loss) per share	Rs.	10.99	14.19	(0.69)	(4.04)	0.26	1.35
Liquidity Ratios							
Current ratio	Times	1.16	1.09	0.87	0.81	0.90	1.20
Quick ratio	Times	0.78	0.71	0.57	0.51	0.62	0.89
Cash to current liabilities	%	0.03	0.11	0.02	0.03	0.08	0.05
Activity / Turnover Ratios							
Inventory turnover	Times	11	9	10	17	18	12
Number of days in inventory	Days	33	40	36	22	20	31
Debtor turnover	Times	20	23	23	45	64	77
Number of days in receivables	Days	18	16	16	8	6	5
Creditors turnover	Times	9	7	7	9	10	10
Number of days in payables	Days	42	52	51	39	35	35
Total assets turnover	Times	1.01	0.80	0.83	1.24	1.16	0.82
Property, plant and equipment turnover	Times	1.35	1.04	1.07	1.59	1.49	1.04
Investment / Market Ratios							
Basic and diluted earning/(loss) per share	Rs.	10.99	14.19	1.83	(4.04)	0.26	1.35
Price earning ratio	Times	4.15	3.86	21.69	(7.02)	96.69	33.07
Market value per share							
- At the end of year	Rs.	45.66	54.75	39.70	28.38	25.14	44.65
- Highest during the year	Rs.	59.17	60.00	42.88	39.64	39.64	53.90
- Lowest during the year	Rs.	30.55	24.94	24.94	23.89	25.14	44.00
Break up value w/o surplus on revaluation	Rs.	48.15	39.14	24.71	23.43	30.80	40.28
Break up value with surplus on revaluation	Rs.	237.16	221.71	207.28	206.00	166.72	184.35
Capital Structure Ratios							
Financial leverage ratio	Times	0.72	0.65	1.85	1.49	1.01	0.77
Long term debt to equity ratio	%	10.17	23.00	34.82	24.67	25.50	26.25
Interest coverage ratio	Times	4.35	5.57	1.50	0.95	1.89	3.79

CCML
Crescent Cotton Mills Ltd.

Form - 34

The Companies Act, 2017

(Section 277(f))

Pattern Of Shareholding

1. Incorporation Number **0000984**
2. Name of The Company **Crescent Cotton Mills Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at : **June 30, 2022**

Shareholders	From	To	Total Shares
566	1	100	17,227
421	101	500	103,106
143	501	1,000	101,329
157	1,001	5,000	319,904
31	5,001	10,000	213,313
7	10,001	15,000	87,358
6	15,001	20,000	103,077
4	20,001	25,000	94,477
3	25,001	30,000	81,419
5	30,001	35,000	168,747
3	35,001	40,000	112,834
8	40,001	45,000	336,019
3	45,001	50,000	142,626
4	50,001	55,000	212,742
2	55,001	60,000	116,280
2	60,001	65,000	128,428
1	65,001	70,000	66,102
2	70,001	75,000	146,172
3	80,001	85,000	246,604
1	85,001	90,000	88,491
1	90,001	95,000	90,650
3	100,001	105,000	308,934
1	105,001	110,000	106,000
1	120,001	125,000	121,480
2	125,001	130,000	253,734
2	135,001	140,000	271,329
5	145,001	150,000	727,420
1	150,001	155,000	154,799
3	155,001	160,000	472,523
3	160,001	165,000	491,016
2	165,001	170,000	333,568
1	170,001	175,000	171,615
1	175,001	180,000	176,790
1	180,001	185,000	183,565
2	190,001	195,000	381,600
1	195,001	200,000	200,000
1	205,001	207,208	207,208
2	210,001	426,255	426,255
2	225,001	452,278	452,278
1	230,001	230,834	230,834
1	255,001	259,782	259,782
1	270,001	273,280	273,280
1	310,001	312,538	312,538
1	350,001	353,224	353,224
1	380,001	382,877	382,877
1	385,001	388,557	388,557
1	390,001	391,468	391,468
1	405,001	407,559	407,559
1	410,001	413,264	413,264
1	435,001	439,637	439,637
1	440,001	440,321	440,321
1	570,001	573,999	573,999
1	590,001	590,744	590,744
1	605,001	606,885	606,885
1	640,001	640,147	640,147
1	670,001	671,646	671,646
1	705,001	708,599	708,599
1	855,001	859,050	859,050
1	1,030,001	1,034,499	1,034,499
1	1,060,001	1,061,848	1,061,848
1	1,225,001	1,229,104	1,229,104
1	1,970,001	1,973,245	1,973,245
1430			**22,660,126**

Sr.#	Categories of Shareholders	Numbers	Shares Held	Percentage
1	Insurance Companies	1	212,000	0.94
2	Others	8	151,118	0.67
3	Financial Institutions	9	618,070	2.73
4	Individuals	1385	19,089,318	84.24
5	Investment Companies	5	9,231	0.04
6	Joint Stock Companies	20	1,518,337	6.70
7	Mutual Fund	2	1,062,052	4.69
	Grand Total	**1,430**	**22,660,126**	**100.00**

PATTERN OF HOLDING OF SHARES

Held by Shareholders as at June 30, 2022

Categories of Shareholder	Total Holding	%Age
1 - Directors, Chief Executive Officer, Their Spouses and Minor Childern		
Chief Executive Officer		
Mr. Abid Mehmood	201,229	0.89
Directors		
Mr. Adnan Amjad	708,599	3.13
Mr. Salman Rafi	80,203	0.35
Mrs. Shameen Azfar	40,694	0.18
Mr. Naveed Gulzar	1,118,919	4.94
Mr. Taimur Amjad	671,646	2.96
Mrs. Nazish Arshad	2,198,770	9.70
Director's Spouses and Their Minor Childern		
Mrs. Marium Naveed	105	0.00
Mst. Shireen Abid	1,582,328	6.98
	6,602,493	29.14
2 - Executives		
Executives	3,227,816	14.24
	3,227,816	14.24
3 - Associated Companies, Undertakings & Related Parties		
Premier Indurance Limited	212,000	0.94
	212,000	0.94
6 - Banks, NBFCs, DFIs, Takaful, Pension Funds		
Banks, NBFCs, DFIs, Takaful, Pension Funds	1,689,353	7.46
	1,689,353	7.46
7 - Other Companies		
Other Companies, Corporate Bodies, Trust etc.	1,669,455	7.37
	1,669,455	7.37
9 - General Public		
A. Local	9,259,009	40.86
B. Foreign	-	-
	9,259,009	40.86
	22,660,126	100.00

Shareholders More Than 5.00%	Shares	%Age
Miss Nazish Arshad	2,198,770	9.70
Mst. Shireen Abid	1,582,328	6.98

Crescent Cotton Mills Limited
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended 30 June 2022

Crescent Cotton 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: 5 (Five)
   b. Female: 2 (Two)

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

Category	**Name**
Independent Directors	Mr. Salman Rafi
	Mrs. Shameen Azfar (Female)
Executive Directors	Mr. Naveed Gulzar
	Mr. Abid Mehmood (Chief Executive Officer)
Non-Executive Directors	Mr. Taimur Amjad (Chairman)
	Mr. Adnan Amjad
	Miss Nazish Arshad (Female)

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 have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Five of the seven board members have either completed directors' training programme or are exempt due to the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies. The remaining directors will complete the training in next financial year;

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

    a) Audit Committee

Mr. Salman Rafi	(Chairman)
Mr. Adnan Amjad	(Member)
Mr. TaimurAmjad	(Member)

    b) HR and Remuneration Committee

Mrs. ShameenAzfar	(Chairman)
Mr. Adnan Amjad	(Member)
Miss.NazishArshad	(Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the aforesaid committees were as per following:

    a) Audit Committee: Four meetings during the financial year ended 30 June, 2022.
    b) HR and Remuneration Committee: One meeting during the financial year ended 30 June, 2022.

15. The Board has outsourced the internal audit function to RSM Avais Hyder Liaquat Nauman, Chartered Accountants 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 with, except for the independent directors in which fraction is not rounded up as one because only two directors were consented to contest as independent director in elections and 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 No.	Requirement	Explanation for Non-compliance	Reg. No.
1	**Qualification of Company Secretary:** The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	The Company is in the process of hiring the suitable individual for the company secretary.	24
2	**Nomination Committee:** The Board may constitute a separate committee, designated as the nomination committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.	29(1)
3	**Risk Management Committee:** The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and apprises the Board accordingly.	30(1)
4	**Directors' Training:** By June 30, 2022 all the directors on their Board have participated in directors training program.	Directors' Training Program has been planned by the Company to arrange it in next year, for its remaining two directors.	19(1)(iii)

For and on behalf of the Board of Directors

CHAIRMAN **CHIEF EXECUTIVE OFFICER**

Faisalabad
September 30, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Crescent Cotton Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Cotton Mills Limited (the Company) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
October 06, 2022
UDIN: CR202210158WhTsXdyL7

INDEPENDENT AUDITOR'S REPORT
To the members of Crescent Cotton Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements ofCrescent Cotton Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, other comprehensive 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. No.	Key audit matters	How the matter was addressed in our audit
1.	**Inventory existence and valuation** Inventories as at 30 June 2022 amounting to Rupees 732.871 million, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 74.982 million - Stock-in-trade of Rupees 657.889 million Inventories are stated at lower of cost and net realizable value.	Our procedures over existence and valuation of inventories included, but were not limited to: · 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

	We identified existence and valuation of inventories as a key audit matter due to their size, representing 9.93% of the total assets of the Company as at 30 June 2022, and the judgment involved in valuation. For further information on inventories, refer to the following: - Summary of significant accounting policies, Inventories (Note 2.11 to the financial statements). - Stores, spare parts and loose tools (Note 20) and Stock-in-trade (Note 21) to the financial statements.	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. • 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 inquiries from 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.	**Revenue recognition** The Company recognized revenue of Rupees 7,115.273 million for the year ended 30 June 2022. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue recognition, refer to the following: - Summary of significant accounting policies, Revenue from contracts with customers (Note 2.13 to the financial statements). - Revenue from contracts with customers(Note 28 to the financial statements).	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirementsregarding independence, and to communicate with them all relationships and other matters that may reasonablybe 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
October 06, 2022
UDIN: AR2022101580OsQq6U78

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

EQUITY AND LIABILITIES	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2020: 30 000 000) ordinary shares of Rupees 10 each		300,000	300,000
Issued, subscribed and paid up share capital	3	226,601	226,601
Reserves			
Capital reserves			
Premium on issue of shares reserve	4	5,496	5,496
Plant modernization reserve		12,000	12,000
Fair value reserve	5	86,738	129,771
Surplus on revaluation of freehold land and investment properties	6	4,283,308	4,136,711
		4,387,542	4,283,978
Revenue reserves	7	759,843	513,050
Total reserves		5,147,385	4,797,028
Total equity		5,373,986	5,023,629
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	8	110,989	203,742
Deferred liabilities	9	160,669	149,201
		271,658	352,943
CURRENT LIABILITIES			
Trade and other payables	10	803,446	678,321
Unclaimed dividend		3,970	3,971
Accrued mark-up	11	20,236	11,623
Short term borrowings	12	674,053	368,704
Current portion of non-current liabilities	13	153,927	175,510
Provision for taxation		80,263	75,853
		1,735,895	1,313,982
TOTAL LIABILITIES		2,007,553	1,666,925
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		7,381,539	6,690,554

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

CHIEF EXECUTIVE OFFICER

ASSETS	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
NON-CURRENT ASSETS			
Property, plant and equipment	15	5,052,394	4,936,183
Investment properties	16	260,018	267,729
Long term investments	17	9,326	9,260
Long term deposits		3,383	3,383
Long term advances	18	156	115
Deferred income tax asset	19	44,667	47,304
		5,369,944	5,263,974
CURRENT ASSETS			
Stores, spare parts and loose tools	20	74,982	66,478
Stock-in-trade	21	657,889	488,087
Trade debts	22	513,765	194,519
Loans and advances	23	44,201	16,121
Short term deposit and prepayments	24	1,891	3,327
Other receivables	25	317,321	136,752
Income tax		201,597	197,114
Short term investments	26	156,312	181,465
Cash and bank balances	27	43,637	142,717
		2,011,595	1,426,580
TOTAL ASSETS		7,381,539	6,690,554

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
REVENUE FROM CONTRACTS WITH CUSTOMERS	28	**7,115,273**	5,405,943
COST OF SALES	29	**(6,388,941)**	(4,680,320)
GROSS PROFIT		**726,332**	725,623
DISTRIBUTION COST	30	**(129,579)**	(74,235)
ADMINISTRATIVE EXPENSES	31	**(198,570)**	(199,319)
OTHER EXPENSES	32	**(36,380)**	(40,423)
OTHER INCOME	33	**69,809**	73,470
FINANCE COST	34	**(99,133)**	(86,958)
PROFIT BEFORE TAXATION		**332,479**	398,158
TAXATION	35	**(83,475)**	(76,574)
PROFIT AFTER TAXATION		**249,004**	321,584
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	36	**10.99**	14.19

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

CCML Crescent Cotton Mills Ltd.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	**249,004**	321,584
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	**(5,447)**	(26,296)
Deferred income tax related to experience adjustment	**1,501**	7,064
	(3,946)	(19,232)
Surplus on revaluation of freehold land	**146,597**	-
(Deficit) / Surplus arising on remeasurement of investments at fair value through other comprehensive income	**(38,406)**	24,546
Deferred income tax relating investment at fair value through other comprehensive income	**(2,892)**	(224)
	(41,298)	24,322
	101,353	5,090
Items that may be reclassified subsequently to profit or loss:	**-**	-
Other comprehensive income / (loss) for the year - net of tax	**101,353**	5,090
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**350,357**	326,674

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CCML
Crescent Cotton Mills Ltd.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	SHARE CAPITAL	RESERVES										TOTAL EQUITY
		CAPITAL RESERVES					REVENUE RESERVES			Total Reserves		
		Premium on issues of shares	Plant modernization	Fair value reserve of investments at FVTOCI	Surplus on revaluation of freehold land and investment properties	Sub total	General reserve	Unappropriated profit	Sub total			
	(RUPEES IN THOUSAND)											
Balance as at 01 July 2020	226,601	5,496	12,000	114,105	4,136,711	4,268,312	100,988	101,054	202,042	4,470,354		4,696,955
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(8,656)	-	(8,656)	-	8,656	8,656	-		-
Profit for the year	-	-	-	-	-	-	-	321,584	321,584	321,584		321,584
Other comprehensive loss for the year	-	-	-	24,322	-	24,322	-	(19,232)	(19,232)	5,090		5,090
Total comprehensive income for the year	-	-	-	24,322	-	24,322	-	302,352	302,352	326,674		326,674
Balance as at 30 June 2021	226,601	5,496	12,000	129,771	4,136,711	4,283,978	100,988	412,062	513,050	4,797,028		5,023,629
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(1,735)	-	(1,735)	-	1,735	1,735	-		-
Profit for the year	-	-	-	-	-	-	-	249,004	249,004	249,004		249,004
Other comprehensive income for the year	-	-	-	(41,298)	146,597	105,299	-	(3,946)	(3,946)	101,353		101,353
Total comprehensive income for the year	-	-	-	(41,298)	146,597	105,299	-	245,058	245,058	350,357		350,357
Balance as at 30 June 2022	226,601	5,496	12,000	86,738	4,283,308	4,387,542	100,988	658,855	759,843	5,147,385		5,373,986

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	37	**(27,567)**	806,456
Finance cost paid		**(90,342)**	(88,575)
Income tax paid		**(82,302)**	(127,477)
Employees' retirement benefit paid		**(32,657)**	(43,962)
Decrease / (increase) in long term deposits		**-**	1,306
Increase in long term advances		**(41)**	(115)
Net cash (used in) / generated from operating activities		**(232,909)**	547,633
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(57,286)**	(175,672)
Short term investment acquired		**(16,399)**	-
Proceeds from sale of property, plant and equipment		**6,322**	104,253
Proceeds from sale of investments		**3,081**	12,742
Net cash used in investing activities		**(64,282)**	(58,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(116,979)**	(70,538)
Proceeds from long term financing		**9,742**	155,205
Short term borrowings - net		**305,349**	(472,565)
Dividend paid		**(1)**	(9)
Net cash used in financing activities		**198,111**	(387,907)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(99,080)**	101,049
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**142,717**	41,668
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 27)		**43,637**	142,717

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited (the Company) is a public limited company incorporated in March 1959 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the business of manufacturing and sale of yarn, home textile and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups. The Company also operates an embroidery unit. The Company's registered office is situated at New Lahore Road, Nishatabad, Faisalabad,

1.1 Geographical location and addresses of all business units of the Company are as follows:

Manufacturing Unit	Address
Spinning Unit No. 1 and 2, Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab
Spinning Unit No. 4	45-Km Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur, Punjab
Embroidery Unit	New Lahore Road, Nishatabad, Faisalabad, Punjab
Liasion Unit	408-Business Avenue, Shahrah-e-Faisal, Karachi, Sindh
Liasion Unit	3rd Floor, 151, CCA, Commercial Area, DHA, Phase-5, Lahore

1.2 These financial statements are the separate financial statements of the Company. Consolidated financial statements are prepared separately. Detail of the Company's investment in subsidiary is stated in Note 17 to 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), as notified under the Companies Act, 2017; and

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

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

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment and investment properties 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 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 and investment properties with a corresponding effect on the depreciation charge and impairment, wherever applicable.

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. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed in contingencies.

Recovery of deferred tax assets

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

Provisions

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

Contingencies

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

Allowance for Expected Credit Losses (ECLs)
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.

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.

Employees retirement benefit
Certain actuarial assumptions have been adopted as disclosed in Note 9.1.3 to the financial statements for determination of present value of defined benefit obligation. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2021:

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

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2022 or later periods:

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

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 01 January 2022 clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

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

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

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

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees. 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.

2.3 Employees' retirement benefit

The Company operates defined benefit plan - unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The liabilities relating to defined benefit plan are determined through actuarial valuation using the Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2022. The method involves making assumptions about discount rates, future salary increases and mortality rates. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 9.1.3 to these financial statements.

Remeasurement changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.4 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The Company follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

2.5 Dividend and other appropriations

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

2.6 Taxation

Current
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 and includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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

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

2.7 Property, plant, equipment and depreciation

Operating fixed assets
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. Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized 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.

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 property, plant and equipment is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

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

2.8 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

2.9 Financial Instruments

i) Classification and measurement of financial instruments
Investments and other financial assets
a) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value through other comprehensive income; and
- those to be measured at amortized cost

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

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

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

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

Equity instruments

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

Fair Value Through Other Comprehensive Income (FVTOCI)

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

Financial liabilities

Classification and measurement

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

ii) Impairment of financial assets

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

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

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

iii) De-recognition of financial assets and financial liabilities

Financial assets

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

Financial liabilities

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

iv) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements only when there is a legally 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 Investment in subsidiary company

Investment in subsidiary company is stated at cost less any identified impairment loss, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.11 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i)	For raw materials	Weighted average basis
(ii)	For work-in-process and finished goods	Average material cost, proportionate direct labour and factory overheads

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at 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.

