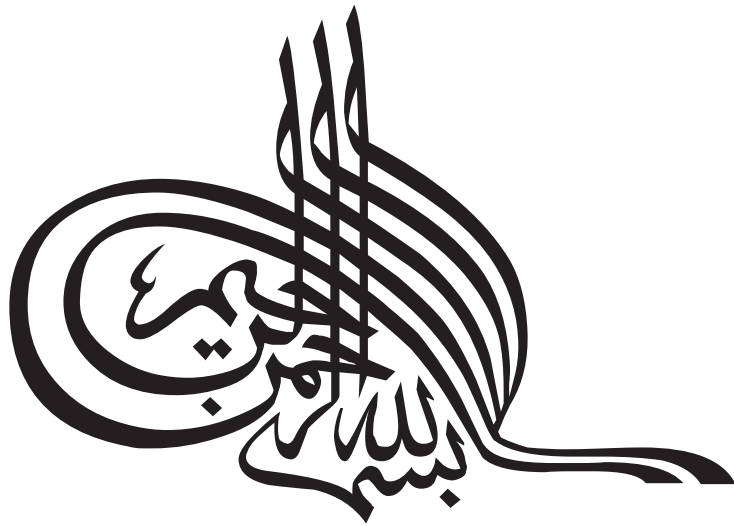


ANNUAL
REPORT
2024



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COMPANY INFORMATION

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



ABOUT US

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

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

VISION AND CORE VALUES

VISION

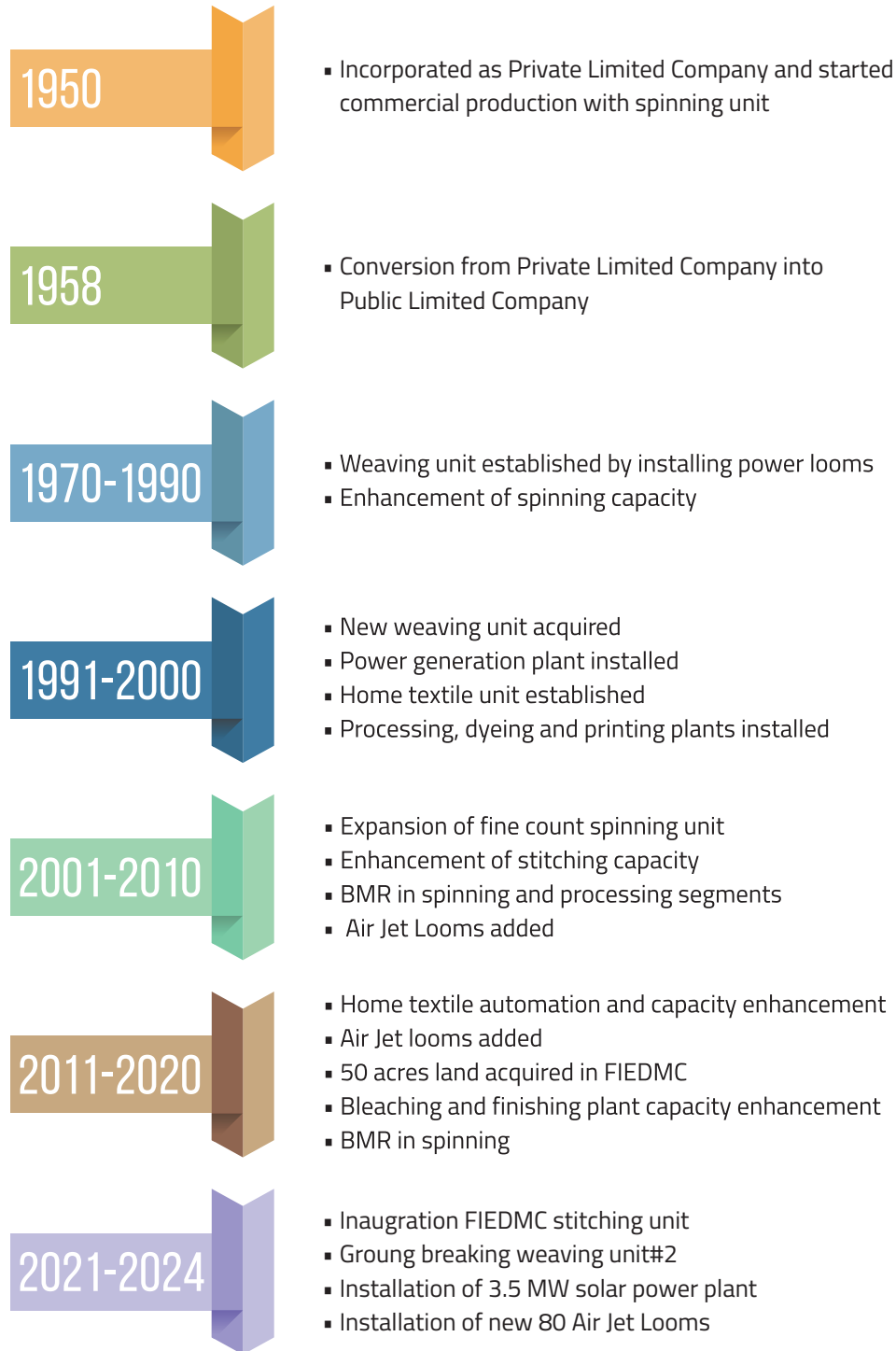
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