2.12 Cash and cash equivalents

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

2.13 Revenue from contracts with customers

i) Revenue recognition

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

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

Rent
Revenue is recognized when rent is accrued.

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

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

ii) Contract assets

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

iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

iv) Contract liabilities

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

2.14 Borrowings

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

2.15 Trade and other receivables

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

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

2.16 Share capital

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

2.17 Trade and other payables

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

2.18 Borrowing cost

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

2.19 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 statement of financial position 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, 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 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.

2.21 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 management 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 include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has two reportable business segments: Textiles and Trading. Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

2.22 Earnings per share

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

2022	2021		2022	2021
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid up in cash	**55,098**	55,098
16 992 345	16 992 345	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	**169,923**	169,923
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up, issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
22 660 126	22 660 126		**226,601**	226,601

3.1 Ordinary shares of the Company held by the associated companies:

	2022	2021
	(NUMBER OF SHARES)	
Premier Insurance Limited	**212 000**	212 000

4. PREMIUM ON ISSUE OF SHARES RESERVE

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

5. FAIR VALUE RESERVE

This represents the unrealized gain on re-measurement of available for sale investments at fair value and is not available for distribution. Reconciliation of fair value reserve-net of deferred tax is as under:

	2022	2021
	(RUPEES IN THOUSAND)	
Balance as on 01 July	**129,771**	114,105
Fair value adjustment during the year	**(38,406)**	24,546
	91,365	138,651
Less:		
Deferred income tax relating to investments	**2,892**	224
Gain realized on disposal of equity investments	**1,735**	8,656
	4,627	8,880
Balance as on 30 June	**86,738**	129,771

6. SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

	2022	2021
Freehold land (Note 6.1)	**4,170,169**	4,023,572
Investment properties	**113,139**	113,139
	4,283,308	4,136,711

6.1 Surplus on revaluation of freehold land

	2022	2021
Balance as on 01 July	**4,023,572**	4,023,572
Surplus on revaluation of freehold land (Note 15.1)	**146,597**	-
Balance as on 30 June	**4,170,169**	4,023,572

6.1.1 This represents surplus resulting from revaluation of freehold land carried out on 30 June 2022 by independent valuer Messrs Evaluation Focused Consulting. The valuation was determined with respect to the present market value of similar properties. Previously revaluation was carried out in June 2019, June 2016, June 2015 and March 2010 by independent valuers.

7. REVENUE RESERVE

	2022	2021
General reserve	**100,988**	100,988
Unappropriated profit	**658,855**	412,062
	759,843	513,050

8. LONG TERM FINANCING

	2022	2021
From banking company - secured		
Long term loans (Note 8.1)	**202,671**	307,047
Less: Current portion shown under current liabilities (Note 13)	**91,682**	103,305
	110,989	203,742

8.1 Long Term Loans

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	INTEREST REPRICING	SECURITY
	(RUPEES IN THOUSAND)						
National Bank of Pakistan	**73,384**	**115,318**	3 Month KIBOR+3%	Twenty equal quarterly installments starting from 26 April 2018 and ending on 26 January 2024	Quarterly	Quarterly	First charge of Rupees 318 million over the land of the Company at 45 Km, Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan	**15,353**	**18,765**	6%	Twenty seven equal quarterly installments starting from 30 June 2020 and ending on 31 December 2026	Quarterly	-	
National Bank of Pakistan	**27,010**	**32,696**	6%	Twenty seven equal quarterly installments starting from 27 July 2020 and ending on 27 January 2027	Quarterly	-	
National Bank of Pakistan	**8,103**	**9,809**	6%	Twenty seven equal quarterly installments starting from 19 August 2020 and ending on 19 February 2027	Quarterly	-	First charge of Rupees 107 million over entire fixed assets of the Company at Spinning Unit No. 1 and 2 and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan	**2,844**	**3,412**	6%	Twenty eight equal quarterly installments starting from 21 July 2020 and ending on 21 April 2027	Quarterly	-	
National Bank of Pakistan Loan under SBP Refinance Scheme (Note 8.1.1)	**7,259**	**21,127**	SBP rate +3%	Eight equal quarterly installments starting from 16 January 2021 and ending on 16 October 2022	Quarterly	-	
National Bank of Pakistan Loan under SBP Refinance Scheme (Note 8.1.1)	**8,845**	**25,739**	SBP rate +3%	Eight equal quarterly installments starting from 17 January 2021 and ending on 17 October 2022	Quarterly	-	First charge of Rupees 134 Million over fixed assets of the Company at Nishatabad, Faisalabad and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan Loan under SBP Refinance Scheme (Note 8.1.1)	**8,597**	**24,974**	SBP rate +3%	Eight equal quarterly installments starting from 03 February 2021 and ending on 03 November 2022	Quarterly	-	
National Bank of Pakistan	**51,276**	**55,207**	3 Month KIBOR+2.5%	Nineteen equal quarterly installments starting from 30 September 2021 and ending on 31 March 2026	Quarterly	Quarterly	First specific/exclusive charge for Rupees 87 million over plant and machinery i.e. solar panel system of the Company installed at Unit No. 4 located at 45 Km, Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
	202,671	**307,047**					

8.1.1 These term finance facilities were obtained by the Company under SBP refinance scheme for payment of salaries and wages to the employees and workers of business concerns. These loans are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rate of 9.64%, 9.66% and 10.09% per annum.

	2022	2021
	(RUPEES IN THOUSAND)	

9. DEFERRED LIABILITIES

Employees' retirement benefit (Note 9.1)	**160,669**	141,054
Deferred income - Government grant (Note 9.2)	**-**	298
Gas Infrastructure Development Cess (GIDC) payable (Note 9.3)	**-**	7,849
	160,669	149,201

9.1 Employees' Retirement Benefit

Reconciliation of the movements in the net liability recognized in the statement of financial position

Opening balance	**141,054**	127,076
Add: Provision for the year (Note 9.1.2)	**46,825**	31,644
Experience adjustment recognized in other comprehensive income	**5,447**	26,296
	193,326	185,016
Less: Paid during the year	**(32,657)**	(43,962)
Closing Balance	**160,669**	141,054

9.1.1 Movements in the present value of defined benefit obligation

Opening balance	**141,054**	127,076
Current service cost	**34,353**	22,273
Interest expense	**12,472**	9,371
Retirement benefit paid	**(32,657)**	(43,962)
Experience adjustment recognized in other comprehensive income	**5,447**	26,296
Closing balance	**160,669**	141,054

9.1.2 Provision for the year

Current service cost	**34,353**	22,273
Interest expense	**12,472**	9,371
	46,825	31,644

9.1.3 Significant actuarial assumptions used

	2022	2021
Discount rate to determine defined benefit cost (per annum)	10.00%	8.50%
Expected rate of increase in salary to determine defined benefit cost (per annum)	9.00%	7.50%
Discount rate to determine defined benefit obligation (per annum)	13.25%	10.00%
Expected rate of increase in salary to determine defined benefit obligation (per annum)	12.25%	9.00%
Average duration of the benefit (years)	7	7
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year

9.1.4 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2023 is Rupees 53.394 million.

9.1.5 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

	2022	2021
Discount rate	**1.00%**	1.00%
Increase in assumption (Rupees in thousand)	**(19,237)**	(8,711)
Decrease in assumption (Rupees in thousand)	**1,296**	10,349
Future salary increase	**1.00%**	1.00%
Increase in assumption (Rupees in thousand)	**1,483**	10,520
Decrease in assumption (Rupees in thousand)	**(19,608)**	9,015

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 9.1.3.

9.1.6 The defined benefit obligation exposes the Company to the actuarial risks such as:

Discount rate risk
The risk of changes in discount rate may have an impact on the Plan's liability.

Salary increase / inflation risk
The risk that the actual salary increase is higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

Mortality risk
Actual mortality experience may be different than that assumed in the calculation.

Withdrawal risk
Actual withdrawals experience may be different from that assumed in the calculation.

		2022	2021
		(RUPEES IN THOUSAND)	
9.2	**Deferred income - Government grant**		
	Balance as on 01 July	**3,159**	-
	Add: Recognized during the year	**-**	8,178
	Less: Amortization during the year (Note 33)	**2,861**	5,019
		298	3,159
	Less: Current portion shown under current liabilities (Note 13)	**298**	2,861
	Balance as on 30 June	**-**	298

9.2.1 This represents deferred government grant in respect of long term loans obtained under SBP Refinance sheme for payment of wages and salaries as disclosed in Note 8.1.1 to these financial statements.

		2022	2021
9.3	**Gas Infrastructure Development Cess (GIDC) payable**		
	Balance as on 01 July	**77,193**	94,875
	Add: Unwinding of discount on GIDC payable (Note 34)	**2,683**	5,450
	Less: Gain on remeasurement of GIDC	**-**	8,191
	Less: Payments made during the year	**17,929**	14,941
		61,947	77,193
	Less: Current portion shown under current liabilities (Note 13)	**61,947**	69,344
	Balance as on 30 June	**-**	7,849

9.3.1 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. This liability has been recognized at fair value using discount rate of 9.16% per annum.

9.3.2 This amount is exclusive of GIDC amounting to Rupees 70.869 million, related to Spinning Unit No. 3 of the Company which was sold last year and as per the agreement, its liabilities were taken over by the new owner of the property. However, the provision of this amount has been included in 'trade and other payables' which will be written back after the confirmation of Sui Northern Gas Pipelines Limited (SNGPL) regarding transfer of liability of GIDC.

		2022	2021
10.	**TRADE AND OTHER PAYABLES**		
	Creditors	**282,700**	312,739
	Accrued liabilities (Note 10.1)	**343,997**	254,092
	Contract liabilities - unsecured	**135,636**	74,066
	Income tax deducted at source	**11,452**	8,869
	Workers' profit participation fund (Note 10.2)	**17,656**	21,509
	Workers' welfare fund (Note 10.3)	**12,005**	7,046
		803,446	678,321

		2022	2021
		(RUPEES IN THOUSAND)	
10.1	These include amounts due to following related parties:		
	Crescot Mills Limited - subsidiary company	**1,095**	1,117
	Premier Insurance Limited - associated company	**-**	1,697
		1,095	2,814
10.2	**Workers' profit participation fund**		
	Balance as on 01 July	**21,509**	2,446
	Add:		
	Provision for the year (Note 32)	**17,656**	21,335
	Interest for the year (Note 34)	**1,535**	174
		40,700	23,955
	Less: Payments during the year	**23,044**	2,446
	Balance as on 30 June	**17,656**	21,509

10.2.1 Interest is accrued at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds retained by the Company.

		2022	2021
10.3	**Workers' welfare fund**		
	Balance as on 01 July	**7,046**	-
	Provision for the year (Note 32)	**4,959**	7,046
	Balance as on 30 June	**12,005**	7,046
11.	**ACCRUED MARK-UP**		
	Long term financing	**6,023**	5,606
	Short term borrowings	**14,213**	6,017
		20,236	11,623
12.	**SHORT TERM BORROWINGS**		
	From banking company - secured		
	Cash finances (Note 12.1)	**328,223**	78,033
	Others - unsecured		
	Other related parties (Note 12.2)	**281,757**	290,671
	Temporary book overdrawn	**64,073**	-
		345,830	290,671
		674,053	368,704

	2022	2021
	(RUPEES IN THOUSAND)	

12.1 These form part of total credit facility of Rupees 1,250 million (2021: Rupees 1,250 million) and carries mark-up at the rates of 1 month KIBOR plus 2 percent and 3 month KIBOR plus 2 percent (2021: 1 month KIBOR plus 2 percent and 3 month KIBOR plus 2 percent) per annum. These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of Chief Executive Officer, Director, Sponsor and certain executives. The rate of mark-up ranges from 3 percent to 17.32 percent (2021: 9.25 percent to 9.60 percent) per annum during the year on the balances outstanding.

12.2 These represent interest free loans obtained from Chief Executive Officer, Directors, Executives and Sponsors of the Company to meet the working capital requirements of the Company, which are repayable on demand.

13. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2022	2021
Current portion of long term financing (Note 8)	**91,682**	103,305
Current portion of deferred income - Government grant (Note 9.2)	**298**	2,861
Current portion of GIDC payable (Note 9.3)	**61,947**	69,344
	153,927	175,510

14. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Certain additions have been made by the assessing officers in tax years 1993, 2006 and 2010 on various grounds and have created demand of Rupees 5.635 million (2021: Rupees 5.635 million). The Company, being aggrieved, has filed appeals with Lahore High Court, Lahore and with Supreme Court of Pakistan, which are still pending. Dates of the institution of above mentioned appeals were 14 October 2002, 05 September 2016 and 05 April 2017 respectively. No provision has been made in these financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited (CFL) for the recovery of Rupees 23.000 million (2021: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. CFL filed an application seeking rejection of the suit but the said application was dismissed by Civil Court, Lahore. Against this rejection, CFL filed civil revision petition before Lahore High Court, Lahore on 08 October 2016 and under order of Lahore High Court, Lahore, the proceedings before Civil Court, Lahore were stayed. No provision against this receivable has been made in these financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) The Company has filed a suit in Lahore High Court, Lahore, dated 15 October 2018 against the levy of cotton cess. However the related provision of Rupees 1.696 million (2021: Rupees 1.696 million) is not accounted for in these financial statements as the management is hopeful that the case will be decided in the favour of the Company.

iv) Cheques of Rupees 32.485 million (2021: Rupees 32.485 million) are issued to Nazir of The High Court of Sindh, Karachi as security against impugned gas rate difference suit, related to Spinning Unit No. 3 of the Company which was sold during the last year. If the outcome of the suit comes against the Company, cheques issued as security shall be encashable.

V) Guarantees of Rupees 74.998 million (2021: Rupees 87.432 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Lahore Electric Supply Company Limited against gas and electricity connections.

	2022	2021
	(RUPEES IN THOUSAND)	

b) Commitments

i) Letters of credit for capital expenditure are of Rupees Nil (2021: Rupees 5.889 million).

ii) Letters of credit other than for capital expenditure are of Rupees 133.276 million (2021: Rupees 103.970 million).

15. PROPERTY, PLANT AND EQUIPMENT

	2022	2021
Operating fixed assets (Note 15.1)	**5,051,753**	4,871,119
Capital work-in-progress (Note 15.2)	**641**	65,064
	5,052,394	4,936,183

	Freehold land	Buildings and Roads	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture & fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 June 2020	(RUPEES IN THOUSAND)										
Cost / revalued amount	4,116,781	279,111	1,161,157	180,944	74,967	22,802	14,875	29,383	13,024	1,105	5,894,149
Accumulated depreciation	-	(153,820)	(647,742)	(73,689)	(34,675)	(16,978)	(10,200)	(17,214)	(12,203)	(1,027)	(967,548)
Net book value	4,116,781	125,291	513,415	107,255	40,292	5,824	4,675	12,169	821	78	4,926,601
Year ended 30 June 2021											
Opening net book value	4,116,781	125,291	513,415	107,255	40,292	5,824	4,675	12,169	821	78	4,926,601
Additions	-	126	104,984	2,607	731	1,857	291	91	191	-	110,878
Disposals:											
Cost	-	(23,153)	(261,003)	-	(10,070)	(5,001)	(1,548)	(4,455)	-	-	(305,230)
Accumulated depreciation	-	18,492	184,516	-	6,392	4,007	926	3,574	-	-	217,907
	-	(4,661)	(76,487)	-	(3,678)	(994)	(622)	(881)	-	-	(87,323)
Depreciation charge	-	(11,934)	(48,779)	(10,781)	(3,785)	(600)	(442)	(2,317)	(375)	(24)	(79,037)
Closing net book value	4,116,781	108,822	493,133	99,081	33,560	6,087	3,902	9,062	637	54	4,871,119
At 30 June 2021											
Cost / revalued amount	4,116,781	256,084	1,005,138	183,551	65,628	19,658	13,618	25,019	13,215	1,105	5,699,797
Accumulated depreciation	-	(147,262)	(512,005)	(84,470)	(32,068)	(13,571)	(9,716)	(15,957)	(12,578)	(1,051)	(828,678)
Net book value	4,116,781	108,822	493,133	99,081	33,560	6,087	3,902	9,062	637	54	4,871,119
Year ended 30 June 2022											
Opening net book value	4,116,781	108,822	493,133	99,081	33,560	6,087	3,902	9,062	637	54	4,871,119
Revaluation surplus (Note 6.1)	146,597	-	-	-	-	-	-	-	-	-	146,597
Additions	-	-	48,361	68,940	691	-	1,348	2,369	-	-	121,709
Disposals:											
Cost	-	-	-	-	-	-	-	(8,223)	-	-	(8,223)
Accumulated depreciation	-	-	-	-	-	-	-	5,590	-	-	5,590
	-	-	-	-	-	-	-	(2,633)	-	-	(2,633)
Depreciation charge	-	(10,640)	(52,069)	(15,659)	(3,408)	(609)	(432)	(1,888)	(318)	(16)	(85,039)
Closing net book value	4,263,378	98,182	489,425	152,362	30,843	5,478	4,818	6,910	319	38	5,051,753
At 30 June 2022											
Cost / revalued amount	4,263,378	256,084	1,053,499	252,491	66,319	19,658	14,966	19,165	13,215	1,105	5,959,880
Accumulated depreciation	-	(157,902)	(564,074)	(100,129)	(35,476)	(14,180)	(10,148)	(12,255)	(12,896)	(1,067)	(908,127)
Net book value	4,263,378	98,182	489,425	152,362	30,843	5,478	4,818	6,910	319	38	5,051,753
Depreciation rate per annum (%)	-	5, 10	10, 15	10	10	10, 12	10	20	50	10, 25, 50	

15.1.1 The book value of freehold land on cost basis is Rupees 93.209 million (2021: Rupees 93.209 million).

15.1.2 Forced sale value of freehold land as at 30 June 2022 was Rupees 3,623.866 million.

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

	2022	2021
	(RUPEES IN THOUSAND)	
Cost of sales (Note 29)	**81,891**	72,634
Administrative expenses (Note 31)	**3,148**	6,403
	85,039	79,037

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

Particulars	Location	Area of land	Covered Area of
		Acers	**Sq. Ft.**
Head office and manufacturing facility of embroidery	New Lahore Road, Nishatabad, Faisalabad, Punjab	87.20	80 214
Manufacturing facility of Spinning and Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab	44.74	338 046
Manufacturing facility of Spinning	45-Km Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur, Punjab	11.47	178 417

15.2 Capital work-in-progress

	2022				2021			
	Balance as at 01 July 2021	Additions	Transfer to operating fixed assets	Balance as at 30 June 2022	Balance as at 01 July 2020	Additions	Transfer to operating fixed assets	Balance as at 30 June 2021
Buildings and roads	641	-	-	641	-	767	(126)	641
Plant and machinery	6,926	41,435	(48,361)	-	270	111,640	(104,984)	6,926
Vehicles	2,290	79	(2,369)	-	-	2,381	(91)	2,290
Stand-by equipment	55,207	13,733	(68,940)	-	-	57,814	(2,607)	55,207
	65,064	55,247	(119,670)	641	270	172,602	(107,808)	65,064

16. INVESTMENT PROPERTIES

	2022	2021
	(RUPEES IN THOUSAND)	
Balance as on 01 July	**267,729**	264,224
Add: Fair value gain during the year (Note 33)	**-**	3,505
Less: Fair value loss during the year (Note 32)	**7,711**	-
Balance as on 30 June	**260,018**	267,729

16.1 The fair value of investment properties comprising freehold land and buildings thereon at Nishatabad, Faisalabad has been determined on 30 June 2022 by Messrs Evaluation Focused Consulting, an independent valuer.