CORE VALUES

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

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

OUR JOURNEY



CERTIFICATIONS

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



GOTS
Global Organic
Textile Standard



OCS
Organic Content
Standard



EGYPTIAN
Cotton Trade Mark



NORDIC
Eco Label



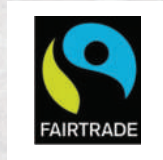
NORDIC
Eco Label /Swan



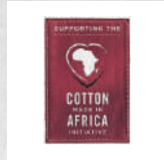
Green Button



SUSTAINABLE
COTTON



Guarantees
a better deal for third
world Producers



COTTON
Made in Africa



SEDEX
SMETA/SEDEX
4 Pillars



GRS
Global Recycled
Standard



LEEDs



ISO 9001
Quality Management
system



ISO 14001
Environment Management
system



SA 8000
Social
Accountability



ISO 50001



COTTON USA COTTON
THE WORLD TRUSTS



HIGG INDEX



SUPIMA COTTON



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



MADE IN GREEN
Oeko-Tex Step



DETOX



LENZING



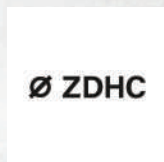
BRC



US COTTON TRUST
PROTOCOL



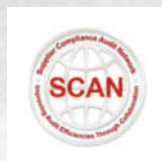
BCI
Better Cotton
Initiative



ZDHC



GSV



SCAN



RCS



FDA USA



SLCP



CleanChain



Supplier to zero

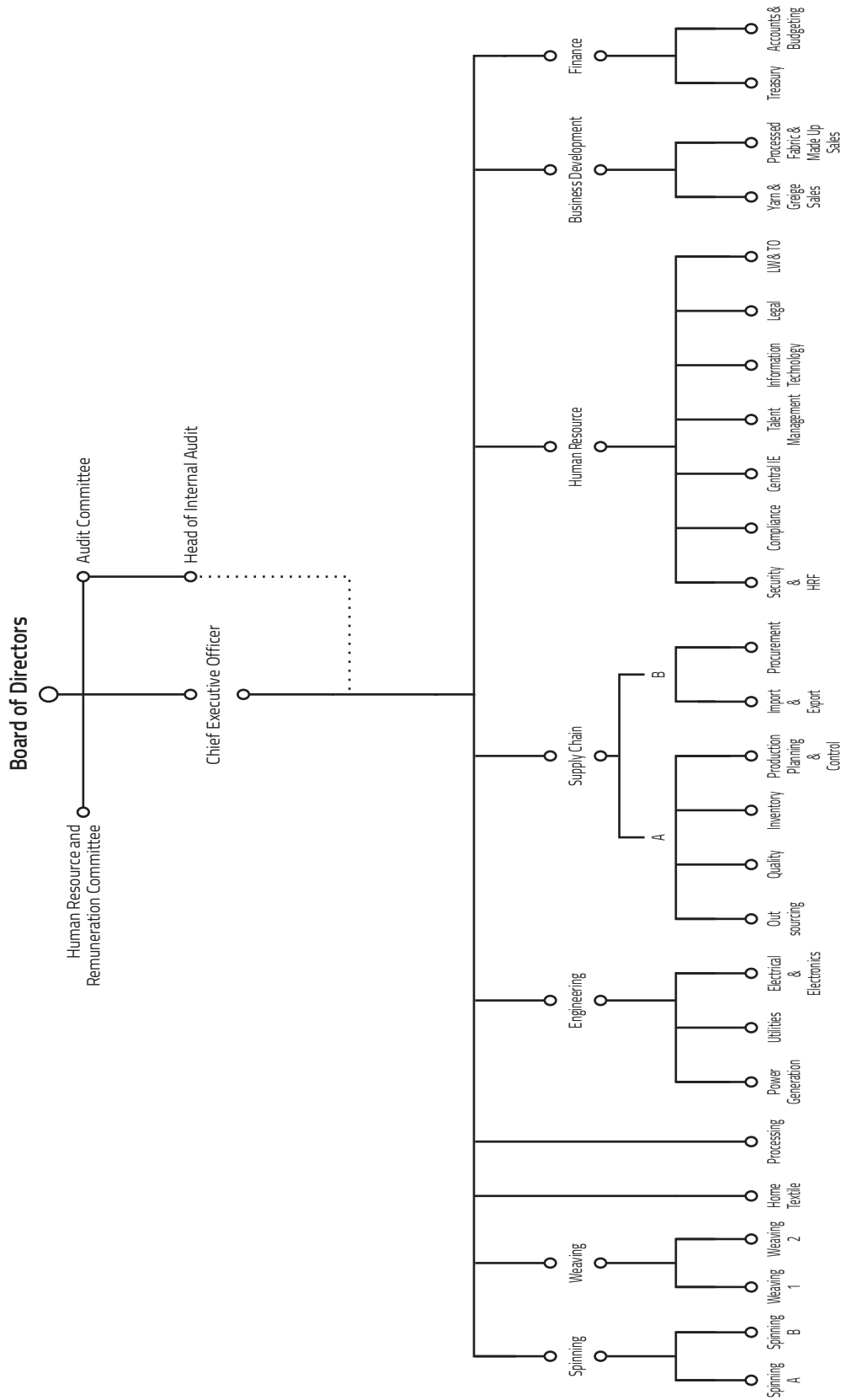


CALENDAR

of Corporate and Notable Events July 2023 to June 2024

▪ Promotion Ceremony	July 11, 2023
▪ Pakistan Independence Day Celebration	August 14, 2023
▪ BOD meeting for approval of annual accounts	September 28, 2023
▪ Annual general meeting	October 26, 2023
▪ BOD meeting for approval of 1st quarter accounts	October 30, 2023
▪ Corporate briefing session	November 26, 2023
▪ Pakistan learning forum session	January 30, 2024
▪ BOD meeting for approval of half yearly accounts	February 28, 2024
▪ Women's day celebration	March 08, 2024
▪ VET Educational Visit	April 26, 2024
▪ BOD meeting for approval of 3rd quarter accounts	April 26, 2024
▪ Coaching and social engagement session	May 14, 2024
▪ TCF Rahbar program	May 30, 2024
▪ Live streaming of Pak vs Ind T20 match	Jun 09, 2024

MANAGEMENT STRUCTURE / ORGANIZATION CHART



CHAIRMAN'S REVIEW

for the year ended June 30, 2024

It is my pleasure to present to the shareholders the role of Board of Directors (the 'Board') of The Crescent Textile Mills Limited along with overall business and economic views, for the year ended June 30, 2024.

The year has been most challenging for company as overall economic conditions were very tough particularly for textile industry. Though the company was able to post a sizeable growth in revenues of Rs.23,756 million, an increase of 19% over the corresponding period, mainly on account of exports. Gross and net margins have plunged by showing a negative growth over the last year due to the adverse effects of IMF SBA 2023. Highest ever energy and finance cost coupled with inflationary pressure on input cost had devastating impact on overall financial performance of the company.

The Crescent Textile Mills Limited takes the pride of having diverse and experienced Board who gives direction and path forward about company's strategical direction. The requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, along with the directives issued under the Companies Act, 2017 with respect to the Board, directors, and their committees have been complied with.

The company has a seven-member Board which comprises of directors with plenty of business experience and every director including independent directors duly participated in meeting throughout and helped in decision making process.

On resignation of Mr. Imran Maqbool from the Board of the company Mr. Khurram Mazhar Karim has been appointed in his place with effect from July 23, 2024 subsequent to the reporting date.

The performance of the Board during the year ended June 30, 2024; which is assessed on an established criterion, was satisfactory as every Board member participated, exhibited competence and guided on core matters of the company.

For Board and committee meetings every member was provided with agenda, work papers and supporting materials with prior notice. The Board and committees met frequently and discharged their responsibilities in all duly convened meetings. The independent and non-executive directors were equally involved and participated in all decision-making process.

Finally, I would like to express my gratitude to all Board members, employees, shareholders, bankers and all other stake holders for their continued support and confidence in the company.



Khalid Bashir

Chairman

DIRECTORS' REPORT

for the year ended June 30, 2024

The Board of Directors of the company is pleased to present directors' report along with audited financial statements for the year ended June 30, 2024.

Overview

Textile industry is back bone of country's economy and its growth trajectory not only affects overall economic cycle but plays a pivotal role in common man's life. Although the sector is major contributor to the GDP of Pakistan but its growth hinges upon local and international factors. Textile exports of the country are growing less than regional competitors because of more support from governments of these countries. This aspect needs a priority to focus for achieving sustained growth of economy and earning trade surplus for the country.

Industry performance

Textile exports showed negligible growth of 0.3% in FY2024 over the corresponding period. This indicates that industry was not competitive with regional rivals in terms momentous strides in international trade. During the year PKR Vs US\$ touched 300+ mark and thereafter stabilized on different control measures. However, pressure of energy and finance cost was immense which peaked to Rs.60/Kwhs and 25% respectively due to measures adopted by Govt to fulfill requirements IMF SBA of 2023 in

the beginning of the year.

These tough measures taken by Govt for microeconomic stabilization inflicted highest inflationary pressures on input costs and squeezed margins across the board and resulted into very subdued economic activity. The economy registered growth of 2.31% mainly on agriculture base and manufacturing and services sectors showed a meagre increase of 1.21% over SPLY.

Company's performance

Highly challenging and competitive business environment due to enormous inflationary pressure impacted financial performance of company as its gross margin eroded to a large extent. The continued rising input costs and ever high interest rates resulted into heavy loss to the company during the year under review.

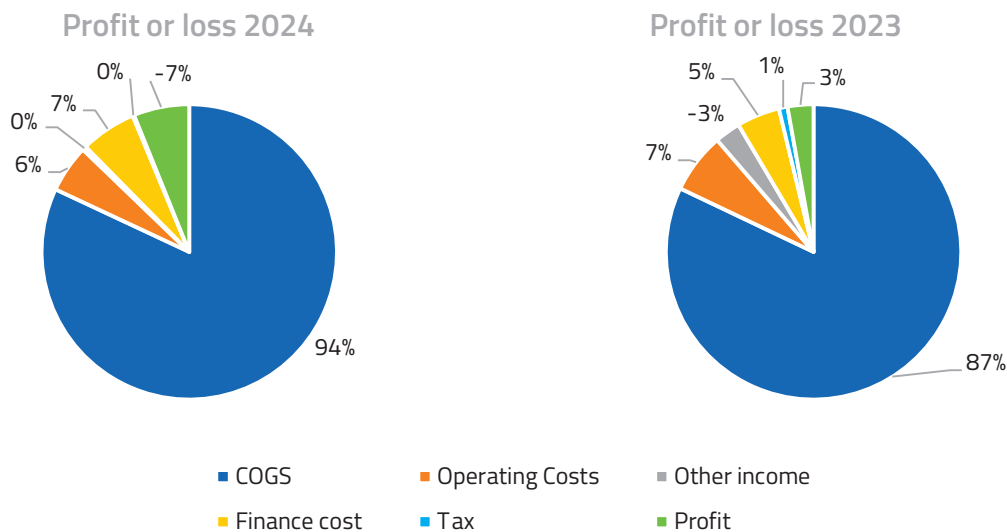
Sales revenue of the company grew to 19% over SPLY but increase of 30% in COGS outpaced the growth in revenues and contracted gross margins heavily which fell down to 6% during FY2024. This huge decline in margins by 49% over SPLY not only impacted operational performance of the negatively but with higher finance cost acerbated to the bottom-line decline and it posted an ever-highest loss in history of the company.

Summarized financial performance of company in comparison to the last year is as under:

(Rupees in million)	2024	%	2023	%	Variance	%
Statement of profit or loss						
Sales	23,756	100	19,891	100	100	19
COGS	22,395	94	17,226	87	87	30
GP	1,361	6	2,665	13	13	(49)
Distribution cost	905	4	887	4	4	2
Admin expenses	550	2	524	3	3	5
Other costs	34	0	67	0	0	(50)
Total operating costs	1,489	6	1,477	7	7	1
Profit/ (loss) after operating cost	(128)	(1)	1,188	6	6	(111)
Other income	117	0	623	3	3	(81)
Profit/ (loss) from operations	(11)	(0)	1,811	9	9	(101)
Finance cost	1,632	7	1,025	5	5	59
Profit/ (loss) before tax	(1,642)	(7)	787	4	4	(308)
Levy	(261)	0	(287)	1	1	(9)
Tax	154	0	61	0	0	153
Profit / (loss) after tax	(1,750)	(7)	561	3	3	(412)

DIRECTORS' REPORT

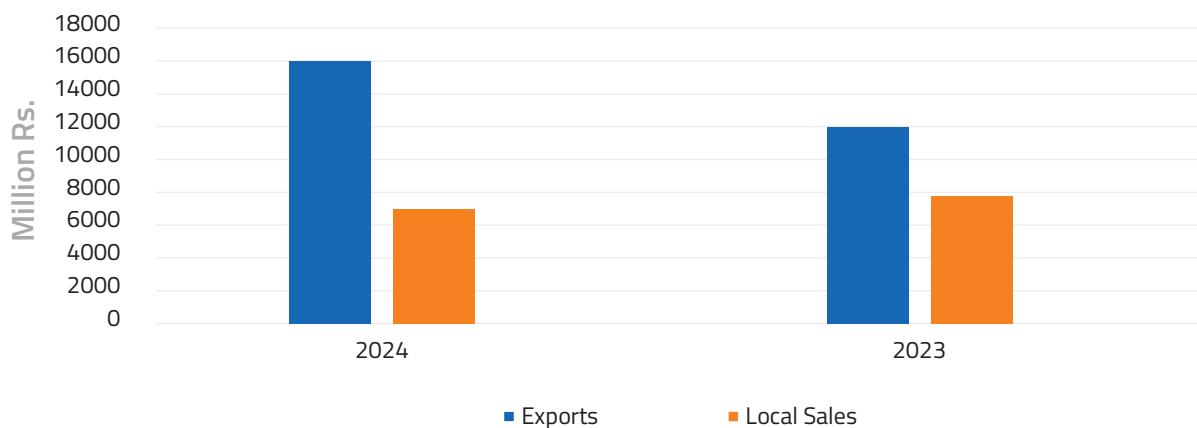
for the year ended June 30, 2024



Sales revenues were boosted with 39% rise in exports over SPLY whereas local sales trended lower due to depressed

local market conditions. Comparison below depicts the whole position:

(Rupees in million)	2024	2023	Variance	%
Sales revenues				
Exports	16,809	12,055	4,755	39
Local sales	6,946	7,837	(890)	(11)
Ttl revenues	23,756	19,891	3,865	19



DIRECTORS' REPORT

for the year ended June 30, 2024

In export sales, quantum jump in fabric sales was more prominent than the rate but yarn export registered leap both in volume and price though in terms of value it was not material.