16.2 Forced sale value of investment properties as on the reporting date is Rupees 221.015 million (2021: Rupees 227.570 million).

16.3 Particulars of investment properties (i.e. land and buildings) are as follows:

Particulars	Location	Area of land	Covered Area of
		Acers	**Sq. Ft.**
Land and buildings	New Lahore Road, Nishatabad, Faisalabad	4.38	184,128

	2022	2021
	(RUPEES IN THOUSAND)	
17 LONG TERM INVESTMENTS		
Subsidiary company - unquoted		
Crescot Mills Limited		
1 932 187 (2021: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held 66.15% (2021: 66.15%)	**-**	-
At fair value through other comprehensive income		
Associated companies - quoted		
Premier Insurance Limited 303 384 (2021: 303 384) ordinary shares of Rupees 10 each fully paid. Equity held 0.60% (2021: 0.60%)	**75**	75
Jubilee Spinning and Weaving Mills Limited 474 323 (2021: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2021: 1.46%)	**427**	427
Others		
Quoted		
Crescent Jute Products Limited		
201 933 (2021: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2021: 0.85%)	**-**	-

	2022	2021
	(RUPEES IN THOUSAND)	
Crescent Fibres Limited 71 820 (2021: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2021: 0.58%)	**615**	615
Security Papers Limited 522 (2021: 522) ordinary shares of Rupees 10 each fully paid.	**1**	1
Unquoted		
Premier Financial Services (Private) Limited 2 500 (2021: Nil) ordinary shares of Rupees 1,000 each fully paid. Equity held 11.11% (2021: Nil)	**2,500**	2,500
Crescent Modaraba Management Company Limited 119 480 (2021: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2021: 6.52%)	**284**	284
Crescent Bahuman Limited 1 043 988 (2021: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 0.77% (2021: 0.77%)	**-**	-
Crescent Spinning Mills Limited 696 000 (2021: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2021: 4.59%)	**-**	-
	3,902	3,902
Add: Fair value adjustment	**5,424**	5,358
	9,326	9,260

18 LONG TERM ADVANCES

Considered good:

	2022	2021
Employees - against salary	718	355
Less: Current portion shown under current assets (Note 23)	562	240
	156	115

18.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefit. These are recoverable in equal monthly installments.

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

	2022	2021
	(RUPEES IN THOUSAND)	
19. DEFERRED INCOME TAX ASSET		
Taxable temporary differences		
Accelerated tax depreciation	**(104,541)**	(101,313)
Fair value reserve of investments	**(2,224)**	-
	(106,765)	(101,313)
Deductible temporary differences		
Unused tax losses and minimum tax	**84,556**	84,064
Fair value reserve of investments	**-**	657
Deferred income - Government grant	**82**	849
Provision for GIDC	**17,068**	20,737
Provision for gratuity	**44,268**	37,892
Provision for doubtful receivables	**5,458**	4,418
	151,432	148,617
	44,667	47,304

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

	2022	2021
Opening balance	**47,304**	53,629
(Less) / add:		
- accelerated tax depreciation	**(3,228)**	4,604
- provision for gratuity	**6,376**	3,419
- provision for GIDC	**(3,669)**	849
- deferred income - Government grant	**(767)**	20,737
- provision for doubtful receivables	**1,040**	(1,117)
- fair value reserve of investments	**(2,881)**	224
- unused tax losses and minimum tax	**492**	(35,041)
Net movement of temporary differences (Note 19.1.1)	**(2,637)**	(6,326)
Closing balance	**44,667**	47,304

	2022	2021
	(RUPEES IN THOUSAND)	

19.1.1 Charged to the statement of profit or loss:

	2022	2021
Net movement of temporary differences (Note 19.1)	**2,637**	6,326
- experience adjustment on gratuity	**1,501**	7,064
- unrealized gain on investments at FVTOCI	**(2,892)**	(224)
	(1,391)	6,840
Charged to the statement of profit or loss	**1,246**	13,166

19.1.2 Deductible temporary differences are considered to the extent that the realization of related tax benefits is probable from reversals of existing taxable temporary differences and future taxable profits.

20. STORES, SPARE PARTS AND LOOSE TOOLS

	2022	2021
Stores	**34,587**	22,640
Spare parts	**40,311**	43,674
Loose tools	**84**	164
	74,982	66,478

21. STOCK-IN-TRADE

	2022	2021
Raw materials (Note 21.1)	**316,768**	295,438
Work-in-process	**77,012**	30,777
Finished goods (Note 21.2)	**263,192**	160,066
Waste	**917**	1,806
	657,889	488,087

21.1 These include stock in transit of Rupees 26.489 million (2021: Rupees 15.165 million).

21.2 These include stock of Rupees 91.550 million (2021: Rupees 155.730 million) sent to outside parties for weaving.

22. TRADE DEBTS

Considered good:

	2022	2021
Unsecured	**518,837**	197,994
Less: Allowance for expected credit losses (Note 22.4)	**(5,072)**	(3,475)
	513,765	194,519

	2022	2021
	(RUPEES IN THOUSAND)	

22.1 As at 30 June 2022, trade debts of Rupees 352.557 million (2021: Rupees 98.305 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2022	2021
Upto 1 month	**120,851**	93,664
1 to 6 months	**181,022**	2,174
More than 6 months	**50,684**	2,467
	352,557	98,305

22.2 Trade debts in respect of foreign and local jurisdictions are as follows:

	2022	2021
America	**16,029**	16,056
Africa	**84,784**	53,500
Asia	**11,210**	-
Europe	**81,612**	17,385
Pakistan	**320,130**	107,578
	513,765	194,519

22.3 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 30 to 45 days from delivery in case of local sales, and 30 to 180 days in case of export sales.

22.4 Allowance for expected credit losses

	2022	2021
Balance as at 01 July	**3,475**	7,327
Add: Recognized during the year (Note 32)	**2,439**	1,763
	5,914	9,090
Recovered during the year (Note 33)	**(842)**	(5,615)
As at 30 June	**5,072**	3,475

23. LOANS AND ADVANCES

Considered good:

	2022	2021
Employees - interest free:		
Against expenses	**4,256**	4,382
Against salary	**398**	865
	4,654	5,247
	562	240
Current portion of long term advances (Note 18)	**41,596**	10,255
Advances to suppliers / contractors / service providers (Note 23.1)	**364**	379
Letters of credit	**47,176**	16,121
Less: Provision for doubtful loans and advances (Note 32)	**2,975**	-
	44,201	16,121

	2022	2021
	(RUPEES IN THOUSAND)	

23.1 This include Rupees 0.285 million (2021: Rupees Nil) due from Premier Insurance Limited, a related party. This balance is neither past due nor impaired.

23.2 The maximum aggregate amount due from the related party, Premier Insurance Limited at the end of any month during the year was Rupees 0.285 million (2021: Rupees Nil).

24. SHORT TERM DEPOSIT AND PREPAYMENTS

	2022	2021
Prepayments	**1,891**	2,020
Deposit	**-**	1,307
	1,891	3,327

25. OTHER RECEIVABLES

	2022	2021
Considered good:		
Sales tax and excise duty refundable	**259,985**	64,340
Duty drawback and export rebate	**6,371**	10,505
Others	**62,725**	73,667
	329,081	148,512
Less: Allowance for doubtful other receivables	**(11,760)**	(11,760)
	317,321	136,752

25. SHORT TERM INVESTMENTS

	2022	2021
At fair value through other comprehensive income		
Others - quoted		
Shakarganj Limited 1 143 693 (2021: 1 143 693) ordinary shares of Rupees 10 each fully paid. Equity held 0.91% (2021: 0.91%)	**7,194**	7,194
Crescent Steel and Allied Products Limited 76 (2021: 76) ordinary shares of Rupees 10 each fully paid.	**1**	1
Samba Bank Limited 2 579 313 (2021: 2 579 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.26% (2021: 0.26%)	**7,091**	7,091
The Crescent Textile Mills Limited 4 734 863 (2021: 4 026 391) ordinary shares of Rupees 10 each fully paid. Equity held 4.73% (2021: 5.03%)	**57,163**	42,109
	71,449	56,395
Add: Fair value adjustment	**84,863**	125,070
	156,312	181,465

		2022	2021
		(RUPEES IN THOUSAND)	
27.	**CASH AND BANK BALANCES**		
	With banks:		
	On current accounts	**42,764**	142,040
	Cash in hand	**873**	677
		43,637	142,717
28.	**REVENUE**		
	Local sales (Note 28.1)	**5,457,227**	4,761,200
	Export sales (Note 28.2)	**1,648,488**	634,423
	Export rebate and duty drawback	**9,558**	10,320
		7,115,273	5,405,943
28.1	**Local Sales**		
	Yarn	**6,249,022**	5,489,048
	Hosiery	**632**	-
	Cloth	**-**	5,753
	Raw Material	**98,886**	-
	Waste	**36,416**	34,006
		6,384,956	5,528,807
	Less: Sales tax	**927,729**	767,607
		5,457,227	4,761,200
28.2	**Export sales**		
	Yarn sale to customer having Duty and Tax Remission for Exports (DTRE)	**370,210**	-
	Cloth	**287,075**	297,607
	Hosiery	**124,626**	118,284
	Home Textiles	**866,577**	218,532
		1,648,488	634,423

28.3 The Company has recognized revenue of Rupees 72.367 million (2021: Rupees 80.503 million) from amounts included in contract liabilities at the year end.

28.4 The revenue has been recognized at the point in time as per the terms and conditions of underlying contracts with customers.

	2022	2021
	(RUPEES IN THOUSAND)	

28. COST OF SALES

	2022	2021
Raw materials consumed	**4,273,745**	3,062,348
Salaries, wages and other benefits (Note 29.1)	**426,071**	341,042
Stores, spare parts and loose tools consumed	**258,415**	150,096
Fuel and power	**934,014**	747,761
Outside weaving / Processing / stitching charges	**340,603**	122,374
Other manufacturing overheads	**25,741**	20,395
Insurance	**10,145**	8,432
Repair and maintenance	**4,778**	2,134
Depreciation (Note 15.1.3)	**81,891**	72,634
	6,355,403	4,527,216
Work-in-process		
Opening stock	**30,777**	26,831
Closing stock	**(77,012)**	(30,777)
	(46,235)	(3,946)
Cost of goods manufactured	**6,309,168**	4,523,270
Finished goods		
Opening stock	**161,872**	220,364
Closing stock	**(264,109)**	(161,872)
	(102,237)	58,492
	6,206,931	4,581,762
Cost of goods purchased for resale	**182,010**	98,558
	6,388,941	4,680,320

29.1 Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 29.932 million (2021: Rupees 21.934 million).

30. DISTRIBUTION COST

	2022	2021
Freight and forwarding	**83,922**	31,337
Commission to selling agents	**34,074**	30,919
Insurance	**578**	348
Loading and handling	**8,342**	9,579
Others	**2,663**	2,052
	129,579	74,235

31. ADMINISTRATIVE EXPENSES

	2022	2021
	(RUPEES IN THOUSAND)	
Salaries and other benefits (Note 31.1)	**124,080**	119,761
Workers' welfare	**3,015**	2,860
Traveling and conveyance	**5,390**	5,068
Insurance	**1,843**	3,701
Rent, rates and taxes	**5,315**	4,922
Entertainment	**2,702**	3,758
Fee and subscription	**2,721**	2,150
Communication	**2,617**	2,396
Vehicles' running	**19,677**	16,519
Repair and maintenance	**8,166**	10,305
Utilities	**4,460**	8,273
Printing and stationery	**2,288**	1,750
Books and periodicals	**81**	47
Advertisement	**28**	533
Auditor's remuneration:		
Statutory audit - standalone	**1,400**	1,300
Statutory audit - consolidation	**200**	150
Other certifications including half yearly review	**545**	400
Out of pocket expenses	**45**	45
	2,190	1,895
Legal and professional	**5,380**	3,945
Miscellaneous	**5,469**	5,033
Depreciation (Note 15.1.3)	**3,148**	6,403
	198,570	199,319

31.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 16.893 million (2021: Rupees 9.710 million).

31. OTHER EXPENSES

	2022	2021
Donations (Note 32.1)	**48**	18
Workers' profit participation fund (Note 10.2)	**17,656**	21,335
Loss on sale of stores, spare parts and loose tools	**-**	4,926
Net exchange loss	**-**	5,311
Trade debts / debit balances written off	**-**	24
Stores, spare parts and loose tools written off	**592**	-
Loss on remeasurement of fair value of investment properties (Note 16)	**7,711**	-
Allowance for expected credit losses (Note 22.4)	**2,439**	1,763
Provision for doubtful loans and advances (Note 23)	**2,975**	-
Workers' welfare fund (Note 10.3)	**4,959**	7,046
	36,380	40,423

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

		2022	2021
		(RUPEES IN THOUSAND)	
33.	**OTHER INCOME**		
	Income from financial assets		
	Net exchange gain	**27,328**	-
	Dividend income (Note 33.1)	**1,660**	1,939
	Reversal of allowance for expected credit losses (Note 22.4)	**842**	5,615
	Profit on sale of right offer	**-**	2,078
		29,830	9,632
	Income from non-financial assets		
	Rental income	**32,061**	28,807
	Scrap sales	**1,368**	1,386
	Gain on sale of property, plant and equipment	**3,689**	16,930
	Amortization of deferred grant (Note 9.2)	**2,861**	5,019
	Gain on remeasurement of GIDC liability (Note 9.3)	**-**	8,191
	Gain on remeasurement of fair value of investment properties (Note 16)	**-**	3,505
		39,979	63,838
		69,809	73,470
33.1	**Dividend income**		
	Crescent Fibres Limited	**108**	-
	Samba Bank Limited	**1,547**	1,934
	Security Papers Limited	**5**	5
		1,660	1,939
34.	**FINANCE COST**		
	Mark-up / interest on:		
	Long term financing	**26,351**	27,344
	Short term borrowings	**61,366**	47,672
	Workers' profit participation fund (Note 10.3)	**1,535**	174
	Unwinding of discount on GIDC payable (Note 9.3)	**2,683**	5,450
	Bank charges and commission	**7,198**	6,318
		99,133	86,958

	2022	2021
	(RUPEES IN THOUSAND)	

35. TAXATION

	2022	2021
Current		
- For the year (Note 35.1)	**80,263**	75,853
- Prior year	**1,966**	(12,445)
	82,229	63,408
Deferred (Note 19.1.1)	**1,246**	13,166
	83,475	76,574

35.1 Provision for current taxation represents the final tax 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. Unused tax losses representing unabsorbed depreciation available as at 30 June 2022 are Rupees 215.465 million (2021: Rupees 128.928 million). Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2022 is of Rupees 216.954 million, while deferred income tax asset is recognized on minimum tax to the extent of Rupees 22.071 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.

35.2 The minimum tax would expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES IN THOUSAND	
2022	68,215	2025
2021	71,491	2024
2020	77,248	2023
	216,954	

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2022	2021
Profit attributable to ordinay shareholders	(Rupees in thousand)	**249,004**	321,584
Weighted average number of ordinary shares	(Numbers)	**22 660 126**	22 660 126
Earnings per share	(Rupees)	**10.99**	14.19

37. CASH (USED IN) / GENERATED FROM OPERATIONS

	2022	2021
	(RUPEES IN THOUSAND)	
Profit before taxation	**332,479**	398,158
Adjustments for non cash charges and other items:		
Depreciation	**85,039**	79,037
Provision for employees' retirement benefit	**46,825**	31,644
Gain on sale of property, plant and equipment	**(3,689)**	(16,930)
Loss / (gain) on remeasurement of fair value of investment properties	**7,711**	(3,505)
Allowance / (reversal of allowance) for expected credit loss - net	**1,597**	(3,852)
Provision for doubtful loans and advances	**2,975**	-
Trade debts / debit balances written off	**-**	24
Stores, spare parts and loose tools written off	**592**	-
Finance cost	**99,133**	86,958
Gain on remeasurement of GIDC liability	**-**	(8,191)
Amortization of deferred grant	**(2,861)**	(5,019)
Working capital changes (Note 37.1)	**(597,368)**	248,132
	(27,567)	806,456

37.1 Working capital changes

	2022	2021
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(9,096)**	759
Stock-in-trade	**(169,802)**	52,094
Trade debts	**(320,843)**	89,630
Loans and advances	**(31,055)**	41,726
Short term deposit and prepayments	**1,436**	(16)
Other receivables	**(180,569)**	45,900
	(709,929)	230,093
Increase in trade and other payables	**112,561**	18,039
	(597,368)	248,132

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

	2022			
	Long term Financing	**Short term borrowings**	**Unclaimed dividend**	**Total**
	(RUPEES IN THOUSAND)			
Balance as at 01 July	307,047	368,704	3,971	679,722
Financing obtained	9,742	-	-	9,742
Other charges - non-cash movement	2,861	-	-	2,861
Short term borrowings - net	-	305,349	-	305,349
Repayment of financing	(116,979)	-	-	(116,979)
Dividend paid	-	-	(1)	(1)
Balance as at 30 June	202,671	674,053	3,970	880,694

	2021			
	Long term Financing	**Short term borrowings**	**Unclaimed dividend**	**Total**
	(RUPEES IN THOUSAND)			
Balance as at 01 July	225,539	841,269	3,980	1,070,788
Financing obtained	155,205	-	-	155,205
Other charges - non-cash movement	(3,159)	-	-	(3,159)
Short term borrowings - net	-	(472,565)	-	(472,565)
Repayment of financing	(70,538)	-	-	(70,538)
Dividend paid	-	-	(9)	(9)
Balance as at 30 June	307,047	368,704	3,971	679,722

38. TRANSACTIONS WITH RELATED PARTIES

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

Name	Basis of relationship	Nature of transaction	2022	2021
			(RUPEES IN THOUSAND)	
Subsidiary company				
Crescot Mills Limited	66.15 % shareholding and common directorship	Raw material purchased	**34,012**	-
		Sale of operating fixed assets	**-**	7,000
		Expenses paid on behalf of subsidiary company	**22**	824
Associated companies				
Premier Insurance Limited	Common directorship	Insurance premium	**12,965**	11,804
Other related parties				
Directors / executives / sponsors	Members of Board of Directors, key management personnel and sponsors	Loan paid	**(8,914)**	(9,586)

38.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Directors and Executives is given in Note 39.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Managerial remuneration	**7,502**	7,345	**5,001**	11,148	**22,239**	18,493
Allowances:						
Housing	**3,376**	3,305	**2,251**	5,017	**10,008**	8,322
Utilities	**750**	735	**500**	1,115	**2,382**	1,850
Group insurance	**-**	-	**5**	11	**16**	11
Reimbursable expenses	**750**	735	**500**	1,115	**2,054**	1,850
	12,378	12,120	**8,257**	18,406	**36,699**	30,526
Number of persons	**1**	1	**1**	2	**5**	6

39.1 Aggregate amount charged in the financial statements for meeting fee to five directors (2021: five directors) was Rupees 640,000 (2021: Rupees 640,000).