Summarized position of both the segments is reflected as below:

Year	Yarn (Kgs)			Fabric (Mtrs)		
	Qty (000)	Avg Rt/Rs	Million Rs.	Qty (000)	Avg Rt/Rs	Million Rs.
2024	140	735	102	36,796	454	16,707
2023	52	697	37	23,287	516	12,018
Ttl.			139			28,725

Local sale witnessed volumetric decline both in yarn and fabric segments with smaller gain in rates as shown below:

Year	Yarn (Kgs)			Fabric (Mtrs)		
	Qty (000)	Avg Rt/Rs	Million Rs.	Qty (000)	Avg Rt/Rs	Million Rs.
2024	4,982	873	4,350	5,890	240	1,411
2023	7,174	790	5,665	6,102	222	1,357
Var (%)	(31)	11	(23)	(3)	8	4

Local sale from other sources is summarized as below:

Local sale (Other sources)	2024	2023	Var	
	Million Rs.	Million Rs.	Million Rs.	%
Processing income	107	133	(27)	(20)
Weaving income	137	-	137	-
Raw material	343	91	253	279
Waste	599	590	9	2
Ttl.	1,186	814	372	46

Historical ever inflation pressure inflicted every component of the cost and posted negative impact on margins of the company during the year under review.

Over all position of cost of goods sold is summarized as below:

DIRECTORS' REPORT

for the year ended June 30, 2024

	2024	2023	Var	
Cost of sales	Million Rs.	Million Rs.	Million Rs.	%
Raw materials	8,923	8,799	124	1
Cloth and yarn purchase	2,885	1,429	1,456	102
Stores and spares cost	1,679	1,350	329	24
Packing material	1,025	714	311	44
Processing and weaving charges	1,434	900	534	59
Salaries, wages and benefits	2,016	1,652	365	22
Fuel and power	3,501	2,564	938	37
Repairs and maintenance	79	59	20	34
Insurance	25	25	1	3
Depreciation	407	290	117	41
Other factory overheads	109	94	15	16
Inventory adjustment	310	(649)	959	(148)
Total	22,395	17,226	5,169	30

High procurement cost of cloth, yarn and packing materials, processing and weaving charges along with unabated rise in energy prices were the major dampeners in inflating input costs and substantially reduced gross margins during the year under review. Highest energy cost of grid supply due to with drawl of incentivized energy rate for Zero Rated Textile Industry under IMF SBA 2023 forced company to switch to captive power facilities on RLNG/

Gas prices. But RLNG prices short up as PKR depreciation affected its import prices adversely.

Imported material prices traded higher with PKR depreciation but there was not much variation witnessed in local raw cotton prices due to depressed local demand as shown below:

Raw materials	%	Kgs (000)	Rt/Rs.	2024	
				Million Rs.	Per Md/Rs
Cotton:					
Local	47	7,985	530	4,230	19,770
Imp-SS	24	4,087	699	2,859	26,108
Imp-LS	2	365	586	214	21,879
Polyester	26	4,416	367	1,620	-
Ttl.	100	16,853		8,923	
2023					
Cotton:					
Local	38	6,682	528	3,527	19,702
Imp-SS	37	6,518	587	3,826	21,910
Imp-LS	1	246	479	118	17,863
Polyester	24	4,195	316	1,328	-
Ttl.	100	17,641		8,799	

DIRECTORS' REPORT

for the year ended June 30, 2024

Raw materials	%	Kgs (000)	Rt/Rs.	Million Rs.	Per Md/Rs
				Var (%)	
Cotton:					
Local	25	19	0	20	0
Imp-SS	(34)	(37)	19	(25)	19
Imp-LS	55	48	22	81	22
Polyester	10	5	16	22	
Ttl.	-	36		1	

Overall raw material cost depicted flattish trend but imported raw cotton and polyester prices (which constitutes more than 50% in overall raw material cost) increased significantly mostly due to PKR depreciation (34% on SPLY) against Green Back. The increase in cost of imported material didn't reflect in selling prices on similar manner for reasons of highly competitive and tough market conditions both locally and internationally.

Semi and finished goods prices fluctuated due to higher demand by exporters for fulfillment of export orders for taking advantage of PKR depreciation. However, demand of grey fabric was much higher than yarn as commercial exporters were also played their part in this increase and inflicted cost of fabric. The position is depicted from the following table:

Yarn and cloth purchase	2024 %	Qty (000)	Rt/Rs	Million Rs.
Yarn (Kgs)	35	2,248	616	1,384
Cloth (Mtrs)	65	4,181	359	1,500
Ttl.	100	6,429		2,885

	2023			
Yarn (Kgs)	39	1,469	589	865
Cloth (Mtrs)	61	2,305	245	564
Ttl.	100	3,774		1,429

	Var (%)			
Yarn (Kgs)	1	53	5	60
Cloth (Mtrs)	1	81	47	166
Ttl.				102

Overall increase in above cost hugely impacted the cost of goods sold of the company as selling prices could not absorb the same burden due to highly competitive export market.

Stores, spares and packing materials costs also shot up in the wake of higher inflationary regime prevailed during year on the back of high energy cost, highest ever markup

rates and imported material costs which were affected due to PKR depreciation.

Higher demand from exporters gave rise to the weaving and processing charges from outside parties and impacted adversely to the input cost of the company as shown below:

DIRECTORS' REPORT

for the year ended June 30, 2024

	2024		
	Qty (000)	Rt/Rs.	Million Rs.
Weaving and processing charges			
Weaving charges	23,339	35	825
Processing charges	-	-	614
Ttl.	23,339		1,439

	2023		
Weaving charges	16,800	32	532
Processing charges	-	-	294
Ttl.	16,800		826

	Var (%)		
Weaving charges	39	12	55
Processing charges	-	-	109
Ttl.	39		74

For fulfillment of export demand and execute orders on specific customers' requirement company had to arrange requisite services of the outside capacities which were very competitive due to higher demand of exporters. On this pretext prices of these services higher as rise in energy, finance and other cost also their input cost.

Salaries and wages were higher on the back of increase in Minimum Wage Rate and increase in pay of other supervisory and management cadres due to annual pay rise to cover some inflationary impact.

Fuel and power cost rose under the compulsion of IMF SBA 2023. However, some mitigation came from use of SOLAR and Gas based energy generation as grid supply much higher to these usages but company continued to bear extra burden of fixed cost of grid connection to keep the hope alive for availing incentivized energy supplies by GOP to exporters in future.

Over all energy cost and its usage from different combination was achieved as below:

Energy cost		2024		2023		Var (%)
RLNG/Gas	KwHs-000	67,757		KwHs-000	39,190	73
	Million Rs.	2,081		Million Rs.	955	118
	Rs/KwHs	30.71		Rs/KwHs	24.36	26
	%	72		%	46	
Grid supply	KwHs-000	19,776		KwHs-000	42,747	(54)
	Million Rs.	661		Million Rs.	999	(34)
	Rs/KwHs	33.42		Rs/KwHs	23.37	43
	%	21		%	50	
HFO	KwHs-000	1,757		KwHs-000	1,160	51
	Million Rs.	57		Million Rs.	33	73
	Rs/KwHs	32.40		Rs/KwHs	28.41	14
	%	2		%	1	
SOLAR energy	KwHs-000	4,493		KwHs-000	2,870	57
	Million Rs.	49		Million Rs.	31	57
	Rs/KwHs	10.80		Rs/KwHs	10.78	0
	%	5		%	3	

DIRECTORS' REPORT

for the year ended June 30, 2024

Energy cost	2024			2023			Var (%)
Ttl.	KwHs-000	93,783		KwHs-000	85,967		9
	Million Rs.	2,847		Million Rs.	2,018		41
	Rs/KwHs	30.36		Rs/KwHs	23.47		29
	%	100		%	100		

The jump of 29% in energy cost from Rs.23.47/KwHs to Rs.30.36/KwHs over SPLY resulted in margin decline. Major reason behind this increase was PKR depreciation along with with-drawl of incentive on Grid Supply for Zero Rated Industry under IMF SBA 2023. Had the company not able to use other option for mitigation of this cost the impact of increase would have been much higher as energy tariff for general industry was gradually increased to Rs.60/KwHs.

New capex of Rs.2,543 million mostly against installation of 80 air jet looms along with sizing, ancillary machinery, SOLAR installations and new weaving shed building increased depreciation cost by 40.58% over SPLY.

In selling and distribution cost freight and shipment showed an increase of Rs.127.962 million (increased from Rs.243.493 million to Rs.371.455 million) mostly on account of higher volumetric exports, increased in ocean freight and depreciation PKR/US\$ parity. Similarly, duty and charges also increased on improvement in export sales. However, over all this cost remained in check and showed a meager increase of 2.09% in comparison of same period last year cost. Moreover, administrative cost was subdued to some extent and showed an increase of 4.96% over SPLY. Other operating costs were down by 48.45% over SPLY mainly due to no WPPF due to operating loss.

Other income decreased by Rs.505.838 million mainly due to exchange gain which was non-existent on stabling of PKR/ US\$ however dividend income stream showed improvement on increase on dividends from CSAP.

Gain on disposal of property, plant and equipment and non-current assets held for sale increased by Rs.16.476 million over SPLY mainly on disposal of land and building at Chak 66 Dhandra at Jhang Road Faisalabad along with some machinery and few vehicles as disclosed in schedule of fixed assets disposed of during the year under reference.

Finance cost of the company showed a major jump on increase of SBP Policy Rate to 22% under IMF SBA 2023 agreement. This gave rise to working capital financing cost to 24% ~25% as KIBOR plus Banking spreads added to woes of borrowers. However, some mitigation in this cost was attained by resorting to cheaper option like ERF and FE-25 FCY Loans which were obtained at lower mark up rates but risk of exchange loss was associated with these financing; which remained non existent till close of financial year 2024.

In view of steps taken as mentioned above the overall mark-up amounts were down to 19.66% as per table shown as below:

Finance cost	2024			2023		
	OS Loan	M Up	%	OS Loan	M Up	%
Short term Loans						
FCY loan	656.69	48.25	7.35	279.58	18.04	6.45
ERF-II	3,630.85	677.08	18.65	3,794.23	410.98	10.83
Running finances	2,921.74	719.84	24.64	2,518.97	506.50	20.11
Long term Loans	957.94	160.17	16.72	553.80	68.40	12.35
Sub Ttl	8,167.22	1,605.34	19.66	7,146.58	1,003.92	14.05
Bank charges		24.44			20.91	
G Ttl (Million Rs)		1,629.78			1,024.83	

DIRECTORS' REPORT

for the year ended June 30, 2024

Due to net loss after levy and taxation of Rs.1,750 million sustained by the company during the year the tax impact was down as compared to prior years and deferred tax liabilities turned to zero.

Financial strength

Overall financial strength of the company was reduced as asset base went down by Rs.1,103 million as against last year due to net decrease in current assets by Rs.1,818 million and an increase of Rs.591 million non-current assets. Current assets were decreased on closing basis over SPLY mainly on account loss incurred by the company which gradually curtailed operational activities to a reduced level. Impact of this reduction was visible in stocks and trade debts. In Hattar Industrial Estate weaving capacity was enhanced by addition of 80 air jet looms with ancillary machinery, 3 MWs Solar System and construction of new weaving shed for installation of new looms.

Financial Statements

As required under regulation 25 of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG Regulations, 2019"), the Chief Executive Officer and the Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors (Board), after consideration and approval, the Board authorize the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited by the Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. They have issued an unqualified report to the members. No material changes and commitments affecting the financial position of the

Company have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' Report.

Appropriations

Due to losses, the Board of Directors of the company do not recommend any dividend for the year ended June 30, 2024. The Company will be able to provide sufficient returns to shareholders in the upcoming years.

Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the FY 2025.

Related Party Transactions

All the related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017, CCG Regulations, 2019 and other applicable laws and regulations.

All related party transactions during the FY 2024 were placed before the Board Audit Committee (BAC) and the Board for their review and approval. These transactions were reviewed by the BAC and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Composition of Board

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

Total number of Directors:

Male directors	6
Female director	1

Composition:

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

DIRECTORS' REPORT

for the year ended June 30, 2024

Changes in the Board and Committees

During the year, composition of board and its committees remained unchanged. Detail of number of

board and committee meetings held during the year and attendance by each director is as und

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

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

Directors' Remuneration

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

Principal Risks and Uncertainties

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

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

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

Performance Evaluation of Board of Directors

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

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation and planning for sustainable operation;

- The Board's independence and effectiveness

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

Internal Financial Controls

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

Statement on Corporate and Financial Reporting Framework:

- a. Financial statements prepared by Company's management present fairly its state of affairs, results of its operations, cash flows and changes in equity;
- b. Proper books of accounts have been maintained;
- c. Appropriate accounting policies have been consistently applied, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards (IFRSs) and Islamic Financial Accounting Standards (IFASs), as applicable in Pakistan, and provisions and directives issued under the Companies Act, 2017 have been followed in preparation of financial

DIRECTORS' REPORT

for the year ended June 30, 2024

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

Corporate Social Responsibility (CSR)

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

Education

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

Health and Medical Care

We truly care for the well-being and the wellness of our employees and community. The Company has donated Rs. 15.6 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society. To ensure health and safety at the workplace, employees are trained to protect themselves by occupational safety rules and procedures while performing jobs.

Trees Plantation

Trees are a gift of nature they are essential for the

environment and to combat climate change. Pakistan is the seventh most vulnerable country to climate change. We always remained at the forefront of taking collective action and thinking innovatively to combat climate change. We have planted 29,000 trees which are saving approximately 580 tons of CO₂ per year. By planting trees, we are reducing CO₂ emissions and contributing towards a healthy, natural living environment for all our employees and the society at large.

Environment Protection

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

Renewable Energy

The Company has installed 3.5 MW solar energy plant at its manufacturing facilities. Solar installations produce around 4.9 million units of clean and renewable electricity every year, resulting in a significant drop in the carbon footprint. The renewable energy source will not only help to ease burden on the national grid but will also impact the manufacturing costs in a positive way.

Contribution to National Exchequer

During the year, the Company contributed Rs. 318 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of USD 59.17 million through the export of its products.

Employees' Retirement Benefits

Company established an 'Employees' Provident Fund Trust' to manage and control its financial affairs independently. Trust is recognized under Income Tax Laws and its income and contributions are exempt from tax. It receives subscription from employees with equal contribution from the Company. The value of investments of fund as per their financial statement was Rs. 804 million.

DIRECTORS' REPORT

for the year ended June 30, 2024

Gender Pay Gap statement

Under SECP Circular 10 of 2024, following is gender pay gap calculated for the year ended June 30, 2024:

Mean Gender Pay gap: (17.71%)

Median Gender Pay Gap: (6.52%)

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.

Future Outlook

Despite the challenges encountered, we remains committed to our strategic objectives of operational excellence and product diversification. Through proactive measures, prudent decision-making, and a focus on

customer satisfaction, we are confident to navigate the challenges ahead and capitalize on emerging opportunities. The Management is closely tracking the latest macro developments and taking proactive measures to address these challenges.

Acknowledgement

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

For and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2024ء

کمپنی کے ڈائریکٹران کا بورڈ، کمپنی کے آڈٹ کردہ مالی بیانات کے ہمراہ 30 جون 2024ء کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

عمومی جائزہ:

ٹیکسٹائل کی صنعت ملکی معیشت کی ریڑھ کی ہڈی کی حیثیت رکھتی ہے اور اس کی ترقی کی رفتار نہ صرف مجموعی معاشی سلسلے کو متاثر کرتی ہے بلکہ عام آدمی کی زندگی میں ایک اہم کردار ادا کرتی ہے۔ اگرچہ یہ شعبہ پاکستان کے جی ڈی پی میں بڑا حصہ دار ہے لیکن اس کی ترقی کا انحصار مقامی اور بین الاقوامی عوامل پر ہے۔ ملک کی ٹیکسٹائل برآمدات میں علاقائی حریفوں کی نسبت کم اضافہ ہو رہا ہے جس کی وجہ ان ممالک کی حکومتوں کی جانب سے زیادہ تعاون ہے۔ معیشت کی پائیدار ترقی کے حصول اور ملک کے لیے تجارتی فاصلے پیداوار کمانے کے لیے اس پہلو کو ترجیح دینے کی ضرورت ہے۔

صنعتی کارکردگی:

ٹیکسٹائل کی برآمدات میں مالی سال 2024 کے دوران اسی مدت کے مقابلے میں 0.3 فیصد کی معمولی ترقی ہوئی۔ اس سے ظاہر ہوتا ہے کہ صنعت بین الاقوامی تجارت میں اہم پیش رفت کے لحاظ سے علاقائی حریفوں کے ساتھ مسابقتی نہیں تھی۔ سال کے دوران پاکستانی روپے کے مقابلے میں امریکی ڈالر 300+ کو چھو گیا اور اس کے بعد مختلف انضباطی اقدامات پر مستحکم ہوا۔ تاہم، توانائی اور مالیاتی لاگت کا دباؤ بہت زیادہ تھا جو سال کے آغاز میں آئی ایم ایف کے 2023 کے سٹینڈ بائی اقدامات کی ضروریات کو پورا کرنے کے لیے حکومت کی طرف سے اختیار کیے گئے اقدامات کی وجہ سے بالترتیب 60 روپے فی کلوواٹ گھنٹہ اور 25 فیصد تک پہنچ گیا۔

حکومت کی طرف سے مانیکرواکنامک استحکام کے لیے اٹھائے گئے ان سخت اقدامات نے لاگتی خرچ پر سب سے زیادہ افراط زر کا دباؤ ڈالا اور مجموعی طور پر منافع کو نچوڑ ڈالا جس کے نتیجے میں معاشی سرگرمیاں بہت کم ہوئیں۔ معیشت میں بنیادی طور پر زراعت کی بنیاد پر 2.31 فیصد ترقی ظاہر ہوئی جبکہ مینوفیکچرنگ اور خدمات کے شعبوں میں پچھلے سال کے اسی دورانیہ کے مقابلے میں 1.21 فیصد کا معمولی اضافہ نظر آیا۔