39.2 The Chief Executive Officer, Directors and Executives of the Company are provided with Company maintained vehicles.

39.3 Apart from the meeting fee as disclosed in Note 39.1, no remuneration was paid to non-executive directors of the Company.

40. NUMBER OF EMPLOYEES

	2022	2021
	(NUMBER OF PERSONS)	
Number of employees as on 30 June	1247	1586
Average number of employees during the year	1255	1303

41. SEGMENT INFORMATION

	Textiles		Trading		Elimination of inter - segment transactions		Total - Company	
	2022	2021	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)							
Revenue from contracts with customers								
External	**6,828,198**	4,884,887	**287,075**	521,056	**-**	-	**7,115,273**	5,405,943
Intersegment	**99,006**	240,927	**-**	-	**(99,006)**	(240,927)	**-**	-
	6,927,204	5,125,814	**287,075**	521,056	**(99,006)**	(240,927)	**7,115,273**	5,405,943
Cost of sales	**(6,241,796)**	(4,469,165)	**(246,151)**	(452,082)	**99,006**	240,927	**(6,388,941)**	(4,680,320)
Gross profit	**685,408**	656,649	**40,924**	68,974	**-**	-	**726,332**	725,623
Distribution cost	**(114,860)**	(43,635)	**(14,719)**	(30,600)	**-**	-	**(129,579)**	(74,235)
Administrative expenses	**(198,128)**	(197,886)	**(442)**	(1,433)	**-**	-	**(198,570)**	(199,319)
Other income	**60,646**	73,470	**9,163**	-	**-**	-	**69,809**	73,470
Finance cost	**(98,591)**	(83,888)	**(542)**	(3,070)	**-**	-	**(99,133)**	(86,958)
Profit before taxation and unallocated expenses	**334,475**	404,710	**34,384**	33,871	**-**	-	**368,859**	438,581
Unallocated expenses:								
Other expenses							**(36,380)**	(40,423)
Taxation							**(83,475)**	(76,574)
Profit after taxation							**249,004**	321,584

41.1 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		Total - Company	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	**7,286,647**	6,570,037	**50,225**	72,213	**7,336,872**	6,643,250
Unallocated asset:						
Deferred income tax asset					**44,667**	47,304
Total assets as per statement of financial position					**7,381,539**	6,690,554
Total liabilities for reportable segments	**1,921,616**	1,541,959	**5,674**	49,113	**1,927,290**	1,591,072
Unallocated liability:						
Provision for taxation					**80,263**	75,853
Total liabilities as per statement of financial position					**2,007,553**	1,666,925

41.2 Geographical information

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

	Textiles		Trading		Total	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Africa	**78,765**	-	**287,075**	289,267	**365,840**	289,267
America	**133,007**	126,095	**-**	16,867	**133,007**	142,962
Asia	**27,879**	-	**-**	-	**27,879**	-
Europe	**761,110**	2,509	**-**	210,005	**761,110**	212,514
Pakistan	**5,457,227**	4,756,283	**-**	4,917	**5,457,227**	4,761,200
Yarn sale to customer having (DTRE)	**370,210**	-	**-**	-	**370,210**	-
	6,828,198	4,884,887	**287,075**	521,056	**7,115,273**	5,405,943

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

41.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

41.5 The Company's revenue from external customers in respect of product is detailed below:

	Textiles		Trading		Total	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Major products/service lines						
Yarn / waste / others	**5,836,456**	4,761,156	**-**	-	**5,836,456**	4,761,156
Cloth	**-**	-	**287,075**	302,524	**287,075**	302,524
Hosiery	**125,165**	123,731	**-**	-	**125,165**	123,731
Home Textile	**866,577**	-	**-**	218,532	**866,577**	218,532
	6,828,198	4,884,887	**287,075**	521,056	**7,115,273**	5,405,943

42. PLANT CAPACITY AND ACTUAL PRODUCTION

		2022	2021
Spinning:			
100% plant capacity converted to 20s count based on 3 shifts per day for 1095 shifts (2020: 1095 shifts)	Kgs.	19 159 271	19 042 148
Actual production converted to 20s count based on 3 shifts per day for 1095 shifts (2021: 1095 shifts)	Kgs.	16 545 698	18 083 980

Embroidery and Hosiery:
Capacity of such units cannot be determined due to nature of their operations.

42.1 Reason For Low Production

The under utilization of available capacity of spinning segment is mainly due to normal repair and maintenance and power shut down / jerks.

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including: 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 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, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

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

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

	2022	2021
Trade debts - USD	**942,257**	550,953
Trade and other payables - Chinese Yarn (CNY)	**-**	(1,785,000)

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	**181.65**	163.03
Reporting date rate	**205.50**	157.80
Rupees per CNY		
Average rate	**-**	24.38
Reporting date rate	**-**	24.76

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 8.924 million (2021: Rupees 1.949 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 instruments or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

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

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2022	**2021**
	(RUPEES IN THOUSANDS)	
PSX 100 (5% increase)	6,893	9,518
PSX 100 (5% decrease)	(6,893)	(9,518)

Equity (fair value reserve) would increase as a result of losses / gians 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 and short term borrowings. 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:

	2022	**2021**
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Long term financing	**78,011**	136,522
Floating rate instruments		
Financial liabilities		
Long term financing	**124,660**	170,525
Short term borrowings	**328,223**	78,033

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 4.216 million (2021: Rupees 2.314 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2022	2021
	(RUPEES IN THOUSAND)	
Investments	**165,638**	190,725
Loans and advances	**1,116**	1,220
Deposits	**3,383**	4,690
Trade debts	**513,765**	194,519
Other receivables	**50,965**	61,907
Bank balances	**42,764**	142,040
	777,631	595,101

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Credit risk on bank balances is limited as the counterparties are banks with reasonably high crediting ratings. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

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

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

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:

	Rating			2022	2021
	Short Term	Long Term	Agency	Rupees in Thousands	
Banks					
Conventional Accounts					
National Bank of Pakistan	A1+	AAA	PACRA	**5,401**	60,503
Allied Bank Limited	A1+	AAA	PACRA	**158**	89
Bank Alfalah Limited	A1+	AA+	PACRA	**10,727**	3,310
Habib Bank Limited	A-1+	AAA	VIS	**412**	21,072
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**6,118**	16,292
Faysal Bank Limited	A1+	AA	PACRA	**20**	20
MCB Bank Limited	A1+	AAA	PACRA	**9,276**	4,798
United Bank Limited	A-1+	AAA	VIS	**4,144**	7,425
Askari Bank Limited	A1+	AA+	PACRA	**10**	105
Bank Al-Habib Limited	A1+	AAA	PACRA	**3,657**	422
The Bank of Punjab	A1+	AA+	PACRA	**365**	1,041
Sindh Bank Limited	A-1	A+	VIS	**268**	75
JS Bank Limited	A1+	AA-	PACRA	**58**	66
				40,614	115,218
Shariah compliant accounts					
Meezan Bank Limited	A-1+	AAA	VIS	**161**	22,099
Faysal Bank Limited	A-1+	AA	VIS	**214**	37
MCB Islamic Bank Limited	A1	A	PACRA	**35**	35
Bank Al-Habib Limited	A1+	AAA	PACRA	**1,692**	3,733
Askari Bank Limited	A1+	AA+	PACRA	**-**	872
Bank Alfalah Limited	A1+	AA+	PACRA	**48**	46
				2,150	26,822
				42,764	142,040

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 22.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2022, the Company had Rupees 921.777 million (2021: Rupees 1,181.76 million) available borrowing limits from financial institutions and Rupees 43.637 million (2021: Rupees 142.717 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2022:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:	(RUPEES IN THOUSAND)					
Long term financing	202,671	220,340	66,889	39,816	59,142	54,493
Trade and other payables	626,697	626,697	626,697	-	-	-
Unclaimed dividend	3,970	3,971	3,971	-	-	-
Accrued mark-up	20,236	20,236	20,236	-	-	-
Short term borrowings	674,053	683,721	576,814	106,907	-	-
	1,527,627	1,554,965	1,294,607	146,723	59,142	54,493

Contractual maturities of financial liabilities as at 30 June 2021:

Non-derivative financial liabilities:

Long term financing	307,047	333,352	67,676	65,595	94,732	105,349
Trade and other payables	566,831	566,831	566,831	-	-	-
Unclaimed dividend	3,971	3,971	3,971	-	-	-
Accrued mark-up	11,623	11,623	11,623	-	-	-
Short term borrowings	368,704	372,445	372,445	-	-	-
	1,258,176	1,288,222	1,022,546	65,595	94,732	105,349

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective at the year end. The rates of interest / mark-up have been disclosed in Note 8 and 12 to these financial statements.

43.2 Financial instruments by categories

	2022			2021		
	At amortized cost	At FVTOCI	Total	At amortized cost	At FVTOCI	Total
	(RUPEES IN THOUSAND)					
Assets as per statement of financial position						
Investments	-	165,638	165,638	-	190,725	190,725
Loans and advances	1,116	-	1,116	1,220	-	1,220
Deposits	3,383	-	3,383	4,690	-	4,690
Trade debts	513,765	-	513,765	194,519	-	194,519
Other receivables	50,965	-	50,965	61,907	-	61,907
Cash and bank balances	43,637	-	43,637	142,717	-	142,717
	612,866	165,638	778,504	405,053	190,725	595,778

	2022	2021
	Financial liabilities at amortized cost	
	(RUPEES IN THOUSAND)	
Liabilities as per statement of financial position		
Long term financing	**202,671**	307,047
Accrued mark-up	**20,236**	11,623
Short term borrowings	**674,053**	368,704
Trade and other payables	**626,697**	566,831
Unclaimed dividend	**3,970**	3,971
	1,527,627	1,258,176

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

	2022			2021		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	(RUPEES IN THOUSAND)					
Assets as per statement of financial position						
Loans and advances	1,116	43,241	44,357	1,220	15,016	16,236
Deposits and prepayments	3,383	1,891	5,274	4,690	2,020	6,710
Trade debts	513,765	-	513,765	194,519	-	194,519
Other receivables	50,965	266,356	317,321	61,907	74,845	136,752
Cash and bank balances	43,637	-	43,637	142,717	-	142,717
Investments	165,638	-	165,638	190,725	-	190,725
	778,504	311,488	1,089,992	595,778	91,881	687,659

	2022			2021		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
	(RUPEES IN THOUSAND)					
Liabilities as per statement of financial position						
Long term financing	202,671	-	202,671	307,047	-	307,047
Trade and other payables	626,697	176,749	803,446	566,831	111,490	678,321
Unclaimed dividend	3,970	-	3,970	3,971	-	3,971
Accrued mark-up	20,236	-	20,236	11,623	-	11,623
Short term borrowings	674,053	-	674,053	368,704	-	368,704
	1,527,627	176,749	1,704,376	1,258,176	111,490	1,369,666

43.3 Offsetting financial assets and financial liabilities

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

43.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in Note 8 and Note 12 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy ramained unchanged from last year.

	2022	2021
	(RUPEES IN THOUSAND)	
Borrowings	**876,724**	675,751
Total equity	**5,373,986**	5,023,629
Total capital employed	**6,250,710**	5,699,380
	(PERCENTAGE)	
Gearing ratio	14.03	11.86

Increase in gearing ratio resulted primarily from increase in borrowings of the Company.

44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The 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 three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Financial assets				
At fair value through other comprehensive income	163,138	-	2,500	165,638
Total financial assets	163,138	-	2,500	165,638

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Financial assets				
At fair value through other comprehensive income	190,356	-	369	190,725
Total financial assets	190,356	-	369	190,725

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 was no transfer 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 is based on quoted market prices at the reporting date. The quoted market price used for the 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 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 technique used to value listed financial instruments was the use of quoted market prices.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates are made for the non-financial assets 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 non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
At 30 June 2022				
Investment properties	-	260,018	-	260,018
Freehold land	-	4,263,378	-	4,263,378
Total non-financial assets	-	4,523,396	-	4,523,396

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
At 30 June 2021				
Investment properties	-	267,729	-	267,729
Freehold land	-	4,116,781	-	4,116,781
Total non-financial assets	-	4,384,510	-	4,384,510

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 valuations for its investment properties annually and for its freehold land (classified as property, plant and equipment) at least after 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 of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation process

The Company engages external, independent and qualified valuer, enrolled on State bank of Pakistan panel, to determine the fair value of the Company's investment properties at the end of every financial year and for freehold land at least after every three years. As at 30 June 2022, the fair value of the investment properties have been determined by Messrs Evaluation Focused Consulting. The valuation of freehold land has also been performed by Messrs Evaluation Focused Consulting as at 30 June 2022.

Changes in fair values are analyzed at each reporting date during the discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

46. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2022	2021
		(RUPEES IN THOUSAND)	
Revenue earned from shariah compliant business	28	**7,115,273**	5,405,943
Exchange gain	33	**27,328**	-
Gain or dividend earned from shariah compliant investments			
Gain on sale of investments measured at FVTOCI		**-**	3,009
Dividend income	33	**108**	5
Unrealized loss on remeasurement of investments measured at FVTOCI		**(9,060)**	(4,593)
Shariah compliant bank deposits and bank balances			
Bank balances	43.1 (b)	**2,150**	26,822
Profits earned or interest paid on any conventional loan / advance			
Mark-up on long term financing	34	**26,351**	27,344
Mark-up on short term borrowings	34	**61,366**	47,672
Loans / advances obtained as per Islamic mode			
Contract liabilities	10	**135,636**	74,066
Short term borrowings	12	**345,830**	290,671

There is no profit earned from shariah compliant bank balances as all the bank balances are in current accounts. Moreover there was no mark-up on Islamic mode of financing as all loans / advances were interest free. The relationship with all shariah compliant banks are related to bank accounts only as given in Note 43.1 (b).

47. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the year ended 30 June 2022 amounting to Rupee 0.75 (2021: Rupees Nil) per share at their meeting held on 30 September 2022. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

48. DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 30, 2022 by the Board of Directors of the Company.

49. CORRESPONDING FIGURES

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

50. GENERAL

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

YEARN ENDED 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT
To the members of Crescent Cotton Mills Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Crescent Cotton Mills Limited and its Subsidiary Company (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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

Emphasis of Matter

We draw attention to Note 1.1 to the consolidated financial statements, which more fully explains that Crescot Mills Limited (the subsidiary company) has recommenced its operations during the year. The financial statements of the subsidiary company have been prepared using going concern basis of accounting. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	**Inventory existence and valuation** Inventories as at 30 June 2022 amounting to Rupees 732.871 million of the Holding Company as at 30 June 2022 represented a material portion in the consolidated statement of financial position, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 74.982 million	Our procedures over existence and valuation of inventories included, but were not limited to: • 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

	- Stock-in-trade of Rupees 657.889 million Inventories are stated at lower of cost and net realizable value. We identified existence and valuation of inventories as a key audit matter due to their size, representing 9.27% of the total assets of the Group as at 30 June 2022, and the judgment involved in valuation. For further information on inventories, refer to the following: - Summary of significant accounting policies, Inventories (Note 2.11 to the consolidated financial statements). - Stores, spare parts and loose tools (Note 21) and Stock-in-trade (Note 22) to the consolidated financial statements.	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. • 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 inquiries from 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 consolidated financial statements.
2.	**Revenue recognition** We identified recognition of revenue of the Holding Company as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following:	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

	- Summary of significant accounting policies, Revenue from contracts with customers (Note 2.13 to the consolidated financial statements). - Revenue from contracts with customers (Note 28 to the consolidated 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 also considered the appropriateness of disclosures in the

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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
October 06, 2022

UDIN: AR202210158NIKV5Tbfo

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2020: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**226,601**	226,601
Reserves			
Capital reserves			
Premium on issue of shares reserve	4	**5,496**	5,496
Plant modernization reserve		**12,000**	12,000
Share of equity accounted investees' reserve		**5,126**	4,978
Fair value reserve	5	**15,761**	60,924
Surplus on revaluation of freehold land and investment properties	6	**4,283,308**	4,136,711
		4,321,691	4,220,109
Revenue reserves	7	**1,152,169**	904,627
Total reserves		**5,473,860**	5,124,736
Equity attributable to equity holders of the Holding Company		**5,700,461**	5,351,337
Non-controlling interest		**168,841**	153,274
Total equity		**5,869,302**	5,504,611
NON-CURRENT LIABILITIES			
Long term financing	8	**110,989**	203,742
Deferred liabilities	9	**162,319**	149,201
		273,308	352,943
CURRENT LIABILITIES			
Trade and other payables	10	**804,733**	679,964
Unclaimed dividend		**3,970**	3,971
Accrued mark-up	11	**34,438**	25,825
Short term borrowings	12	**679,053**	373,704
Current portion of non-current liabilities	13	**153,927**	175,510
Provision for taxation		**88,675**	77,378
		1,764,796	1,336,352
TOTAL LIABILITIES		**2,038,104**	1,689,295
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**7,907,406**	7,193,906

CHIEF EXECUTIVE OFFICER

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**15**	**5,071,774**	4,938,760
Investment properties	**16**	**496,171**	267,729
Investments in equity accounted investees	**17**	**3,600**	3,541
Other long term investments	**18**	**84,931**	4,897
Long term deposits		**4,185**	3,905
Long term advances	**19**	**189**	115
Deferred income tax asset	**20**	**40,302**	47,103
		5,701,152	5,266,050
CURRENT ASSETS			
Stores, spare parts and loose tools	**21**	**74,982**	66,478
Stock-in-trade	**22**	**695,647**	488,087
Trade debts	**23**	**513,765**	194,519
Loans and advances	**24**	**50,060**	16,131
Deposits, prepayments and other receivables	**25**	**332,936**	142,905
Income tax		**210,696**	199,098
Short term investments	**26**	**165,444**	181,458
Cash and bank balances	**27**	**162,724**	639,180
		2,206,254	1,927,856
TOTAL ASSETS		**7,907,406**	7,193,906

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

DIRECTOR

CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
REVENUE FROM CONTRACTS WITH CUSTOMERS	28	**7,467,842**	5,405,943
COST OF SALES	29	**(6,713,864)**	(4,680,320)
GROSS PROFIT		**753,978**	725,623
DISTRIBUTION COST	30	**(130,128)**	(74,235)
ADMINISTRATIVE EXPENSES	31	**(220,625)**	(215,354)
OTHER EXPENSES	32	**(36,380)**	(41,929)
OTHER INCOME	33	**90,926**	607,323
FINANCE COST	34	**(99,511)**	(86,998)
		358,260	914,430
SHARE OF LOSS IN EQUITY ACCOUNTED INVESTEES	17	**(89)**	(7,781)
PROFIT BEFORE TAXATION		**358,171**	906,649
TAXATION	35	**(92,406)**	(83,391)
PROFIT AFTER TAXATION		**265,765**	823,259
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		**260,086**	666,424
NON-CONTROLLING INTEREST		**5,679**	156,835
		265,765	823,259
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	36	**11.73**	36.33