کمپنی کی کارکردگی:

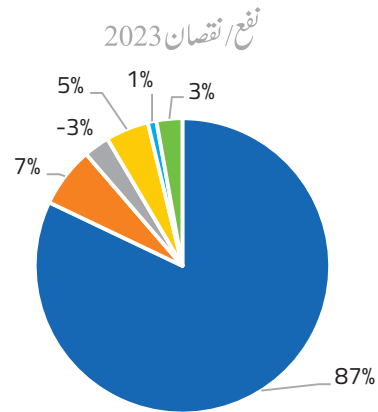
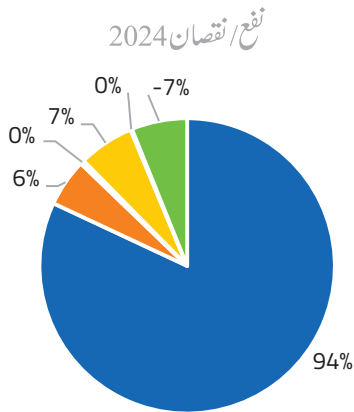
بہت زیادہ افراط زر کے دباؤ کی وجہ سے انتہائی پراز مائش اور مسابقتی کاروباری ماحول نے کمپنی کی مالی کارکردگی کو متاثر کیا کیونکہ اس کا مجموعی منافع کافی حد تک کم ہو گیا تھا۔ مسلسل بڑھتے ہوئے لاگتی خرچ اور بلند ترین سود کے نتیجے میں کمپنی کو زیر جائزہ سال کے دوران بھاری نقصان اٹھانا پڑا۔

کمپنی کی فروخت کی آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 19 فیصد تک بڑھ گئی لیکن فروخت شدہ اشیاء کی لاگت میں 30 فیصد کے اضافے نے آمدنی میں اضافے کو پیچھے چھوڑ دیا اور مجموعی منافع کو بہت زیادہ سکیڑ دیا جو مالی سال 2024 کے دوران کم ہو کر 6 فیصد پر آ گیا۔ پچھلے سال کے اسی دورانیہ کے مقابلے میں منافع میں 49 فیصد کی اس بڑی کمی نے نہ صرف عملی کارکردگی کو منفی طور پر متاثر کیا بلکہ بلند تر مالیاتی لاگت کے ساتھ آخری چٹلی حد تک پہنچ گئی اور اس نے کمپنی کی تاریخ میں سب سے زیادہ نقصان سے دوچار کیا۔

ڈائریکٹران کی رپورٹ
مالی سال محنتہ 30 جون 2024ء

گزشتہ سال کے مقابلے میں کمپنی کی مالی کارکردگی کا خلاصہ درج ذیل ہے:

نفع یا نقصان کا بیان	مالی سال 2024	فیصد	مالی سال 2023	فیصد	فرق (ملین روپے)
آمدنی	23,756	100	19,891	100	3,865
فروخت شدہ اشیاء کی لاگت	22,395	94	17,226	87	5,169
خام منافع	1,361	6	2,665	13	(1,304)
تقسیم کی لاگت	905	4	887	4	19
انتظامی اخراجات	550	2	524	3	26
دیگر لاگت	34	0	67	0	(33)
کل عملی لاگت	1,489	6	1,477	7	11
عملی لاگت کے بعد نفع/نقصان	(128)	(1)	1,188	6	(1,316)
دیگر آمدنی	117	0	623	3	(506)
عوامل سے نفع/نقصان	(11)	(0)	1,811	9	(1,821)
مالیاتی لاگت	1,632	7	1,025	5	605
قبل از ٹیکس نفع/نقصان	(1,642)	(7)	787	4	(2,426)
لیوی	(261)	0	(287)	1	26
ٹیکس	154	0	61	0	93
بعد از ٹیکس نفع/نقصان	(1,750)	(7)	561	3	(2,311)

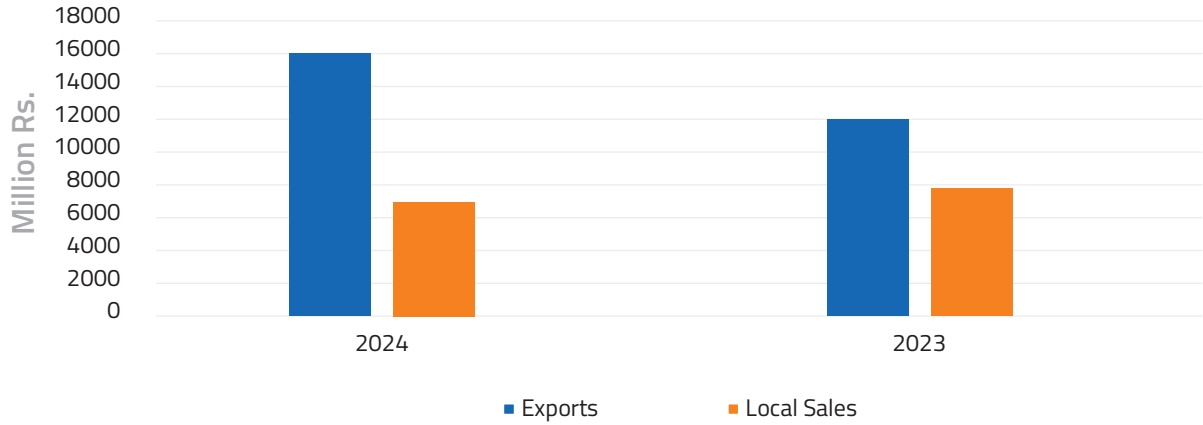


■ COGS ■ Operating Costs ■ Other income
■ Finance cost ■ Tax ■ Profit

ڈائریکٹران کی رپورٹ مالی سال محنتہ 30 جون 2024ء

پچھلے سال کے اسی دورانیہ کے مقابلے میں برآمدات میں 39% اضافے کے ساتھ فروخت کی آمدنی میں اضافہ ہوا جبکہ مقامی مارکیٹ کی خراب صورتحال کی وجہ سے مقامی فروخت میں کمی کا رجحان رہا۔ درج ذیل موازنہ پوری پوزیشن کو ظاہر کرتا ہے:

فروخت کی آمدن	مالی سال 2024 (ملین روپے)	مالی سال 2023 (ملین روپے)	فرق	فیصد
برآمدات	16,809	12,055	4,755	39
مقامی فروخت	6,946	7,837	(890)	(11)
کل آمدن	23,756	19,891	3,865	19



برآمدی فروخت میں، کپڑے کی فروخت میں بڑے اضافے کی چھلانگ ریٹ کے مقابلے میں زیادہ نمایاں تھی لیکن یارن کی برآمد نے حجم اور قیمت دونوں میں چھلانگ لگائی اگرچہ قدر کے لحاظ سے یہ مادی نہیں تھی۔

ڈائریکٹریٹ کی رپورٹ
مالی سال ختم 30 جون 2024ء

دونوں شعبوں کی پوزیشن کا خلاصہ درج ذیل ہے:

سال	یارن (کلوگرام)			فیبرک (میٹر)		
	مقدار (1000 کلوگرام)	اوسط ریٹ (روپے)	ملین روپے	مقدار (1000 میٹر)	اوسط ریٹ (روپے)	ملین روپے
2024	140	735	102	36,796	454	16,707
2023	52	697	37	23,287	516	12,018
ٹوٹل			139			28,725

مقامی فروخت میں یارن اور فیبرک دونوں حصوں میں حجم کے اعتبار سے کمی جبکہ ریٹ میں معمولی سا اضافہ ہوا جیسا کہ ذیل میں دکھایا گیا ہے:

سال	یارن (کلوگرام)			فیبرک (میٹر)		
	مقدار (1000 کلوگرام)	اوسط ریٹ (روپے)	ملین روپے	مقدار (1000 میٹر)	اوسط ریٹ (روپے)	ملین روپے
2024	4,982	873	4,350	5,890	240	1,411
2023	7,174	790	5,665	6,102	222	1,357
فرق (فیصد)	(31)	11	(23)	(3)	8	4

دیگر ذرائع سے مقامی فروخت کا خلاصہ درج ذیل ہے:

فروخت کی آمدن (دیگر ذرائع)	مالی سال 2024 (ملین روپے)	مالی سال 2023 (ملین روپے)	فرق	فرق فیصد
پروسیسنگ کی آمدن	107	133	(27)	(20)
ویونگ کی آمدن	137	-	137	-
خام مال	343	91	253	279
ویسٹ	599	590	9	2
ٹوٹل	1,186	814	372	46

تاریخی مہنگائی کے دباؤ نے لاگت کے ہر جزو کو متاثر کیا اور زیر جائزہ سال کے دوران کمپنی کے مارجن پر منفی اثر ڈالا۔ فروخت شدہ سامان کی قیمت کی تمام پوزیشن کا خلاصہ ذیل میں دیا گیا ہے:

ڈائریکٹران کی رپورٹ
مالی سال ختم 30 جون 2024ء

فرق فیصد	فرق (ملین روپے)	مالی سال 2023 (ملین روپے)	مالی سال 2024 (ملین روپے)	فروخت کی لاگت
1	124	8,799	8,923	خام مال
102	1,456	1,429	2,885	کلاتھ اور یارن کی خرید
24	329	1,350	1,679	سٹور اور سپیر کی لاگت
44	311	714	1,025	پیکنگ میٹریل
59	534	900	1,434	پراسیسنگ اور یونٹ چارجز
22	365	1,652	2,016	تنخواہیں، معاوضے وغیرہ
37	938	2,564	3,501	ایجنٹ اور توانائی
34	20	59	79	تعمیر و مرمت
3	1	25	25	انشورنس
41	117	290	407	فروڈگی
16	15	94	109	فیکٹری کے دیگر اخراجات
(148)	959	(649)	310	انویٹری ایڈجسٹمنٹ
30	5,169	17,226	22,395	ٹوٹل