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	**265,765**	823,259
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	**(5,447)**	(26,296)
Deferred income tax related to experience adjustment	**1,501**	7,064
	(3,946)	(19,232)
Surplus on revaluation of freehold land	**146,597**	-
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	**(37,618)**	41,746
Deferred income tax relating to investments at fair value through other comprehensive income	**(6,255)**	-
	(43,873)	41,746
Share of other comprehensive income of equity accounted investees	**148**	826
	98,926	65,086
Items that may be reclassified subsequently to profit or loss	**-**	-
Other comprehensive income for the year - net of tax	**98,926**	65,086
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**364,691**	888,345
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	**359,012**	731,510
NON-CONTROLLING INTEREST	**5,679**	156,835
	364,691	888,345

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	SHARE CAPITAL	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY												NON-CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES						REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY		
		Premium on issue of shares	Plant modernization on	Fair value reserve of investments at FVTOCI	Surplus on revaluation of free hold land & investment	Share of equity accounted investees' reserve	Sub total	General reserve	Unappropriated profit	Sub total				
	(RUPEES IN THOUSAND)													
Balance as at 01 July 2020	226,601	5,496	12,000	22,257	4,136,711	53,442	4,229,906	48,975	205,381	254,357	4,484,263	4,710,864	(3,561)	4,707,303
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(3,079)	-	-	(3,079)	-	3,079	3,079	-	-	-	-
Share of items of associates directly credited in equity	-	-	-	-	-	294	294	-	-	-	294	294	-	294
Reclassification on loss of significant influence	-	-	-	-	-	(49,584)	(49,584)	-	-	-	(49,584)	(49,584)	-	(49,584)
Profit for the year	-	-	-	-	-	-	-	-	666,424	666,424	666,424	666,424	156,835	823,259
Other comprehensive loss for the year	-	-	-	41,746	-	826	42,572	-	(19,232)	(19,232)	23,340	23,340	-	23,340
Total comprehensive income for the year	-	-	-	41,746	-	826	42,572	-	647,192	647,192	689,764	689,764	156,835	846,599
Balance as at 30 June 2021	226,601	5,496	12,000	60,924	4,136,711	4,978	4,220,109	48,975	855,652	904,627	5,124,736	5,351,337	153,274	5,504,611
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(1,290)	-	-	(1,290)	-	1,290	1,290	-	-	-	-
Transferred from unappropriated profit to non-controlling interest for proper classification	-	-	-	-	-	-	-	-	(9,888)	(9,888)	(9,888)	-	9,888	-
Profit for the year	-	-	-	-	-	-	-	-	260,086	260,086	260,086	260,086	5,679	265,765
Other comprehensive income for the year	-	-	-	(43,873)	146,597	148	102,872	-	(3,946)	(3,946)	98,926	98,926	-	98,926
Total comprehensive income for the year	-	-	-	(43,873)	146,597	148	102,872	-	256,140	256,140	349,124	359,012	5,679	364,691
Balance as at 30 June 2022	226,601	5,496	12,000	15,761	4,283,308	5,126	4,321,691	48,975	1,103,194	1,152,169	5,473,860	5,710,349	168,841	5,869,302

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CCML
Crescent Cotton Mills Ltd.

CCML Crescent Cotton Mills Ltd.

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022	2021
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	**37**	**(69,552)**	804,190
Finance cost paid		**(90,720)**	(88,615)
Income tax paid		**(90,660)**	(129,469)
Employees' retirement benefit paid		**(32,657)**	(43,962)
(Increase) / decrease in long term deposits		**(280)**	1,306
Increase in long term advances		**(74)**	(155)
Net cash (used in) / generated from operating activities		**(283,943)**	543,295
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(75,200)**	(178,272)
Investment property purchased		**(236,153)**	-
Proceeds from sale of property, plant and equipment, investment properties and leasehold land		**6,322**	604,253
Short term investment acquired		**(21,746)**	-
Deposits for shares made		**(80,000)**	-
Profit on PLS / deposit accounts received		**13,072**	-
Proceeds from sale of investments		**3,081**	12,742
Net cash (used in) / from investing activities		**(390,624)**	438,723
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(116,979)**	(70,538)
Proceeds from long term financing		**9,742**	155,205
Short term borrowings - net		**305,349**	(472,565)
Dividend paid		**(1)**	(9)
Net cash from / (used in) financing activities		**198,111**	(387,907)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(476,456)**	594,111
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**639,180**	45,069
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 27)		**162,724**	639,180

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. THE GROUP AND ITS OPERATIONS

The Group consists of Crescent Cotton Mills Limited (the Holding Company) and its Subsidiary Company, Crescot Mills Limited.

Crescent Cotton Mills Limited

Crescent Cotton Mills Limited (CCML) is a public limited company incorporated in March 1959 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. CCML is engaged in the business of manufacturing and sale of yarn, home textile and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups. CCML also operates an embroidery unit. CCML's registered office is situated at New Lahore Road, Nishatabad, Faisalabad, Punjab.

Geographical location and addresses of all business units of CCML are as follows:

Manufacturing Unit	Address
Spinning Unit No. 1 and 2, Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab
Spinning Unit No. 4	45-Km Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur, Punjab
Embroidery Unit & Head Office	New Lahore Road, Nishatabad, Faisalabad, Punjab
Liaison Office	408-Business Avenue, Shahrah-e-Faisal, Karachi, Sindh
Liaison Office	3rd Floor, 151, CCA, Commercial Area, DHA Phase 5, Above KFC, Lahore.

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). It is a subsidiary of CCML due to 66.15% equity holding. The registered office CML is situated at Office No. 408, Plot No. 26-A, Block No. 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, Sindh. However its books of account are being maintained at the registered office of CCML at New Lahore Road, Nishatabad, Faisalabad, Punjab. CML was previously engaged in manufacturing and sale of yarn. However from the current year, it has started business of trading of raw materials of textiles.

1.1 A special resolution was passed in the general meeting of the members on 28 September 1998 authorizing the Board of Directors to dispose of the plant and machinery of the CML. CML has ceased all production activities since August 1998 and has disposed of entire plant and machinery and investment properties during the previous years. However from the current financial year, the management of CML decided to start its business of trading raw materials of textiles. Moreover it has also started to make investments in mutual funds / shares and also started investing in real estate activities. During the year CML earned revenue of Rupees 386.581 million and earned profit after taxation of Rupees 16.776 million as disclosed in Note 42 to the consolidated financial statements. The management of CML is now fully optimistic to carry on above-mentioned business activities and CML will operate as a going concern again.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated 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 consolidated 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), as notified under the Companies Act, 2017; and

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

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

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the 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 consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment. The estimates for revalued amounts of certain assets are based on valuation performed by external professional valuer.

Inventories

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

Provisions

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

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

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

Impairment of investments in equity accounted investees
The Group determines that a significant and prolonged decline in the fair value of its investments in equity accounted investees below their cost is an objective evidence of impairment. The impairment loss is recognized when the carrying amount exceeds the higher of fair value less cost to sell and value in use.

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

Allowance for expected credit losses (ECLs)
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 Group's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods
When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group 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.

Employees retirement benefit
Certain actuarial assumptions have been adopted as disclosed in Note 9.1.3 to these consolidated financial statements for determination of present value of defined benefit obligation. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

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

Following amendments to published approved accounting standards are mandatory for the Group’s accounting periods beginning on or after 01 July 2021:

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

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Group’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 Group**

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2022 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as 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 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 01 January 2022 clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

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

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

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

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Basis of Consolidation

a) Subsidiary Company

Subsidiary is the company over which the Group has control. The Group controls a company when the Group is exposed to, or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power to direct the activities of the company. Subsidiary is fully consolidated from the date on which the control is transferred to the Group. These are deconsolidated from the date the control ceases.

The assets and liabilities of the Subsidiary Company has been consolidated on a line-by-line basis and the carrying value of the investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the Subsidiary Company.

Non-controlling interest is that part of net results of operations and of net assets of the Subsidiary Company which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

Intra-group balances and transactions are eliminated.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity accounted investees are tested for impairment in accordance with the provisions of IAS 36 `Impairment of Assets`.

2.3 Staff retirement benefit

The Group operates defined benefit plan - unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The liabilities relating to defined benefit plan are determined through actuarial valuation using the Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2022. The method involves making assumptions about discount rates, future salary increases and mortality rates. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 9.1.3 to these consolidated financial statements.

Remeasurements changes which comprise actuarial gains and losses are recognized immediately in consolidated statement of comprehensive income.

2.4 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The Group follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in consolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

2.5 Dividend and other appropriations

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

2.6 Taxation

Current

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 and 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 consolidated 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 consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.7 Property, plant, equipment and depreciation

a) Operating fixed assets

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. Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

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

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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

b) Depreciation

Depreciation on property, plant and equipment is charged to consolidated statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.1. The Group charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Change in accounting estimate

Previously, depreciation on plant and equipment of the Subsidiary Company was being charged from the month the asset became available for use and on disposal, upto the month preceding the month of disposal. Now the Subsidiary Company has decided to charge the depreciation from the date when the asset becomes available for use and upto the date preceding the date of disposal.

This change in accounting estimate has been accounted for prospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Had there been no change in this accounting estimate, the figures recognized in these consolidated financial statements would have been different as follows:

Plant and equipment would have been lower by	(Rupees in thousand)	75
Profit after taxation would have been lower by	(Rupees in thousand)	75

There is no significant impact of this change in accounting estimate on earnings per share of the Group. Moreover, there would have been no impact on statement of cash flows.

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

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

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional 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 consolidated 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.

2.9 Investment properties

Land and buildings held to earn rental income or for capital appreciation are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Gain or loss arising from a change in the fair value of investment properties is included in the consolidated statement of profit or loss for the year in which it arises.

2.10 Financial Instruments

i) Classification and measurement of financial instruments

Financial assets

Investments and other financial assets

a) Classification

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

• those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
• those to be measured at amortized cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or 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 Group 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 Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset not at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

Debt instruments

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

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Group'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.

Fair Value Through Profit or Loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments are recognized in profit or loss as other income when the Group's right to receive payments is established.

Financial liabilities

Classification and measurement

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

ii) Impairment of financial assets

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

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

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

iii) De-recognition

Financial assets

The Group 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 Group is recognized as a separate asset or liability.

Financial liabilities

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

iv) Offsetting of financial instruments

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

2.11 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i)	For raw materials	Weighted average basis
(ii)	For work-in-process and finished goods	Average material cost, proportionate direct labour and factory overheads

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at 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.

2.12 Cash and cash equivalents

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

2.13 Revenue 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.

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.

Dividend

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

Other revenue

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

ii) Contract assets

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

2.14 Borrowings

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

2.15 Trade and other receivables

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

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

2.16 Share capital

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

2.17 Trade and other payables

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

2.18 Provisions

A provision is recognized when the Group 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 obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.19 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized upto 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 consolidated statement of profit or loss.

2.20 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position 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, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the consolidated statement of profit or loss.

2.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group 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 Group's other components. An operating segment's operating results are reviewed regularly by the management 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 include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has two reportable business segments: Textiles and Trading. Inter segment sales and purchases are eliminated from the total.

2.22 Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

2.23 Contingent assets

Contingent assets are disclosed when the Group 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 Group. Contingent assets are not recognized until their realization becomes certain.

2.24 Contingent liabilities

Contingent liability is disclosed when the Group 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 Group. 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 consolidated financial statements.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2022	2021		2022	2021
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid up in cash	**55,098**	55,098
16 992 345	16 992 345	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	**169,923**	169,923
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up, issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
22 660 126	22 660 126		**226,601**	226,601

3.1 Ordinary shares of the Holding Company held by the associated companies:

	2022	2021
	(NUMBER OF SHARES)	
Premier Insurance Limited	**212 000**	212 000

4. PREMIUM ON ISSUE OF SHARES RESERVE

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

5. FAIR VALUE RESERVE

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:

	2022	2021
	(RUPEES IN THOUSAND)	
Balance as on 01 July	**60,924**	22,257
Fair value adjustment during the year	**(37,618)**	41,746
	23,306	64,003
Less		
Gain realized on disposal of equity investments at fair value through	**(1,290)**	(3,079)
other comprehensive income	**(6,255)**	-
	(7,545)	(3,079)
Balance as on 30 June	**15,761**	60,924

6 SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

	2022	2021
Freehold land (Note 6.1)	**4,170,169**	4,023,572
Investment properties	**113,139**	113,139
	4,283,308	4,136,711

6.1 Surplus on revaluation of freehold land

	2022	2021
Balance as on 01 July	**4,023,572**	4,023,572
Surplus on revaluation of freehold land (Note 15.1)	**146,597**	-
Balance as on 30 June	**4,170,169**	4,023,572

6.1.1 This represents surplus resulting from revaluation of freehold land carried out on 30 June 2022 by independent valuer Messrs Evaluation Focused Consulting. The valuation was determined with respect to the present market value of similar properties. Previously revaluation was carried out in June 2019, June 2016, June 2015 and March 2010 by independent valuers.

	2022	2021
	(RUPEES IN THOUSAND)	

7. REVENUE RESERVES

	2022	2021
General	**48,975**	48,975
Unappropriated profit	**1,103,194**	855,652
	1,152,169	904,627

8. LONG TERM FINANCING

From banking company - secured

	2022	2021
Long Term loans (Note 8.1)	**202,671**	307,047
Less: Current portion shown under current liabilities (Note 13)	**91,682**	(103,305)
	110,989	203,742

8.1 Long Term Loans

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	INTEREST REPRICING	SECURITY
	(RUPEES IN THOUSAND)						
Crescent Cotton Mills Limited - Holding Company							
National Bank of Pakistan	73,384	115,318	3 Month KIBOR+3.00%	Twenty equal quarterly installments starting from 26 April 2018 and ending on 26 January 2024	Quarterly	Quarterly	First charge of Rupees 318 million over the land of the Company at 45 Km, Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan	15,353	18,765	6.00%	Twenty seven equal quarterly installments starting from 30 June 2020 and ending on 31 December 2026	Quarterly	-	
National Bank of Pakistan	27,010	32,696	6.00%	Twenty seven equal quarterly installments starting from 27 July 2020 and ending on 27 January 2027	Quarterly	-	
National Bank of Pakistan	8,103	9,809	6.00%	Twenty seven equal quarterly installments starting from 19 August 2020 and ending on 19 February 2027	Quarterly	-	First charge of Rupees 107 million over entire fixed assets of the Company at Spinning Unit No. 1 and 2 and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan	2,844	3,412	6.00%	Twenty eight equal quarterly installments starting from 21 July 2020 and ending on 21 April 2027	Quarterly	-	
National Bank of Pakistan - Loan under SBP Refinance Scheme (Note 8.1.1)	7,259	21,127	SBP rate +3%	Eight equal quarterly installments starting from 16 January 2021 and ending on 16 October 2022	Quarterly	-	
National Bank of Pakistan - Loan under SBP Refinance Scheme (Note 8.1.1)	8,845	25,739	SBP rate +3%	Eight equal quarterly installments starting from 17 January 2021 and ending on 17 October 2022	Quarterly	-	First charge of Rupees 134 million over fixed assets of the Company at Nishatabad, Faisalabad and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
National Bank of Pakistan - Loan under SBP Refinance Scheme (Note 8.1.1)	8,597	24,974	SBP rate +3%	Eight equal quarterly installments starting from 03 February 2021 and ending on 03 November 2022	Quarterly	-	
National Bank of Pakistan	51,276	55,207	3 Month KIBOR+2.5%	Nineteen equal quarterly installments starting from 30 September 2021 and ending on 31 March 2026	Quarterly	Quarterly	First specific/exclusive charge for Rupees 87 million over plant and machinery i.e. solar panel system of the Company to be installed at Unit No. 4 located at 45 Km, Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur and personal guarantee of Chief Executive Officer, Director and Executive of the Company.
	202,671	**307,047**					

8.1.1 These term finance facilities were obtained by the Company under SBP refinance scheme for payment of salaries and wages to the employees and workers of business concerns. These loans are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rate of 9.64%, 9.66% and 10.09% per annum.

	2022	2021
	(RUPEES IN THOUSAND)	
9. DEFERRED LIABILITIES		
Employees' retirement benefit (Note 9.1)	**162,319**	141,054
Deferred income - Government grant (Note 9.2)	**-**	298
Gas Infrastructure Development Cess (GIDC) payable (Note 9.3)	**-**	7,849
	162,319	149,201
9.1 EMPLOYEES' RETIREMENT BENEFIT		
Reconciliation of the movements in the net liability recognized in the consolidated statement of financial position		
Opening balance	**141,054**	127,076
Add: Provision for the year (Note 9.1.2)	**48,475**	31,644
Experience adjustment recognized in other comprehensive income	**5,447**	26,296
	194,976	185,016
Less: Paid during the year	**(32,657)**	(43,962)
	162,319	141,054
9.1.1 Movements in the present value of defined benefit obligation		
Opening balance	**141,054**	127,076
Current service cost	**34,353**	22,273
Past service cost	**1,650**	-
Interest expense	**12,472**	9,371
Retirement benefit paid	**(32,657)**	(43,962)
Experience adjustment recognized in other comprehensive income	**5,447**	26,296
Closing balance	**162,319**	141,054
9.1.2 Provision for the year		
Current service cost	**34,353**	22,273
Past service cost	**1,650**	-
Interest expense	**12,472**	9,371
	48,475	31,644

	2022	2021
9.1.3 Significant actuarial assumptions used		
Discount rate to determine defined benefit cost (per annum)	10.00% - 10.25%	8.50%
Expected rate of increase in salary to determine defined benefit cost (per annum)	9.00% - 9.25%	7.50%
Discount rate to determine defined benefit obligation (per annum)	13.25% - 13.50%	10.00%
Expected rate of increase in salary to determine defined benefit obligation (per annum)	12.25% - 12.50%	9.00%
Average duration of the benefit (years)	7-11	7
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year

9.1.4 The estimated expenses to be charged to the consolidated statement of profit or loss for the year ending on 30 June 2023 is Rupees 54.726 million.

9.1.5 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

	2022	2021
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(19,369)	(8,711)
Decrease in assumption (Rupees in thousand)	1,451	10,349
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	1,639	10,520
Decrease in assumption (Rupees in thousand)	(19,744)	9,015

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 9.1.3

9.1.6 The defined benefit obligation exposes the actuarial risks such as:

Discount rate risk

The risk of changes in discount rate may have an impact on the Plan's liability.

Salary increase / inflation risk

The risk that the actual salary increase is higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

Mortality risk

Actual mortality experience may be different than that assumed in the calculation.

Withdraw risk

Actual withdrawals experience may be different from that assumed in the calculation.

	2022	2021
	(RUPEES IN THOUSAND)	

9.2 Deferred income - Government grant

	2022	2021
Balance as on 01 July	**3,159**	-
Add: Recognized during the year	**-**	8,178
Less: Amortization during the year (Note 33)	**2,861**	5,019
	298	3,159
Less: Current portion shown under current liabilities (Note 13)	**298**	2,861
Balance as on 30 June	**-**	298

9.2.1 This represents deferred government grant in respect of long term loans obtained under SBP Refinance scheme for payment of wages and salaries as disclosed in Note 8.1.1 to these financial statements.

9.3 Gas Infrastructure Development Cess (GIDC) payable

	2022	2021
Balance as on 01 July	**77,193**	94,875
Add: Unwinding of discount on GIDC payable (Note 34)	**2,683**	(8,191)
Less: Gain on remeasurement of GIDC	**-**	5,450
Less: Payments made during the year	**17,929**	(14,941)
	61,947	77,193
Less: Current portion shown under current liabilities (Note 13)	**61,947**	69,344
Balance as on 30 June	**-**	7,849

9.3.1 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. This liability has been recognized at fair value using discount rate of 9.16% per annum.

9.3.2 This amount is exclusive of GIDC amounting to Rupees 70.869 million, related to Spinning Unit No. 3 of the Holding Company which was sold last year and as per the agreement, its liabilities were taken over by the new owner of the property. However, the provision of this amount has been included in 'trade and other payables' which will be written back after the confirmation of Sui Northern Gas Pipelines Limited (SNGPL) regarding transfer of liability of GIDC.

10. TRADE AND OTHER PAYABLES

	2022	2021
Creditors	**283,637**	313,642
Accrued liabilities and other payables (Note 10.1)	**343,385**	254,739
Contract liabilities - unsecured	**135,636**	74,066
Income tax deducted at source	**12,414**	8,962
Workers' profit participation fund (Note 10.2)	**17,656**	21,509
Workers' welfare fund (Note 10.3)	**12,005**	7,046
	804,733	679,964

		2022	2021
		(RUPEES IN THOUSAND)	

10.1 These include insurance premium of Rupees Nil (2021: Rupees 1.697 million) due to Premier Insurance Limited, a related party.

10.2 Workers' profit participation fund

	2022	2021
Balance as on 01 July	**21,509**	2,446
Add:		
Provision for the year (Note 32)	**17,656**	21,335
Interest for the year (Note 34)	**1,535**	174
	40,700	23,955
Less: Payments during the year	**23,044**	2,446
Balance as on 30 June	**17,656**	21,509

10.2.1 Interest is accrued at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds retained by the Company.

10.3 Workers' welfare fund

	2022	2021
Balance as on 01 July	**7,046**	-
Provision for the year (Note 32)	**4,959**	7,046
Balance as on 30 June	**12,005**	7,046

11. ACCRUED MARK-UP

	2022	2021
Long term financing	**6,023**	5,606
Short term borrowings	**28,415**	20,219
	34,438	25,825

12. SHORT TERM BORROWINGS

	2022	2021
Holding Company		
From banking company - secured		
Cash finances (Note 12.1)	**328,223**	78,033
Others - unsecured		
Other related parties (Note 12.2)	**281,757**	290,671
Temporary book overdrawn	**64,073**	-
	345,830	290,671
	674,053	368,704
Subsidiary Company		
Samba Bank Limited - secured (Note 12.3)	**5,000**	5,000
	679,053	373,704

12.1 These form part of total credit facility of Rupees 1,250 million (2021: Rupees 1,250 million) and carries mark-up at the rates of 1 month KIBOR plus 2 percent and 3 month KIBOR plus 2 percent (2021: 1 month KIBOR plus 2 percent and 3 month KIBOR plus 2 percent) per annum. These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of Chief Executive Officer, Director, Sponsor and certain executives. The rate of mark-up ranges from 3 percent to 17.32 percent (2021: 9.25 percent to 9.60 percent) per annum during the year on the balances outstanding.

12.2 These represent interest free loans obtained from Chief Executive Officer, Directors, Executives and Sponsors of the Company to meet the working capital requirements of the Company, which are repayable on demand.

12.3 This represents overdue balance of long term loan obtained from Samba Bank Limited (SBL) which was secured against demand promissory note. It carries mark-up at the rate of 12 percent (2021: 12 percent) per annum. SBL filed a suit in Banking Court No. 2, Lahore for the recovery of Rupees 11.976 million. The case was dismissed in favor of the Company. Afterwards, the appeal filed by SBL in 2016 against the dismissal of above mentioned suit in Lahore High Court, Lahore which was dismissed by the Lahore High Court, Lahore on 24 September 2019 due to non-prosecution of the case by SBL. However on 15 January 2020, SBL filed Regular First Appeal (RFA) in Lahore High Court, Lahore. This appeal was dismissed by the Lahore High Court, Lahore due to non-prosecution. Then SBL filed a restoration petition of its appeal. However, the restoration petition has also been dismissed on 20 September 2022, subsequent to the reporting date. In view of the opinion by the legal advisor of the Company, even in worst scenario, if the suit of Bank is decreed, even then the same cannot be decreed beyond the claimed amount of Bank as stated in the Bank's recovery suit. Therefore the mark-up on this loan is not being charged from the financial year ended 30 June 2020.

	2022	**2021**
	(RUPEES IN THOUSAND)	
13. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing (Note 8)	**91,682**	103,305
Current portion of deferred income - Government grant (Note 9.2)	**298**	2,861
Current portion of GIDC payable (Note 9.3)	**61,947**	69,344
	153,927	175,510

14. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Holding Company

i) Certain additions have been made by the assessing officers in tax years 1993, 2006 and 2010 on various grounds and have created demand of Rupees 5.635 million (2021: Rupees 5.635 million). The Company, being aggrieved, has filed appeals with Lahore High Court, Lahore and with Supreme Court of Pakistan, which are still pending. Dates of the institution of above mentioned appeals were 14 October 2002, 05 September 2016 and 05 April 2017 respectively. No provision has been made in these consolidated financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited (CFL) for the recovery of Rupees 23.000 million (2021: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. CFL filed an application seeking rejection of the suit but the said application was dismissed by Civil Court, Lahore. Against this rejection, CFL filed civil revision petition before Lahore High Court, Lahore on 08 October 2016 and under order of Lahore High Court, Lahore, the proceedings before Civil Court, Lahore were stayed. No provision against this receivable has been made in these consolidated financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) The Company has filed a suit in Lahore High Court, Lahore, dated 15 October 2018 against the levy of cotton cess. However the related provision of Rupees 1.696 million (2021: Rupees 1.696 million) is not accounted for in these consolidated financial statements as the management is hopeful that the case will be decided in the favour of the Company.

iv) Cheques of Rupees 32.485 million (2021: Rupees 32.485 million) are issued to Nazir of The High Court of Sindh, Karachi as security against impugned gas rate difference suit, related to Spinning Unit No. 3 of the Company which was sold during the last year. If the outcome of the suit comes against the Company, cheques issued as security shall be encashable.

v) Guarantees of Rupees 74.998 million (2021: Rupees 87.432 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Lahore Electric Supply Company Limited against gas and electricity connections.

vi) Holding Company's share in contingencies of associates accounted for under equity method is Rupees 3.573 million (2021: Rupees 2.081 million).

Subsidiary Company

vii) Sindh High Court, Karachi made decision on 04 June 2021 about the levy of Sindh Infrastructure Cess, against which the Company was contingently liable for Rupees 4.550 million although guarantees were submitted by the Company's Bank for the same amount. Against the decision, the Company lodged a constitution petition No. 11267 / 2021 dated 21 October 2021, in Supreme Court of Pakistan (SCP). Thereafter, on 10 November 2021, SCP allowed the petition, suspended the judgement of Sindh High Court, Karachi and leave to appeal was granted. However, the case is not yet fixed for hearing by SCP. On advice of legal counsel, in view of possible favorable outcome, no provision is accounted for in these consolidated financial statements.

b) Commitments

i) Letters of credit for capital expenditure of the Group are of Rupees Nil (2021: Rupees 5.889 million).

ii) Letters of credit other than for capital expenditure of the Group are of Rupees 231.181 million (2021: Rupees 103.970 million).

	2022	2021
	(RUPEES IN THOUSAND)	
15. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 15.1)	**5,071,133**	4,873,696
Capital work-in-progress (Note 15.2)	**641**	65,064
	5,071,774	4,938,760

15.1 Operating fixed assets

	Land - Freehold	Buildings and roads	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
	(RUPEES IN THOUSAND)										
At 30 June 2020											
Cost / revalued amount	4,116,781	279,111	1,168,670	180,944	77,414	24,944	15,831	31,331	13,554	1,105	5,909,685
Accumulated depreciation	-	(153,820)	(654,659)	(73,689)	(37,045)	(19,095)	(11,124)	(19,153)	(12,709)	(1,027)	(982,321)
Net book value	4,116,781	125,291	514,011	107,255	40,369	5,849	4,707	12,178	845	78	4,927,364
Year ended 30 June 2021											
Opening net book value	4,116,781	125,291	514,011	107,255	40,369	5,849	4,707	12,178	845	78	4,927,364
Additions	-	126	104,984	2,607	3,831	1,857	291	91	191	-	113,978
Transferred to investment properties:											
Cost	-	(23,153)	-	-	-	-	-	-	-	-	(23,153)
Accumulated depreciation	-	18,492	-	-	-	-	-	-	-	-	18,492
	-	(4,661)	-	-	-	-	-	-	-	-	(4,661)
Disposals:											
Cost	-	-	(268,516)	-	(13,017)	(7,143)	(2,504)	(6,403)	(530)	-	(298,113)
Accumulated depreciation	-	-	191,452	-	8,765	6,125	1,851	5,514	507	-	214,214
	-	-	(77,064)	-	(4,252)	(1,018)	(653)	(889)	(23)	-	(83,899)
Depreciation charge	-	(11,934)	(48,799)	(10,781)	(3,810)	(601)	(443)	(2,318)	(376)	(24)	(79,086)
Closing net book value	4,116,781	108,822	493,132	99,081	36,138	6,087	3,902	9,062	637	54	4,873,696
At 30 June 2021											
Cost / revalued amount	4,116,781	256,084	1,005,138	183,551	68,228	19,658	13,618	25,019	13,215	1,105	5,702,397
Accumulated depreciation	-	(147,262)	(512,006)	(84,470)	(32,090)	(13,571)	(9,716)	(15,957)	(12,578)	(1,051)	(828,701)
Net book value	4,116,781	108,822	493,132	99,081	36,138	6,087	3,902	9,062	637	54	4,873,696
Year ended 30 June 2022											
Opening net book value	4,116,781	108,822	493,132	99,081	36,138	6,087	3,902	9,062	637	54	4,873,696
Revaluation surplus (Note 6.1)	146,597	-	-	-	-	-	-	-	-	-	146,597
Additions	-	-	48,361	69,167	691	-	1,369	19,881	155	-	139,624
Disposals:											
Cost	-	-	-	-	-	-	-	(8,223)	-	-	(8,223)
Accumulated depreciation	-	-	-	-	-	-	-	5,590	-	-	5,590
	-	-	-	-	-	-	-	(2,633)	-	-	(2,633)
Depreciation charge	-	(10,640)	(52,069)	(15,674)	(3,665)	(609)	(434)	(2,700)	(344)	(16)	(86,151)
Closing net book value	4,263,378	98,182	489,424	152,574	33,164	5,478	4,837	23,609	448	38	5,071,133
At 30 June 2022											
Cost / revalued amount	4,263,378	256,084	1,053,499	252,718	68,919	19,658	14,987	36,677	13,370	1,105	5,980,396
Accumulated depreciation	-	(157,902)	(564,075)	(100,144)	(35,755)	(14,180)	(10,150)	(13,068)	(12,922)	(1,067)	(909,263)
Net book value	4,263,378	98,182	489,424	152,574	33,164	5,478	4,837	23,609	448	38	5,071,133
Annual rate of depreciation (%)	-	5, 10	10, 15	10, 20	10	10, 12	10	20	10, 50	10, 25, 50	

15.1.1 The book value of freehold land on cost basis is Rupees 93.209 million (2021: Rupees 93.209 million).

15.1.2 Forced sales value of freehold land as at 30 June 2022 was Rupees 3,623.866 million.

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

	2022	2021
	(RUPEES IN THOUSAND)	
Cost of sales (Note 29)	**81,891**	72,634
Administrative expenses (Note 31)	**4,260**	6,452
	86,151	79,086

15.1.4 Particulars of immovable properties (i.e. land and buildings) are as follows:

Particulars	Location	Area of land	Covered Area of building
		Acers	Sq.ft.
Head office and manufacturing facility of embroidery	New Lahore Road, Nishatabad, Faisalabad, Punjab87.20	87.20	80 214
Manufacturing facility of Spinning and Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab48.33	44.74	338 046
Manufacturing facility of Spinning	45-Km Lahore Multan Road, Dina Nath, Phool Nagar, Tehsil Pattoki, District Kasur, Punjab12.29	11.47	178 417

15.2 CAPITAL WORK-IN-PROGRESS

	2022				2021			
	Balance as at 01 July 2021	Additions	Transfer to operating fixed assets	Balance as at 30 June 2022	Balance as at 01 July 2020	Additions	Transfer to operating fixed assets	Balance as at 30 June 2021
	RUPEES IN THOUSAND							
Buildings and roads	641	-	-	641	-	767	(126)	641
Plant and machinery	6,926	41,435	(48,361)	-	270	111,640	(104,984)	6,926
Vehicles	2,290	79	(2,369)	-	-	2,381	(91)	2,290
Stand-by equipment	55,207	13,733	(68,940)	-	-	57,814	(2,607)	55,207
	65,064	55,247	(119,670)	641	270	172,602	(107,808)	65,064

16. INVESTMENT PROPERTIES

Balance as on 01 July	**267,729**	287,792
Add:		
Transferred from operating fixed assets	**-**	4,661
Fair value gain during the year	**-**	3,505
Addition during the year (Note 16.2)	**236,153**	-
	236,153	8,166
Less:		
Fair value loss during the year (Note 32)	**7,711**	-
Disposed of during the year	**-**	28,229
	7,711	28,229
Balance as on 30 June	**496,171**	267,729

16.1 The fair value of investment properties of the Holding Company comprising freehold land and buildings thereon at Nishatabad, Faisalabad, Punjab has been determined on 30 June 2022 by an independent valuer, Messrs Evaluation Focused Consulting. The investment properties of the Holding Company comprise of 4.38 acres having covered area of 184 128 square feet and situated at New Lahore Road, Nishatabad, Faisalabad. Forced sales value of investment properties is Rupees 221.051 million (2021: Rupees 227.570 million) inclusive of disposed of investment properties of Subsidiary Company.

16.2 This freehold land was purchased during the year by the Subsidiary Company and held for capital appreciation. As the land was purchased during the year therefore its fair value is deemed to be same as its cost. This land is situated at Moaza Hadiyara, Tehsil Lahore Cantt., District Lahore.

17. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES

17.1 Reconciliation of investments in associates under equity method:

	Shakarganj Limited		Jubilee Spinning & Weaving Milss Limited		Premier Insurance Limited		Premier Financial Services (Private) Limited		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)									
Cost	**-**	-	**427**	427	**75**	75	**-**	-	**502**	502
Share of post acquisition reserves:										
As at 01 July	**-**	33,619	**2,130**	2,272	**909**	(75)	**-**	(486)	**3,039**	35,330
Share of (loss) / profit after income tax	**-**	(5,842)	**76**	(153)	**(165)**	(798)	**-**	(988)	**(89)**	(7,781)
Share of other comprehensive (loss) / income	**-**	(967)	**10**	11	**138**	1,782	**-**	-	**148**	826
Share of items directly credited in equity	**-**	294	**-**	-	**-**	-	**-**	-	**-**	294
As at 30 June	**-**	(6,515)	**86**	(142)	**(27)**	984	**-**	(988)	**59**	(6,661)
	-	27,104	**2,216**	2,130	**882**	909	**-**	(1,474)	**3,098**	28,669
Adjustment of carrying amount of investment due to loss of significant influence	**-**	(27,104)	**-**	-	**-**	-	**-**	1,474	**-**	(25,630)
As at 30 June	**-**	-	**2,643**	2,557	**957**	984	**-**	-	**3,600**	3,541

17.2 Summarized statement of financial position

	Jubilee Spinning & Weaving Milss Limited		Premier Insurance Limited	
	As at 30 June 2021	As at 30 June 2020	As at 31 December 2021	As at 31 December 2020
	(RUPEES IN THOUSAND)			
Current assets	**145,026**	139,342	**1,725,841**	1,441,400
Non-current assets	**719,194**	703,431	**1,753,516**	1,807,880
Total assets	**864,220**	842,773	**3,479,357**	3,249,280
Current liabilities	**176,410**	162,977	**2,129,067**	1,896,854
Non-current liabilities	**14,500**	12,352	**17,908**	15,518
Total liabilities	**190,910**	175,329	**2,146,975**	1,912,372
Net assets	**673,310**	667,444	**1,332,382**	1,336,908
Reconciliation to carrying amounts:				
Opening balance	**667,444**	677,189	**1,336,908**	1,157,022
Profit / (loss) after income tax	**5,177**	(10,481)	**(27,534)**	(117,112)
Other comprehensive income	**689**	736	**23,008**	296,998
Closing balance	**673,310**	667,444	**1,332,382**	1,336,908
Group's share (%)	**1.46%**	1.46%	**0.60%**	0.60%
Group's share and carrying amount	**2,643**	2,557	**957**	984

17.3 Summarized statement of comprehensive income

	Jubilee Spinning & Weaving Mills Limited		Premier Insurance Limited	
	As at 30 June 2021	As at 30 June 2020	As at 31 December 2021	As at 31 December 2020
	(RUPEES IN THOUSAND)			
Revenue	**2,862**	7,336	**246,737**	195,194
Profit / (loss) for the year	**5,177**	(10,481)	**(27,534)**	(117,112)
Other comprehensive income for the year	**689**	736	**23,008**	296,998
Total comprehensive income / (loss)	**5,866**	(9,745)	**(4,526)**	179,886

17.4 All companies are associated companies due to common directorship.

17.5 Interests in equity accounted associates

Name of associated company	Country of incorporation	% of ownership interest		Measurement method	Quoted fair value		Carrying amount	
		2022	2021		2022	2021	2022	2021
					(RUPEES IN THOUSAND)			
Jubilee Spinning and Weaving Mills Limited (Note 17.5.1)	Pakistan	**1.46%**	1.46%	Equity method	**1,451**	2,694	**2,643**	2,557
Premier Insurance Limited (Note 17.5.2)	Pakistan	**0.60%**	0.60%	Equity method	**1,317**	1,669	**957**	984

17.5.1 Jubilee Spinning and Weaving Mills Limited is engaged in the business of manufacturing and selling of yarn, buying, selling and otherwise dealing in yarn and raw cotton. The Company also operates electric power generation facilities.

17.5.2 Premier Insurance Limited is engaged in general insurance business.

18. OTHER LONG TERM INVESTMENTS

	2022	2021
	(RUPEES IN THOUSAND)	
At fair value through other comprehensive income (Note 18.1)	**4,931**	4,897
Deposit for shares (Note 18.2)	**80,000**	-
	84,931	4,897

	2022	2021
	(RUPEES IN THOUSAND)	
18.1 At fair value through other comprehensive income		
Holding Company		
Quoted		
Crescent Fibers Limited 71 820 (2021: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2021: 0.58%)	**615**	615
Security Papers Limited 522 (2021: 522) ordinary shares of Rupees 10 each fully paid.	**1**	1
Unquoted		
Crescent Modaraba Management Company Limited 119 480 (2021: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2021: 6.52%)	**285**	285
Crescent Bahuman Limited 1 043 988 (2021: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 0.77% (2021: 0.77%)	**-**	-
Crescent Spinning Mills Limited 696 000 (2021: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2021: 4.59%)	**-**	-
Premier Financial Services (Private) Limited 2 500 (2021: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held 11.11% (2021: 11.11%)	**873**	873
	1,774	1,774
Add: Fair value adjustment	**3,157**	3,123
	4,931	4,897

18.2 Deposit for shares

As per the resolution by circulation of the Subsidiary Company's Board of Directors on 14 January 2022, it was decided to invest in 66 666 shares of a Company, Payments fusion (Private) Limited (PPL) for undertaking a country club / farm house project at Gharo, District Thatta. Full amount against these shares of Rupees 80 million has been paid to PPL. The shares will be issued to the Subsidiary Company in due course. This is a strategic investment of the Subsidiary Company.