کپڑا، دھاگے اور پیکنگ میٹریل کی خریداری کی زیادہ لاگت، پراسیسنگ اور یونٹ چارجز کے ساتھ ساتھ توانائی کی قیمتوں میں بے لگام اضافہ زیر جائزہ سال کے دوران لاگتی خرچ میں اضافے اور مجموعی منافع میں خاطر خواہ کمی لانے میں اہم کردار ادا کیا۔ آئی ایم ایف کے 2023 کے سٹینڈ بائی اقدامات کے تحت زیرو ریٹریڈ ٹیکسٹائل انڈسٹری کے لیے مراعات یافتہ انرجی ریٹ کی دستبرداری کی وجہ سے گروڈ سپلائی انرجی کی بلند ترین لاگت نے کمپنی کو RLNG گیس کی قیمتوں پر محدود توانائی کی سہولیات پر منتقل کرنے پر مجبور کیا۔ لیکن RLNG کی قیمتیں جلد ہی بڑھ گئیں کیونکہ روپے کی قدر میں کمی نے اس کی درآمدی قیمتوں کو بری طرح متاثر کیا۔

درآمدی مواد کی قیمتوں میں روپے کی قدر میں کمی کے ساتھ زیادہ تجارت ہوئی لیکن مقامی خام کپاس کی قیمتوں میں بہت زیادہ تبدیلی دیکھنے میں نہیں آئی جس کی وجہ مقامی مانگ میں کمی ہے جیسا کہ ذیل میں دکھایا گیا ہے:

ڈائریکٹران کی رپورٹ
مالی سال ختم 30 جون 2024ء

برائے سال 2024					
فی من روپے	ملین روپے	ریٹ (روپے)	1000 کلوگرام	فیصد	خام مال
					کاٹن
9,770	4,230	530	7,985	47	لوکل
26,108	2,859	699	4,087	24	امپورٹ SS
21,879	214	586	365	2	امپورٹ LS
-	1,620	367	4,416	26	پولیسٹر
	8,923		16,853	100	ٹوٹل

برائے سال 2023					
فی من روپے	ملین روپے	ریٹ (روپے)	1000 کلوگرام	فیصد	خام مال
					کاٹن
19,702	3,527	528	6,682	38	لوکل
21,910	3,826	587	6,518	37	امپورٹ SS
17,863	118	479	246	1	امپورٹ LS
-	1,328	316	4,195	24	پولیسٹر
	8,799		17,641	100	ٹوٹل

فیصد فرق					
فی من روپے	ملین روپے	ریٹ (روپے)	1000 کلوگرام	فیصد	خام مال
					کاٹن
0	20	0	19	25	لوکل
19	(25)	19	(37)	(34)	امپورٹ SS
22	81	22	48	55	امپورٹ LS
	22	16	5	10	پولیسٹر
	1		36	-	ٹوٹل

ڈائریکٹران کی رپورٹ مالی سال ختم 30 جون 2024ء

مجموعی طور پر خام مال کی لاگت نے ہموار رجحان کو ظاہر کیا لیکن درآمد شدہ خام کپاس اور پولیسٹر کی قیمتوں میں (جو کہ خام مال کی مجموعی لاگت میں 50 فیصد سے زیادہ بنتی ہیں) نمایاں طور پر زیادہ تر روپے کی قدر میں کمی (گزشتہ سال کے اسی دورانیہ میں ڈالر کے مقابلے میں 34 فیصد) کی وجہ سے نمایاں اضافہ ہوا۔ مقامی اور بین الاقوامی سطح پر انتہائی مسابقتی اور سخت مارکیٹ کے حالات کی وجہ سے درآمدی مواد کی قیمت میں اضافے کا اثر فروخت کی قیمتوں پر بالکل نہیں پڑا۔

برآمد کنندگان کی جانب سے روپے کی قدر میں کمی کا فائدہ اٹھاتے ہوئے برآمدی آرڈرز کی تکمیل کے لیے زیادہ مانگ کی وجہ سے نیم تیار اور مکمل تیار اشیاء کی قیمتوں میں اتار چڑھاؤ آیا۔ تاہم، گرنے فیبرک کی مانگ یارن سے بہت زیادہ تھی کیونکہ تجارتی برآمد کنندگان نے بھی اس اضافے میں اپنا کردار ادا کیا اور فیبرک کی لاگت کو متاثر کیا۔ پوزیشن کو درج ذیل جدول سے دکھایا گیا ہے:

برائے سال 2024				
یارن اور کپڑے کی خریداری	فیصد	مقدار (000)	ریٹ (روپے)	ملین روپے
یارن (کلوگرام)	35	2,248	616	1,384
کپڑا (میٹر)	65	4,181	359	1,500
ٹوٹل	100	6,429		2,885

برائے سال 2023				
یارن اور کپڑے کی خریداری	فیصد	مقدار (000)	ریٹ (روپے)	ملین روپے
یارن (کلوگرام)	39	1,469	589	865
کپڑا (میٹر)	61	2,305	245	564
ٹوٹل	100	3,774		1,429

فیصد فرق				
یارن اور کپڑے کی خریداری	فیصد	مقدار (000)	ریٹ (روپے)	ملین روپے
یارن (کلوگرام)	1	53	5	60
کپڑا (میٹر)	1	81	47	166
ٹوٹل				102

مندرجہ بالا لاگت میں مجموعی طور پر اضافے نے کمپنی کی فروخت کردہ اشیاء کی قیمت پر بہت زیادہ اثر ڈالا کیونکہ انتہائی مسابقتی برآمدی منڈی کی وجہ سے قیمتیں اسی بوجھ کو برداشت نہیں کر سکیں۔

ڈائریکٹران کی رپورٹ
مالی سال ختمہ 30 جون 2024ء

سال کے دوران توانائی کی زیادہ لاگت، مارک اپ کی بلند ترین شرحوں اور روپے کی قدر میں کمی کی وجہ سے متاثر ہونے والے سامان کے درآمدی اخراجات کی وجہ سے سٹورز، اسپئرز اور پیکینگ میٹریل کی قیمتوں میں بھی اضافہ ہوا ہے۔

برآمد کنندگان کی زیادہ مانگ نے بیرونی پارٹیوں سے ویونگ اور پراسیڈنگ چارجز میں اضافہ کیا اور کمپنی کے لاگتی خرچ پر منفی اثر ڈالا جیسا کہ ذیل میں دکھایا گیا ہے:

برائے سال 2024			ویونگ اور پراسیڈنگ اخراجات
ملین روپے	ریٹ (روپے)	مقدار (000)	
825	32	23,339	ویونگ اخراجات
614	-	-	پراسیڈنگ اخراجات
1,439		23,339	ٹوٹل

برائے سال 2023			ویونگ اور پراسیڈنگ اخراجات
ملین روپے	ریٹ (روپے)	مقدار (000)	
532	12	16,800	ویونگ اخراجات
294	-	-	پراسیڈنگ اخراجات
826		16,800	ٹوٹل

فیصد فرق

فیصد فرق			ویونگ اور پراسیڈنگ اخراجات
ملین روپے	ریٹ (روپے)	مقدار (000)	
55	12	39	ویونگ اخراجات
109	-	-	پراسیڈنگ اخراجات
74		39	ٹوٹل

برآمدی طلب کو پورا کرنے اور مخصوص صارفین کی ضروریات پر آرڈرز کی تکمیل کے لیے کمپنی کو بیرونی صلاحیتوں کی مطلوبہ خدمات کا بندوبست کرنا تھا جو برآمد کنندگان کی زیادہ مانگ کی وجہ سے بہت مسابقتی تھیں۔ اس عذر کے باوجود ان خدمات کی قیمتیں زیادہ ہیں کیونکہ انرجی، فنانس، دیگر لاگت میں اضافے کے ساتھ ان کا لاگتی خرچ بھی شامل ہے۔

کم از کم اجرتی شرح میں اضافے اور دیگر نگران اور انتظامی عملہ کی تنخواہوں میں اضافے کی وجہ سے تنخواہوں اور اجرتوں میں اضافہ ہوا جس کی وجہ سے کچھ مہنگائی کے اثرات کو پورا کرنے کے لیے سالانہ تنخواہ میں اضافہ تھا۔

ڈائریکٹران کی رپورٹ
مالی سال ختم 30 جون 2024ء

آئی ایم ایف کے سال 2023 کے سٹینڈ بائی انتظامات کی مجبوری کے تحت ایندھن اور بجلی کی قیمت میں اضافہ ہوا۔ تاہم، کچھ تخفیف سولر اور گیس پر مبنی انرجی جنریشن کے استعمال سے ہوئی کیونکہ گرڈ کی سپلائی ان کے استعمال سے بہت زیادہ تھی لیکن کمپنی نے مستقبل میں حکومت پاکستان کی طرف سے برآمد کنندگان کو ترغیب یافتہ توانائی کی فراہمی حاصل کرنے کی امید کو زندہ رکھنے کے لیے مقررہ گرڈ کنکشن کا اضافی بوجھ برداشت کرنا جاری رکھا۔

مجموعی طور پر توانائی کی لاگت اور مختلف امتزاج سے اس کا استعمال ذیل میں حاصل کیا گیا:

انرجی کی لاگت	2024	2023	فرق فیصد
RNLG / گیس			
کلوواٹ آور	67,757	39,190	73
ملین روپے	2,081	955	118
روپے فی کلوواٹ آور	30.71	24.36	26
فیصد	72	46	
گرڈ سپلائی			
کلوواٹ آور	19,776	42,747	(54)
ملین روپے	661	999	(34)
روپے فی کلوواٹ آور	33.42	23.37	43
فیصد	21	50	
HFO			
کلوواٹ آور	1,757	1,160	51
ملین روپے	57	33	73
روپے فی کلوواٹ آور	32.40	28.41	14
فیصد	2	1	
سولر انرجی			
کلوواٹ آور	4,493	2,870	57
ملین روپے	49	31	57
روپے فی کلوواٹ آور	10.80	10.78	0
فیصد	5	3	
ٹوٹل			

ڈائریکٹران کی رپورٹ مالی سال ختمہ 30 جون 2024ء

انرجی کی لاگت	2024	2023	فرق فیصد
کلواٹ اور	93,783	85,967	9
ملین روپے	2,847	2,018	41
روپے فی کلواٹ اور	30.36	23.47	29
فیصد	100	100	

گزشتہ سال کے اسی دورانیہ کے مقابلے میں توانائی کی لاگت میں 23.47 کلواٹ اور سے 30.36 کلواٹ اور کی 29 فیصد کی چھلانگ کے نتیجے میں مارجن میں کمی واقع ہوئی۔ اس اضافے کے پیچھے بڑی وجہ آئی ایم ایف کے سال 2023 کے سٹینڈ بائی اقدامات کے تحت زیورینڈ انڈسٹری کے لیے گرڈ سپلائی پر مراعات سے دست برداری کے ساتھ ساتھ روپے کی قدر میں کمی تھی۔ اگر کمپنی اس لاگت کو کم کرنے کے لیے دوسرا آپشن استعمال کرنے کے قابل نہ ہوتی تو اضافے کا اثر بہت زیادہ ہوتا کیونکہ عام صنعت کے لیے انرجی ٹیرف کو بتدریج 60 روپے فی کلواٹ تک بڑھا دیا گیا تھا۔

2,543 ملین روپے کی نئی سرمایہ کاری زیادہ تر 80 ایئر جیٹ لومز کی تنصیب کے ساتھ ساتھ سائزنگ، ذیلی مشینری، سولر تنصیبات اور نئی ویونگ شیڈ کی عمارت کی تعمیر کی وجہ سے گزشتہ سال کے اسی دورانیہ کے مقابلے میں فرسودگی کی لاگت میں 40.58 فیصد اضافہ ہوا۔

فروخت اور تقسیم کی لاگت میں کرایہ اور شپمنٹ میں 127.962 ملین روپے کا اضافہ ہوا (243.493 ملین روپے سے بڑھ کر 371.455 ملین روپے) جس کی بڑی وجہ زیادہ تر بڑے حجم کی برآمدات کی وجہ سے، سمندری مال برداری کے کرایہ اور ڈالر/روپے کے مبادلہ میں اضافہ رہا۔ اسی طرح برآمدی فروخت میں بہتری کے باعث ڈیوٹی اور چارجز میں بھی اضافہ ہوا۔

انتظامی لاگت کو کسی حد تک کم کیا گیا اور اس میں گزشتہ سال کے اسی دورانیہ کے مقابلے میں 4.91 فیصد کا اضافہ ہوا۔

دیگر آمدنی میں 505.838 ملین روپے کی کمی واقع ہوئی ہے جس کی بنیادی وجہ زرمبادلہ میں اضافہ ہے جو کہ پاکستانی روپے کے مستحکم ہونے پر موجود نہیں تھا۔ ڈیویڈنڈ انکم اسٹریم نے CSAP سے ڈیویڈنڈ پراضافے پر بہتری ظاہر کی۔

دیگر آپریٹنگ لاگتیں گزشتہ سال کے مقابلے میں 48.45 فیصد کم ہوئیں بنیادی طور پر آپریٹنگ نقصان کی وجہ سے WPPF نہ ہونے کی وجہ سے۔

نا قابل انتقال عملی اثاثوں کے تصرف پر حاصل ہونے والے منافع میں گزشتہ سال کے اسی دورانیہ کے مقابلے میں 16.476 ملین روپے کا اضافہ ہوا ہے جو بنیادی طور پر بھنگ روڈ فیصل آباد پر چیک 66 دھاندلہ میں زمین اور عمارت کے ساتھ ساتھ کچھ مشینری اور چند گاڑیوں کی فروخت سے ہوا جیسا کہ حوالہ کے تحت سال کے دوران فروخت کیے گئے نا قابل انتقال اثاثوں کے شیڈول میں ظاہر کیا گیا ہے۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2024ء

آئی ایم ایف سال 2023 کے سٹینڈ بائی انتظامات کے معاہدے کے تحت سٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ کو 22 فیصد تک بڑھانے کی وجہ سے کمپنی کی مالیاتی لاگت میں بڑا اضافہ ہوا۔ اس سے ورکنگ کپینٹل مالیاتی لاگت 24 سے 25 فیصد ہو گئی کیونکہ KIBOR پلس بینکاری نے قرض لینے والوں کی پریشانیوں میں اضافہ کیا۔ تاہم، اس لاگت میں کچھ تخفیف 25-FE، ERF اور FCY لون جیسے سٹے آپشن کا سہارا لے کر حاصل کی گئی تھی جو کم مارک اپ ریٹ پر حاصل کیے گئے تھے لیکن ان میں فنڈنگ سے تبادلے کے نقصان کا خطرہ وابستہ تھا۔ جو مالی سال 2024 کے اختتام تک غیر موجود رہا۔

اوپر بتائے گئے اقدامات کے پیش نظر مارک اپ کی مجموعی شرحیں نیچے دکھائے گئے جدول کے مطابق 19.66 فیصد تک گر گئیں۔

2023			2024			مالیاتی لاگت
فیصد	مارک اپ	واجب الاداء قرضے	فیصد	مارک اپ	واجب الاداء قرضے	قلیل المدتی قرضے
6.45	18.04	279.58	7.35	48.25	656.69	بیرونی کرنسی قرضہ
10.83	410.98	3,794.23	18.65	677.08	3,630.85	برآمدی گردش قرضہ II
20.11	506.50	2,518.97	24.64	719.84	2,921.74	جاری قرضے
12.35	68.40	553.80	16.72	160.17	957.94	طویل المدتی قرضے
14.05	1,003.92	7,146.58	19.66	1,605.34	8,167.22	سب ٹوٹل
	20.91			24.44		بینک چارجز
	1,024.83			1,629.78		گریڈ ٹوٹل

سال کے دوران کمپنی کو 1,750 ملین روپے کے خالص نقصان کی وجہ سے لیوی اور ٹیکس کا اثر پچھلے سالوں کی طرح کم ہوا اور موثر ٹیکس واجبات مثبت میں بدل گئے۔

مالیاتی چیلنجز:

موجودہ اثاثوں میں 1,818 ملین روپے کی خالص کمی اور غیر موجودہ اثاثوں میں 554 ملین روپے کے اضافے کی وجہ سے کمپنی کی مجموعی مالیاتی طاقت میں کمی واقع ہوئی کیونکہ اثاثہ کی بنیاد گزشتہ سال کے مقابلے میں 1,264 ملین روپے کم ہو گئی۔ اختتامی بنیاد پر گزشتہ سال کے اسی دورانیہ کے مقابلے میں بنیادی طور پر کمپنی کے اکاؤنٹ میں ہونے والے نقصان کی وجہ سے موجودہ اثاثوں میں کمی آئی۔ جس نے عملی سرگرمیوں کو بتدریج کم کرتے ہوئے کم تر سطح پر پہنچا دیا۔ اس کمی کا اثر اسٹاک اور تجارتی قرضوں پر نظر آیا۔ حطار انڈسٹریل اسٹیٹ میں ذیلی مشینری کے ساتھ 80 ائیر جیٹ لومز، 3 میگا واٹ سولر سٹم اور نئی لوموں کی تنصیب کے لیے نئے ویونگ شیڈ کی تعمیر کے ذریعے ویونگ کی صلاحیت میں اضافہ کیا گیا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2024ء

مالیاتی اسٹیٹمنٹ:

جیسا کہ مندرجہ کمپنیوں کے قواعد و ضوابط کوڈ آف کارپوریٹ گورننس 2019 (CCG Regulations, 2019) کے ضابطہ نمبر 25 کے تحت ضروری ہے چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اپنے دستخطوں کے ہمراہ مالیاتی اسٹیٹمنٹ بورڈ آف ڈائریکٹرز اور بورڈ کی طرف سے غور اور منظوری کے لیے پیش کرتے ہیں۔ غور و خوض اور منظوری کے بعد دستخط کردہ مالیاتی اسٹیٹمنٹ کو اجراء اور اشاعت کی اجازت دیتے ہیں۔

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

اختصاص:

نقصانات کی وجہ سے، کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کرتے ہیں۔ آنے والے سالوں میں کمپنی اپنے حصص یافتگان کو کافی منافع فراہم کرے گی۔

آڈیٹران:

آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2025 کے لیے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا۔

متعلقہ پارٹی کے معاملات:

عام کاروبار میں تمام متعلقہ پارٹیوں کے معاملات آزادانہ بنیادوں پر شامل کیے جاتے ہیں اور کمپنیز ایکٹ 2017ء، کوڈ آف کارپوریٹ گورننس 2019 (CCG Regulations, 2019) اور دیگر قابل اطلاق قوانین اور قواعد دفعات کے مطابق ہیں۔