	2022	2021
	(RUPEES IN THOUSAND)	

19. LONG TERM ADVANCES

	2022	2021
Considered good:		
Employees - against salary	**835**	355
Less: Current portion shown under current assets (Note 24)	**646**	240
	189	115

19.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefit. These are recoverable in equal monthly installments.

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

20. DEFERRED INCOME TAX ASSET

	2022	2021
Taxable temporary difference		
Accelerated tax depreciation	**(108,281)**	(101,313)
Fair value reserve of investments	**(6,255)**	-
	(114,536)	(101,313)
Deductible temporary differences		
Unused tax losses and minimum tax	**86,943**	84,064
Deferred income - Government grant	**82**	849
Provision for GIDC	**17,068**	20,737
Provision for employees' retirement benefit	**44,747**	37,892
Investments in associates	**540**	456
Provision for doubtful receivables	**5,458**	4,418
	154,838	148,416
	40,302	47,103

	2022	2021
	(RUPEES IN THOUSAND)	

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

	2022	2021
At beginning of the year	**47,103**	58,496
(Less) / add:		
- accelerated tax depreciation	**(6,968)**	4,604
- provision for employees' retirement benefit	**6,855**	3,419
- provision for GIDC	**(3,669)**	849
- deferred income - Government grant	**(767)**	20,737
- provision for doubtful receivables	**1,040**	(1,117)
- fair value reserve of investments	**(6,255)**	-
- investment in associates	**84**	(4,844)
- unused tax losses and minimum tax	**2,879**	(35,041)
Net movement of temporary differences (Note 20.1.1)	**(6,801)**	(11,394)
Closing deferred income tax liability	**40,302**	47,103

20.1.1 Charged to the consolidated statement of profit or loss:

	2022	2021
Net movement of temporary differences (Note 20.1)	**6,801**	11,394
- experience adjustment on employees' retirement benefit	**1,501**	7,064
- unrealized gain on investments at FVTOCI	**(6,255)**	-
	(4,754)	7,064
Charged to the consolidated statement of profit or loss	**2,047**	18,458

21. STORES, SPARE PARTS AND LOOSE TOOLS

	2022	2021
Stores	**34,587**	22,640
Spare parts	**40,311**	43,674
Loose tools	**84**	164
	74,982	66,478

22. STOCK-IN-TRADE

	2022	2021
Raw materials (Note 22.1)	**354,526**	295,438
Work-in-process	**77,012**	30,777
Finished goods (Note 22.2)	**263,192**	160,066
Waste	**917**	1,806
	695,647	488,087

	2022	2021
	(RUPEES IN THOUSAND)	

22.1 These include stock in transit of Rupees 26.489 million (2021: Rupees 15.165 million).

22.2 These include stock of Rupees 91.550 million (2021: Rupees 155.730 million) sent to outside parties for weaving.

22.3 Stock-in-trade of Rupees 38.675 million (2021: Rupees 1.806 million) is being carried at net realizable value.

22.4 The aggregate amount of write-down of stock-in-trade to net realizable value recognized as an expense during the year was Rupees 3.105 million (2021: Rupees Nil)

23. TRADE DEBTS

Considered good:

	2022	2021
Unsecured	**518,837**	197,994
Less: Allowance for expected credit lossess (Note 23.4)	**5,072**	3,475
	513,765	194,519

23.1 As at 30 June 2022, trade debts of Rupees 352.557 million (2021: Rupees 98.305 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2022	2021
Upto 1 month	**120,851**	93,664
1 to 6 months	**181,022**	2,174
More than 6 months	**50,684**	2,467
	352,557	98,305

23.2 Trade debts in respect of foreign and local jurisdictions are as follows:

	2022	2021
America	**16,029**	16,056
Africa	**84,784**	53,500
Asia	**11,210**	-
Europe	**81,612**	17,385
Pakistan	**320,130**	107,578
	513,765	194,519

23.3 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 30 to 45 days from delivery in case of local sales, and 30 to 180 days in case of export sales.

	2022	2021
	(RUPEES IN THOUSAND)	

23.4 Allowance for expected credit losses

	2022	2021
Balance as on 01 July	**3,475**	7,327
Add: Recognized during the year (Note 32)	**2,439**	1,763
	5,914	9,090
Recovered during the year (Note 33)	**(842)**	(5,615)
As at 30 June	**5,072**	3,475

24. LOANS AND ADVANCES

Considered good:

	2022	2021
Employees - interest free:		
Against expenses		
- Executive (Note 24.1)	**5,197**	-
- Other employees	**4,269**	4,382
Against salary		
- Other employees	**413**	875
	9,879	5,257
Current portion of long term advances (Note 19)	**646**	240
Advances to suppliers / contractors / service providers (Note 24.2)	**41,843**	10,255
Letters of credit	**667**	379
	53,035	16,131
Less: Provision for doubtful loans and advances (Note 32)	**2,975**	-
	50,060	16,131

24.1 This amount was paid to Mr. Adnan Ajmad, Chief Executive Officer of the Subsidiary Company against expenses. This advance is unsecured and not past due. Maximum aggregate balance at the end of any month during the year was Rupees 5.197 million (2021: Rupees Nil).

24.2 These include Rupees 0.285 million (2021: Rupees Nil) due from Premier Insurance Limited, a related party. This balance is neither past due nor impaired. The maximum aggregate amount due at the end of any month during the year was Rupees 0.285 million (2021: Rupees Nil).

	2022	2021
	(RUPEES IN THOUSAND)	

25. DEPOSIT AND OTHER RECEIVABLES

	2022	2021
Considered good:		
Sales tax and excise duty refundable	**270,038**	64,340
Profit on deposits with banks receivable	**1,015**	1,793
Duty drawback and export rebate	**6,371**	10,505
Margin deposits	**1,712**	1,562
Others	**63,616**	74,445
Prepayments	**1,944**	2,020
	344,696	154,665
Less: Allowance for doubtful other receivables	**11,760**	11,760
	332,936	142,905

26. SHORT TERM INVESTMENTS

	2022	2021
At fair value through other comprehensive income (Note 26.1)	**156,312**	639,180
At fair value through profit or loss (Note 26.2)	**9,132**	-
	165,444	639,180

26.1 At fair value through other comprehensive income

Quoted

	2022	2021
Samba Bank Limited 2 579 313 (2021: 2 579 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.26% (2021: 0.26%)	**7,091**	7,091
Crescent Steel and Allied Products Limited 76 (2021: 76) ordinary shares of Rupees 10 each fully paid.	**1**	1
The Crescent Textile Mills Limited 4 734 863 (2021: 4 026 391) ordinary shares of Rupees 10 each fully paid. Equity held 4.73% (2021: 5.03%)	**90,550**	75,939
Shakarganj Limited 1 143 693 (2021: 1 143 693) ordinary shares of Rupees 10 each fully paid.	**40,601**	40,601
Equity held 0.91% (2021: 0.91%) (Note 17.5.1)	**138,243**	123,631
	18,069	57,827
Add: Fair value adjustment	**156,312**	181,458

	2022	2021
	(RUPEES IN THOUSAND)	

26.2 At fair value through profit or loss

Faysal Money Market Fund 89 419.122 Units (2021: Nil)	**9,132**	-

27. CASH AND BANK BALANCES

With banks:		
Current accounts	**64,287**	243,010
PLS / Deposit account (Note 27.1)	**97,453**	395,493
	161,740	638,503
Cash in hand	**984**	677
	162,724	639,180

27.1 Rate of profit on PLS / deposit accounts was ranging from 5.50% to 13.50% (2021: 5.75% to 7.00%) per annum.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales (Note 28.1)	**5,809,796**	4,761,200
Export sales (Note 28.2)	**1,648,488**	634,423
Export rebate and duty drawback	**9,558**	10,320
	7,467,842	5,405,943

28.1 Local Sales

Yarn	**6,249,022**	5,489,048
Hosiery	**632**	-
Cloth	**-**	5,753
Raw materials	**517,174**	-
Waste	**36,416**	34,006
	6,803,244	5,528,807
Less: Sales tax	**993,448**	767,607
	5,809,796	4,761,200

28.2 Export Sales

Yarn sale to customer having Duty and Tax Remission for Exports (DTRE)	**370,210**	-
Cloth	**287,075**	297,607
Hosiery	**124,626**	118,284
Home Textile	**866,577**	218,532
	1,648,488	634,423

		2022	2021
		(RUPEES IN THOUSAND)	

28.3 The Group has recognized revenue of Rupees 72.367 million (2021: Rupees 80.503 million) from amounts included in contract liabilities at the year end.

28.4 The revenue has been recognized at the point in time as per the terms and conditions of underlying contracts with customers.

29. COST OF SALES

	2022	2021
Raw materials consumed	**4,239,733**	3,062,348
Salaries, wages and other benefits (Note 30.1)	**426,071**	341,042
Stores, spare parts and loose tools consumed	**258,415**	150,096
Fuel and power	**934,014**	747,761
Outside weaving / Processing / Stitching charges	**340,603**	122,374
Other manufacturing overheads	**25,741**	20,395
Insurance	**10,145**	8,432
Repair and maintenance	**4,778**	2,134
Depreciation (Note 15.1.3)	**81,891**	72,634
	6,321,391	4,527,216
Work-in-process		
Opening stock	**30,777**	26,831
Closing stock	**(77,012)**	(30,777)
	(46,235)	(3,946)
Cost of goods manufactured	**6,275,156**	4,523,270
Finished goods		
Opening stock	**161,872**	220,364
Closing stock	**(264,109)**	(161,872)
	(102,237)	58,492
	6,172,919	4,581,762
Cost of goods purchased for resale	**540,945**	98,558
	6,713,864	4,680,320

29.1 Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 29.932 million (2021: Rupees 21.934 million).

30. DISTRIBUTION COST

	2022	2021
Freight and forwarding	**83,922**	31,337
Commission to selling agents	**34,529**	30,919
Insurance	**672**	348
Loading and handling	**8,342**	9,579
Others	**2,663**	2,052
	130,128	74,235

		2022	2021
		(RUPEES IN THOUSAND)	
31.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 31.1)	**138,117**	128,723
	Workers' welfare	**3,015**	2,860
	Traveling and conveyance	**7,369**	5,193
	Insurance	**2,064**	3,701
	Rent, rates and taxes	**6,309**	5,627
	Entertainment	**2,904**	3,769
	Fee and subscription	**2,730**	2,250
	Communication	**2,961**	2,539
	Vehicles' running	**21,199**	16,781
	Repair and maintenance	**8,751**	10,379
	Utilities	**4,832**	8,470
	Printing and stationery	**2,349**	1,755
	Books and periodicals	**81**	47
	Advertisement	**28**	533
	Auditor's remuneration:		
	Statutory audit - standalone	**1,650**	1,505
	Statutory audit - consolidation	**200**	150
	Other certifications including half yearly review	**545**	400
	Out of pocket expenses	**45**	45
		2,440	2,100
	Legal and professional	**5,686**	9,110
	Miscellaneous	**5,530**	5,065
	Depreciation (Note 15.1.3)	**4,260**	6,452
		220,625	215,354

31.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 18.543 million (2021: Rupees 9.710 million).

		2022	2021
32.	**OTHER EXPENSES**		
	Donations (Note 32.1)	**48**	18
	Workers' profit participation fund (Note 10.2)	**17,656**	21,335
	Loss on sale of stores, spare parts and loose tools	**-**	6,279
	Net exchange loss	**-**	5,311
	Trade debts / debit balances written off	**-**	24
	Stores, spare parts and loose tools written off	**592**	-
	Loss on remeasurement of fair value of investment properties (Note 16.1)	**7,711**	1,763
	Allowance for expected credit losses (Note 23.4)	**2,439**	-
	Provision for doubtful loans and advances (Note 24)	**2,975**	7,046
	Workers' welfare fund (Note 10.3)	**4,959**	153
	Loss due to loss of significant influence over investee company	**-**	-
		36,380	41,929

		2022	2021
		(RUPEES IN THOUSAND)	
32.1	There is no interest of any director or his / her spouse in donees' fund.		
33.	**OTHER INCOME**		
	Income from financial assets		
	Exchange gain	**27,328**	-
	Reversal of allowance for expected credit losses (Note 23.4)	**842**	5,615
	Profit on PLS / deposit accounts	**12,294**	10,166
	Gain on sale of investments	**3,785**	-
	Gain due to loss of significant influence over investee company (Note 17.5.1)	**-**	51,577
	Profit on sale of right offer	**-**	2,078
	Dividend income (Note 33.1)	**6,358**	1,939
		50,607	71,375
	Income from non-financial assets		
	Rental income	**32,061**	28,807
	Scrap sales	**1,368**	1,386
	Gain on sale of property, plant, equipment and leasehold land	**3,689**	485,625
	Amortization of deferred grant (Note 9.2)	**2,861**	5,019
	Gain on remeasurement of GIDC liability (Note 9.3)	**-**	8,191
	Credit balances written back	**-**	3,415
	Others	**340**	-
	Gain on remeasurement of fair value of investment properties (Note 16)	**-**	3,505
		40,319	535,948
		90,926	607,323
33.1	**Dividend income**		
	Crescent Fibers Limited	**108**	-
	Samba Bank Limited	**1,547**	1,934
	Security Papers Limited	**5**	5
	Faysal Money Market Fund	**4,698**	-
		6,358	1,939
34.	**FINANCE COST**		
	Mark-up / interest on:		
	Long term financing	**26,351**	27,344
	Short term borrowings	**61,366**	47,672
	Workers' profit participation fund (Note 10.2)	**1,535**	174
	Unwinding of discount on GIDC payable (Note 9.3)	**2,683**	5,450
	Bank charges and commission	**7,576**	6,358
		99,511	86,998

		2022	2021
		(RUPEES IN THOUSAND)	
35.	**TAXATION**		
	Current:		
	For the year (Note 35.1)	**88,675**	77,378
	Prior year	**1,684**	(12,445)
		90,359	64,933
	Deferred (Note 20.1.1)	**2,047**	18,458
		92,406	83,391

35.1 Provision for current taxation represents the final tax 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. Unused tax losses of the Holding Company represents unabsorbed depreciation amounting to Rupees 215.465 million (2021: Rupees 128.928 million). Total minimum tax available for carry forward by Holding Company under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2022 is of Rupees 216.954 million, while deferred income tax asset is recognized on minimum tax to the extent of Rupees 22.071 million. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of unused tax losses of the Holding Company.

35.2 The minimum tax would expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES IN THOUSAND	
2022	68,215	2025
2021	71,491	2024
2020	77,248	2023
	216,954	

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2022	2021
Profit attributable to ordinary shareholders of the Holding Company	(Rupees in thousand)	**265,765**	823,259
Weighted average number of ordinary shares	(Numbers)	**22 660 126**	22 660 126
Earnings per share	(Rupees)	**11.73**	36.33

		2022	2021
		(RUPEES IN THOUSAND)	
37.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	**358,171**	906,649
	Adjustments for non cash charges and other items:		
	Depreciation	**86,151**	79,086
	Provision for employees' retirement benefit	**48,475**	31,644
	Gain on sale of property, plant, equipment and leasehold land	**(3,689)**	(485,625)
	Loss / (gain) on remeasurement of fair value of investment properties	**7,711**	(3,505)
	Profit on PLS / deposit accounts	**(1,015)**	
	Provision for doubtful loans and advances	**2,975**	
	Stores, spare parts and loose tools written off	**592**	
	Gain on sale of investment at fair value through profit or loss	**(3,785)**	-
	Share of loss from equity accounted associates	**89**	7,781
	Allowance / (reversal of allowance) for expected credit loss - net	**1,597**	(3,852)
	Trade debts / debit balances written off	**-**	24
	Gain on remeasurement of GIDC liability	**-**	(8,191)
	Amortization of deferred grant	**(2,861)**	(5,019)
	Credit balances written back	**-**	(3,415)
	Gain due to loss of significant influence over investee company	**-**	(51,577)
	Loss due to loss of significant influence over investee company	**-**	153
	Finance cost	**99,511**	86,998
	Working capital changes (Note 37.1)	**(663,474)**	253,039
		(69,552)	804,190

37.1	**Working capital changes**		
	(Increase) / decrease in current assets		
	Stores, spare parts and loose tools	**(9,096)**	3,249
	Stock-in-trade	**(207,560)**	52,094
	Trade debts	**(320,843)**	89,630
	Loans and advances	**(36,904)**	41,716
	Deposits, prepayments and other receivables	**(202,088)**	46,575
		(776,491)	233,264
	Increase trade and other payables	**113,017**	19,775
		(663,474)	253,039

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

	2022			
	Long term financing	**Short term financing**	**Unclaimed dividend**	**Total**
	(RUPEES IN THOUSAND)			
Balance as at 01 July	307,047	373,704	3,971	684,722
Financing obtained	9,742	-	-	9,742
Other charges - non-cash movement	2,861			2,861
Short term borrowings obtained - net	-	305,349	-	305,349
Repayment of financing	(116,979)	-	-	(116,979)
Dividend paid	-	-	(1)	(1)
Balance as at 30 June	202,671	679,053	3,970	885,694

	2021			
	Long term financing	**Short term financing**	**Unclaimed dividend**	**Total**
	(RUPEES IN THOUSAND)			
Balance as at 01 July	225,539	846,269	3,980	1,075,788
Financing obtained	155,205	-	-	155,205
Other charges - non-cash movement	(3,159)	-	-	(3,159)
Short term borrowings obtained - net	-	(472,565)	-	(472,565)
Repayment of financing	(70,538)	-	-	(70,538)
Dividend paid	-	-	(9)	(9)
Balance as at 30 June	307,047	373,704	3,971	684,722

38. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise associated company, other related parties and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements is as follows:

Name of Company	**Basis of relationship**	**Nature of transaction**	**2022**	**2021**
			(RUPEES IN THOUSAND)	
Associated company				
Premier Insurance Limited	Common directorship	Insurance premium	12,965	11,804
Other related parties				
Directors / executives / sponsors	Members of Board of Directors, of Holding Company, key management personnel & sponsors	Loan paid	(8,914)	(9,586)
Chief Executive Officer of the Subsidiary Company	Members of Board of Directors of Subsidiary Company	Advance given	5,197	-

38.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Directors and Executives is given in Note 39.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Directors		Executives	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	---------------------------(RUPEES IN THOUSAND)---------------------------					
Managerial remuneration	**7,502**	7,345	**5,001**	11,148	**22,239**	18,493
Allowances:						
Housing	**3,376**	3,305	**2,251**	5,017	**10,008**	8,322
Utilities	**750**	735	**500**	1,115	**2,382**	1,850
Group insurance	**-**	-	**5**	11	**16**	11
Reimbursable expenses	**750**	735	**500**	1,115	**2,054**	1,850
	12,378	12,120	**8,257**	18,406	**36,699**	30,526
Number of persons	**1**	1	**1**	2	**5**	6

39.1 Aggregate amount charged in these consolidated financial statements for meeting fee to five directors of the Holding Company (2021: five directors) was Rupees 640,000 (2021: Rupees 640,000).

39.2 The Chief Executive Officer, directors and executives of the Holding Company are provided with Company maintained vehicles.

39.3 Apart from the meeting fee as disclosed in Note 39.1, no remuneration was paid to non-executive directors of the Holding Company.

40. NUMBER OF EMPLOYEES

	2022	**2021**
	(NUMBER OF PERSONS)	
Number of employees as on 30 June	**1 259**	1 597
Average number of employees during the year	**1 266**	1 310

41. SEGMENT INFORMATION

	Textiles		Trading		Elimination of inter - segment transactions		Total - Group	
	2022	2021	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)							
Revenue from contracts with customers								
External	**6,828,198**	4,884,887	**639,644**	521,056	**-**	-	**7,467,842**	5,405,943
Intersegment	**99,006**	240,927	**34,012**	-	**(133,018)**	(240,927)	**-**	-
	6,927,204	5,125,814	**673,656**	521,056	**(133,018)**	(240,927)	**7,467,842**	5,405,943
Cost of sales	**(6,241,796)**	(4,469,165)	**(605,086)**	(452,082)	**133,018**	240,927	**(6,713,864)**	(4,680,320)
Gross profit	**685,408**	656,649	**68,570**	68,974	**-**	-	**753,978**	725,623
Distribution cost	**(114,860)**	(43,635)	**(15,268)**	(30,600)	**-**	-	**(130,128)**	(74,235)
Administrative expenses	**(198,128)**	(213,921)	**(22,497)**	(1,433)	**-**	-	**(220,625)**	(215,354)
Other income	**60,646**	607,323	**30,280**	-	**-**	-	**90,926**	607,323
Finance cost	**(98,591)**	(83,928)	**(920)**	(3,070)	**-**	-	**(99,511)**	(86,998)
Profit before taxation and unallocated expenses	**334,475**	922,488	**60,165**	33,871	**-**	-	**394,640**	956,359
Other expenses							**(36,380)**	(41,929)
Share of loss from equity accounted investees							**(89)**	(7,781)
Taxation							**(92,406)**	(83,391)
Profit after taxation							**265,765**	823,259

41.1 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		Total - Group	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	**7,282,252**	7,070,049	**581,252**	73,213	**7,863,504**	7,143,262
Unallocated assets:						
Investments in equity accounted investees					**3,600**	3,541
Deferred income tax asset					**40,302**	47,103
Total assets as per consolidated statement of financial position					**7,907,406**	7,193,906
Total liabilities for reportable segments	**1,921,616**	1,562,804	**28,603**	49,113	**1,950,219**	1,611,917
Unallocated liability:						
Provision for taxation					**88,675**	77,378
Total liabilities as per consolidated statement of financial position					**2,038,894**	1,689,295

41.2 Geographical information

The Group's revenue from external customers by geographical location is detailed below:

	Textiles		Trading		Total - Group	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Africa	**78,765**	-	**287,075**	289,267	**365,840**	289,267
America	**133,007**	126,095	**-**	16,867	**133,007**	142,962
Asia	**27,879**	-	**-**	-	**27,879**	-
Europe	**761,110**	2,509	**-**	210,005	**761,110**	212,514
Pakistan	**5,457,227**	4,756,283	**352,569**	4,917	**5,809,796**	4,761,200
Yarn sale to customer having DTRE	**370,210**	-	**-**	-	**370,210**	-
	6,828,198	4,884,887	**639,644**	521,056	**7,467,842**	5,405,943

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

41.4 Revenue from major customers

The Group's revenue is earned from a large mix of customers.

41.5 The Group's revenue from external customers in respect of product is detailed below:

	Textiles		Trading		Total - Group	
	2022	2021	2022	2021	2022	2021
	(RUPEES IN THOUSAND)					
Major products/service lines						
Yarn / waste / others	**5,836,456**	4,761,156	**352,569**	-	**6,189,025**	4,761,156
Cloth	**-**	-	**287,075**	302,524	**287,075**	302,524
Hosiery	**125,165**	123,731	**-**	-	**125,165**	123,731
Made-ups	**866,577**	-	**-**	218,532	**866,577**	218,532
	6,828,198	4,884,887	**639,644**	521,056	**7,467,842**	5,405,943

42. INTERESTS IN OTHER ENTITIES

Non-Controlling Interest (NCI)

Set out below is summarized financial information for Crescot Mills Limited - Subsidiary Company that has non-controlling interest which is material to the Group. The amount disclosed for Subsidiary Company is before inter-company eliminations.

	2022	2021
	(RUPEES IN THOUSAND)	
Summarized statement of financial position		
Current assets	**195,754**	502,400
Current liabilities	**(30,808)**	(23,487)
Net current assets	**164,946**	478,913
Non-current assets	**336,368**	3,100
Non-current liabilities	**(2,525)**	-
	333,843	3,100
Net assets	**498,789**	482,013
Accumulated non-controlling interest	**168,841**	163,161
Summarized statement of comprehensive income		
Revenue	**386,581**	-
Profit for the year	**16,776**	463,323
Other comprehensive income	**-**	-
Total comprehensive income	**16,776**	463,323
Profit allocated to non-controlling interest	**5,679**	156,835
Summarized cash flows		
Cash flows used in operating activities	**(51,034)**	(7,684)
Cash flows (used in) / from investing activities	**(326,342)**	500,746
Cash flows from financing activities	**-**	-
Net increase in cash and cash equivalents	**(377,376)**	493,062

43. PLANT CAPACITY AND ACTUAL PRODUCTION

Holding Company - Crescent Cotton Mills Limited

Spinning:

		2022	2021
100% plant capacity converted to 20s count based on 3 shifts per day for 1095 shifts (2021: 1060 shifts)	Kgs.	**19 159 271**	19 042 148
Actual production converted to 20s count based on 3 shifts per day for 1095 shifts (2021: 1060 shifts)	Kgs.	**16 545 698**	18 083 980

Embroidery, Hosiery and Home Textiles:
Capacity of such units cannot be determined due to nature of their operations.

43.1 Reason For Low Production

The under utilization of available capacity of spinning segment is mainly due to normal repair and maintenance and power shut down / jerks.

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

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

Risk management is carried out by the Holding Company's finance department under policies approved by the Board of Directors.

a) Market risk

(i) Currency risk

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

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

	2022	2021
Trade debts - USD	**942,257**	550,953
Trade and other payables - Chinese Yartn (CNY)	**-**	(1,785,000)

Following significant exchange rates were applied during the year:

	2022	2021
Rupees per US Dollar		
Average rate	**181.65**	163.03
Reporting date rate	**205.50**	157.80
Rupees per CNY		
Average rate	**-**	24.38
Reporting date rate	**-**	24.76

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 8.924 million (2021: Rupees 1.949 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 Group is not exposed to commodity price risk.

Sensitivity analysis

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

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2022	**2021**
	(RUPEES IN THOUSAND)	
PSX 100 (5% increase)	**8,475**	9,299
PSX 100 (5% decrease)	**(8,475)**	(9,299)

Index	Impact on profit after taxation	
MUFAP (5% increase)	**388**	-
MUFAP (5% decrease)	**(388)**	-

(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 Group's interest rate risk arises from bank balances in PLS / deposit accounts, long term financing and short term borrowings. Financial instruments obtained at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

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

	2022	2021
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Long term financing	**78,011**	136,522
Floating rate instruments		
Financial assets		
Bank balances - PLS / deposit accounts	**97,453**	395,493
Financial liabilities		
Long term financing	**124,660**	170,525
Short term borrowings	**328,223**	78,033

Fair value sensitivity analysis for fixed rate instruments

The Group 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 Group.

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 3.309 million lower / higher (2021: Rupees 1.641 million higher/ lower), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

b) **Credit risk**

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

	2022	2021
Investments	**170,375**	186,355
Loans and advances	**1,248**	1,230
Deposits	**5,897**	5,467
Trade debts	**513,765**	194,519
Other receivables	**51,980**	63,700
Bank balances	**161,740**	638,503
	905,005	1,089,774

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Credit risk on bank balances is limited as the counterparties are banks with reasonably high crediting ratings. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

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

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 23.4 to the financial statements.

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:

	Rating			2022	2021
	Short Term	Long Term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	**5,771**	60,849
Allied Bank Limited	A1+	AAA	PACRA	**158**	89
Bank Alfalah Limited	A1+	AA+	PACRA	**10,891**	3,470
Habib Bank Limited	A-1+	AAA	VIS	**412**	21,072
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**6,806**	311,337
MCB Bank Limited	A1+	AAA	PACRA	**9,276**	4,798
United Bank Limited	A-1+	AAA	VIS	**4,629**	7,910
Askari Bank Limited	A1+	AA+	PACRA	**10**	977
Bank Al-Habib Limited	A1+	AA+	PACRA	**5,349**	4,155
The Bank of Punjab	A1+	AA+	PACRA	**365**	1,041
JS Bank Limited	A1+	AA-	PACRA	**116,972**	200,539
Faysal Bank Limited	A1+	AA	VIS	**637**	57
Sindh Bank Limited	A-1	A+	VIS	**268**	75
Meezan Bank Limited	A-1+	AAA	VIS	**161**	22,099
MCB Islamic Bank Limited	A1	A	PACRA	**35**	35
				161,740	638,503

The Group's exposure to credit risk and allowances for expected credit losses related to trade debts is disclosed in Note 23.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly the credit risk is minimal.

c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2022, the Company had Rupees 921.777 million (2021: Rupees 1,181.76 million) available borrowing limits from financial institutions and Rupees 162.724 million (2021: Rupees 639.180 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	RUPEES IN THOUSAND					
Contractual maturities of financial liabilities as at 30 June 2022:						
Non-derivative financial liabilities:						
Long term financing	202,671	220,340	66,889	39,816	59,142	54,493
Trade and other payables	627,022	627,022	627,022	-	-	-
Unclaimed dividend	3,970	3,970	3,970	-	-	-
Accrued mark-up	34,438	34,438	34,438	-	-	-
Short term borrowings	679,053	688,721	581,814	106,907	-	-
	1,547,154	1,574,491	1,314,133	146,723	59,142	54,493
Contractual maturities of financial liabilities as at 30 June 2021:						
Non-derivative financial liabilities:						
Long term financing	307,047	333,352	67,676	65,595	94,732	105,349
Trade and other payables	568,381	568,381	568,381	-	-	-
Unclaimed dividend	3,971	3,971	3,971	-	-	-
Accrued mark-up	25,825	25,825	25,825	-	-	-
Short term borrowings	373,704	377,445	377,445	-	-	-
	1,278,928	1,308,974	1,043,298	65,595	94,732	105,349

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective at the year end. The rates of interest / mark-up have been disclosed in Note 8 and Note 12 to these consolidated financial statements.

44.2 Financial instruments by categories

	2022				2021		
	At amortized cost	At FVTPL	At FVTOCI	Total	At amortized cost	At FVTOCI	Total
	RUPEES IN THOUSAND						
Assets as per consolidated statement of financial position							
Investments	**-**	**9,132**	**161,243**	**170,375**	-	186,355	186,355
Loans and advances	**1,248**	**-**	**-**	**1,248**	1,230	-	1,230
Deposits	**5,897**	**-**	**-**	**5,897**	5,467	-	5,467
Trade debts	**513,765**	**-**	**-**	**513,765**	194,519	-	194,519
Other receivables	**51,980**	**-**	**-**	**51,980**	63,700	-	63,700
Cash and bank balances	**162,724**	**-**	**-**	**162,724**	639,180	-	639,180
	735,614	**9,132**	**161,243**	**905,989**	904,096	186,355	1,090,451

	2022	2021
	Financial liabilities at amortized cost	
	(RUPEES IN THOUSAND)	
Liabilities as per consolidated statement of financial position		
Long term financing	**202,671**	307,047
Accrued mark-up	**34,438**	25,825
Short term borrowings	**679,053**	373,704
Trade and other payables	**627,022**	568,381
Unclaimed dividend	**3,970**	3,971
	1,547,154	1,278,928

44.3 Reconciliation of financial assets and financial liabilities to the line items presented in the consolidated statement of financial position is as follows:

	2022			2021		
	Financial assets	Other than financial assets	Total as per consolidated statement of financial position	Financial assets	Other than financial assets	Total as per consolidated statement of financial position
	RUPEES IN THOUSAND					
Assets as per consolidated statement of financial position						
Loans and advances	**1,248**	**49,001**	**50,249**	1,230	15,016	16,246
Deposits	**5,897**	**-**	**5,897**	5,467	-	5,467
Trade debts	**513,765**	**-**	**513,765**	194,519	-	194,519
Prepayments and other receivables	**51,890**	**281,046**	**332,936**	66,498	74,845	141,343
Cash and bank balances	**162,724**	**-**	**162,724**	639,180	-	639,180
Investments	**170,375**	**83,600**	**253,975**	186,355	3,541	189,896
	905,899	**413,647**	**1,319,546**	1,093,249	93,402	1,186,651

	2022			2021		
	Financial liabilities	Other than financial liabilities	Total as per consolidated statement of financial position	Financial liabilities	Other than financial liabilities	Total as per consolidated statement of financial position
	RUPEES IN THOUSAND					
Liabilities as per statement of financial position						
Long term financing	**202,671**	**-**	**202,671**	307,047	-	307,047
Trade and other payables	**627,022**	**177,711**	**804,733**	568,381	111,583	679,964
Unclaimed dividend	**3,970**	**-**	**3,970**	3,971	-	3,971
Accrued mark-up	**34,438**	**-**	**34,438**	25,825	-	25,825
Short term borrowings	**679,053**	**-**	**679,053**	373,704	-	373,704
	1,547,154	**177,711**	**1,724,865**	1,278,928	111,583	1,390,511

44.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividend 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 Group 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 Group as referred to in Note 8 and Note 12 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2022	2021
Borrowings	Rupees in thousand	**881,724**	680,751
Total equity	Rupees in thousand	**5,869,302**	5,504,611
Total capital employed	Rupees in thousand	**6,751,026**	6,185,362
Gearing ratio	Percentage	**13.06**	11.01

Increase in gearing ratio resulted primarily from increase in borrowings of the Group.

45. FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. The judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Financial assets				
At fair value through other comprehensive income	169,502	-	873	170,375
At fair value through profit or loss	9,132	-	-	9,132
Total financial assets	178,634	-	873	179,507

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Financial assets				
At fair value through other comprehensive income	185,986	-	873	186,859
Total financial assets	185,986	-	873	186,859

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

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

The Group'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 is based on quoted market prices at the reporting date. The quoted market price used for the 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 technique used to value listed financial instruments was the use of quoted market prices.

46. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments 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 Group has classified its non-financial assets into the following three levels.

At 30 June 2022	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Investment properties	-	496,171	-	496,171
Freehold land	-	4,263,378	-	4,263,378
Total non-financial assets	-	4,759,549	-	4,759,549

At 30 June 2021	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Investment properties	-	267,729	-	267,729
Freehold land	-	4,116,781	-	4,116,781
Total non-financial assets	-	4,384,510	-	4,384,510

The Group'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 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 of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's assets. Changes in fair values are analyzed in discussion between the management and the valuer. As part of this discussion the team presents report which explains the reason for the fair value movements.

47. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 30, 2022 by the Board of Directors of the Holding Company.

48. CORRESPONDING FIGURES

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

49. GENERAL

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

FORM OF PROXY
Annual General Meeting

I/We_________________________________of _________ a member/members of **Crescent Cotton Mills Limited** and holder of __________ shares as per Folio #_________ /CDC Participant's ID #_______and Sub Account # __________ /CDC Investor Account ID #___________ do hereby appoint ____ of _____________ or failing him ____ of ______________ who is also member of the Company vide Folio No. __________ /CDC Participant's ID #_______ and Sub Account # _________ /CDC Investor Account ID #__________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 09:30 a.m. on Thursday the October 27, 2022 at the Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad and at any adjournment thereof.

As witness my hand this ____________________ day of ______________2022.

________________________ **Member's Signature**	**Affix revenue stamps of Rs. 5/-**

Witnesses:

Signature:________________
Name: __________________
Address: _________________
____

Signature:_______________
Name: _________________
Address: ________________
____

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, New Lahore Road, Nishatabad, Faisalabad, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:

I) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the Proxy form as per the above requirement.
ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
iii) Attested copies of CNICs or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

کریسنٹ کاٹن ملز لمیٹڈ پراکسی فارم (مختارنامہ)

میں/ہم ____________________

بحیثیت رکن کریسنٹ کاٹن ملز لمیٹڈ اور حامل ____________________ حصص بمطابق فولیو نمبر ____________________

سی ڈی سی پارٹیسپیشن (شرکت) آئی ڈی نمبر ____________ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ____________/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر ____________

محترم/محترمہ ____________________ یا اسکی غیر موجودگی میں ____________________

فولیو نمبر ____________________/سی ڈی سی پارٹیسپیشن (شرکت) آئی ڈی نمبر ____________________

اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ____________/سی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر ____________ کو اپنے/ہمارے ایماء پر مورخہ 27 اکتوبر 2022 بروز جمعرات 9:30 بجے بمقام رجسٹرڈ آفس نشاط آباد فیصل آباد پر منعقد ہونے والے کریسنٹ کاٹن ملز لمیٹڈ کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز.................. بتاریخ.................. 2022 کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

1

دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

-/5 روپے کا رسیدی ٹکٹ یہاں چسپاں کریں۔

2

دستخط: ____________________

نام: ____________________

پتہ: ____________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

دستخط رکن
کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں۔

نوٹ:

1- اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن، پراکسی مقرر کرسکتا ہے۔

2- پراکسی اور مختارنامہ یا دیگر اتھارٹی (اگر کوئی ہوں) تقرری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختارنامہ کے نوٹریلی مصدقہ کاپی، کمپنی کے شیئرز رجسٹرار دفتر وژن کنسلٹنگ لمیٹڈ لاہور میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کروائے جانے چاہئیں۔

3- سی ڈی سی اکاؤنٹ ہولڈرز کو پراکسیز تقرری کیلیئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے مورخہ 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

i- بصورت افراد، اکاؤنٹ ہولڈر اور/یا سب اکاؤنٹ ہولڈر جن کے سیکورٹیز انڈر رجسٹریشن تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختارنامہ) جمع کرانا ہونگے۔

ii- پراکسی فارم پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

iii- بینیفشل اونرز اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختارنامہ) کے ہمراہ جمع کرانا ہونگی۔

iv- پراکسی، اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا/گی۔

v- بصورت کارپوریٹ اینٹٹی، بورڈ کی قرارداد/مختارنامہ معہ پراکسی ہولڈر کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامہ) کے ہمراہ کمپنی جمع کرانا ہوگا۔