مالی سال 2024 کے دوران کے تمام متعلقہ پارٹیوں کے معاملات جائزہ اور توثیق کے لیے بورڈ آڈٹ کمیٹی (BAC) اور بورڈ کے روبرو پیش کیے گئے۔ ان معاملات کا بورڈ آڈٹ کمیٹی کی طرف سے جائزہ لیا گیا اور بورڈ سے منظور ہوئے۔ یہ تمام معاملات قیمتوں کے تبادلہ کے طریقہ کار اور بورڈ سے منظور شدہ متعلقہ پارٹیوں کی پالیسی کے مطابق پائے گئے۔

بورڈ کی ساخت:

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

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2024ء

ممبران کی کل تعداد:

6	مرد ڈائریکٹران
1	خاتون ڈائریکٹر
ساخت:	
2	خود مختار ڈائریکٹران
3	دیگر غیر فعال ڈائریکٹران
2	فعال ڈائریکٹران

بورڈ اور کمیٹی میں تبدیلیاں:

سال کے دوران بورڈ اور اس کی کمیٹیوں کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

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

نمبر شمار	نام	بورڈ آف ڈائریکٹرز کا اجلاس	آڈٹ کمیٹی کا اجلاس	ہیومن ریسورس اور ریویژن کمیٹی کا اجلاس
1	مسٹر احمد شفیع	4/4		1/1
2	مسٹر امین انجم سلیم	3/4	3/4	
3	مسٹر اورنگزیب شفیع	3/4		
4	مسٹر عمران مقبول	4/4	4/4	1/1
5	مسٹر خالد بشیر	4/4	4/4	
6	مسٹر محمد انور	4/4		
7	مسز نازیہ مقبول	4/4		1/1

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

ڈائریکٹرز کا مشاہرہ:

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

ڈائریکٹران کی رپورٹ مالی سال محنتہ 30 جون 2024ء

نمایاں خطرات اور عدم یقینی:

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

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

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

- (1) کمپنی کے ویرٹن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی قطار بندی
- (2) پائیدار اپریشن کے لیے حکمت عملی کی تشکیل اور منصوبہ بندی
- (3) بورڈ کی خود مختاری اور موثرگی

انفرادی فیڈ بیک حاصل کی گئی اور اس فیڈ بیک کی بنیاد پر بورڈ کی کارکردگی کی اوسط رینٹنگ اور بورڈ کی قیادت کے سلسلہ میں چیئر مین کا کردار معیاری پایا گیا۔

اندرونی مالیاتی کنٹرولز:

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

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹ منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔
- 2- اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔
- 3- مالیاتی سٹیٹمنٹ کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات معقول اور پختہ فیصلوں پر مبنی ہیں۔
- 4- مالیاتی سٹیٹمنٹ کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs)، اسلامی مالیاتی اکاؤنٹنگ کے معیارات (IFASs) جیسے پاکستان میں لاگو ہیں اور کمپنیز ایکٹ 2017 کے تحت جاری کردہ قواعد و ضوابط کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔
- 5- کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔
- 6- کارپوریٹ نظام کے بہترین تجربے سے مادی طور پر وگروڈانی ممکن نہیں۔
- 7- پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔
- 8- شیئر ہولڈنگ کا پیٹرن لف ہے۔

ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2024ء

9۔ واجب الادا محصولات اور لیویز کا اندراج مالیاتی اسٹیٹمنٹ کے نوٹس میں کر دیا گیا ہے۔

10۔ بورڈ ممبران کی اکثریت ڈائریکٹرز ٹریڈنگ پروگرام (DTP) سے استثنیٰ کے لیے مطلوبہ قابلیت اور تجربہ رکھتی ہے۔ تمام ڈائریکٹرز کا رپورٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

ادارہ جاتی سماجی ذمہ داری (CSR):

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

تعلیم:

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

ہیلتھ اور میڈیکل کیئر:

ہم حقیقی طور پر اپنے ملازمین اور معاشرے کی فلاح و بہبود کا خیال رکھتے ہیں۔ کمپنی نے معاشرے کے غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معروف اداروں کو 1 کروڑ 56 لاکھ روپے عطیہ کیے ہیں۔ کام کی جگہ پر صحت اور حفاظت کو یقینی بنانے کے لیے ملازمین کو تربیت دی گئی ہے کہ وہ اپنی ذمہ داریاں ادا کرنے کے دوران کس طرح حفاظتی اصول و ضوابط کو اپنا کر خود کو محفوظ رکھ سکتے ہیں۔

شجر کاری:

درخت قدرت کا ایک تحفہ ہیں۔ یہ ماحول اور موسمیاتی تبدیلیوں سے مقابلہ کرنے کے لیے بہت ضروری ہیں۔ پاکستان موسمیاتی تبدیلیوں سے متاثرہ ممالک میں ساتویں نمبر پر ہے۔ ہم موسمیاتی تبدیلیوں سے مقابلہ کے لیے اختراعی غور و فکر اور اجتماعی کارروائی کو عمل لانے کے لیے ہمیشہ سب سے آگے رہے ہیں۔ ہم نے 29 ہزار درخت لگائے ہیں جو کاربن ڈائی آکسائیڈ میں سالانہ 580 ٹن کمی کا باعث ہیں۔ شجر کاری سے ہم کاربن ڈائی آکسائیڈ میں کمی اور اپنے تمام ملازمین اور بڑے پیمانے پر معاشرے کے لیے صحت مند، قدرتی ماحول کی فراہمی میں حصہ ڈال رہے ہیں۔

ماحولیاتی تحفظ:

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

قابل تجدید توانائی:

کمپنی نے اپنی پیداواری سہولت پر 3.5 میگا واٹ کا سولر انرجی پلانٹ نصب کیا ہے۔ سبھی تنصیبات ہر سال 4.9 ملین یونٹ صاف اور قابل تجدید بجلی پیدا کرتی ہیں، جس کے نتیجے میں کاربن کے اثرات میں نمایاں کمی واقع ہو رہی ہے۔ قابل تجدید توانائی کا ذریعہ نہ صرف قومی گروتھ پر بوجھ کم کرنے میں مدد دے گا بلکہ پیداواری لاگت کو بھی مثبت انداز میں متاثر کرے گا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2024ء

قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 318 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 59.17 ملین ڈالر کا قابل قدر زرمبادلہ حاصل کیا۔

ملازمین کے ریٹائرمنٹ کے فوائد:

کمپنی نے اپنے مالی معاملات آزادانہ طور پر انجام دینے کے لیے ایک "ایمپلائز پراویڈنٹ فنڈ ٹرسٹ" قائم کیا ہے۔ یہ ٹرسٹ انکم ٹیکس قوانین کے تحت منظور شدہ ہے اور اس کی آمدنی اور تعاون محصولات سے مستثنیٰ ہیں۔ یہ ملازمین کی طرف سے پیشگی رکنیت اور کمپنی سے اس کے برابر حصہ وصول کرتا ہے۔ ان کی مالیاتی سٹیٹمنٹ کے مطابق فنڈ کی سرمایہ کاری کی قدر 804 ملین روپے تھی۔

صنعتی تنخواہ کے فرق کا بیان:

ایس ای سی پی کے سرکلر 10، 2024 کے تحت، 30 جون 2024 کو ختم ہونے والے سال کے لیے صنعتی تنخواہ کے فرق کا حساب درج ذیل ہے:

اوسط صنعتی تنخواہ میں فرق: (17.71%)

میڈرین صنعتی تنخواہ میں فرق: (6.52%)

مندرجہ بالا فیصد ادارہ میں متعلقہ مرد بمقابلہ خواتین ملازمین کے صنعتی تنخواہ کے فرق کی عکاسی کرتا ہے۔

مستقبل کی منصوبہ بندی:

درپیش مشکلات کے باوجود، ہم عملی برتری اور مصنوعات کے تنوع کے اپنے ترویجی مقاصد کے لیے پرعزم ہیں۔ فعال اقدامات، دانشمندانہ فیصلہ سازی اور گاہک کے اطمینان پر توجہ کے ذریعے، ہم پر اعتماد ہیں کہ آگے آنے والے چیلنجوں کا مقابلہ کریں گے اور ابھرتے ہوئے مواقع سے فائدہ اٹھائیں گے۔ انتظامیہ تازہ ترین طویل المدت پیش رفت پر گہری نظر رکھے ہوئے ہے اور ان چیلنجوں سے نمٹنے کے لیے فعال اقدامات کر رہی ہے۔

خدمات کا اعتراف:

بورڈ آف ڈائریکٹرز کمپنی کے تمام شراکت داروں بشمول صارفین، شیئرز، ہولڈرز، فروخت کنندگان، سرکاری ایجنسیوں، میٹکرز اور دیگر تمام تجارتی رفقاء کا شکریہ ادا کرنا چاہیں گے جنہوں نے سال کے دوران مسلسل تعاون جاری رکھا۔ بورڈ ایک انتہائی مخلص ٹیم کے تعاون کو بھی تسلیم کرتا ہے جس نے جوش و خروش کے ساتھ کمپنی کی خدمت کی، اور امید کرتا ہے کہ مستقبل میں بھی خلوص کا وہی جذبہ برقرار رہے گا۔

منجانب: بورڈ آف ڈائریکٹرز



خالد بشیر

ڈائریکٹر

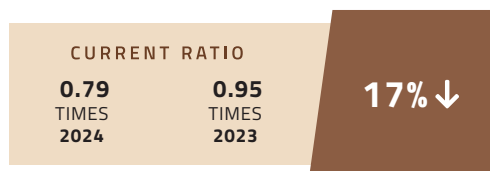
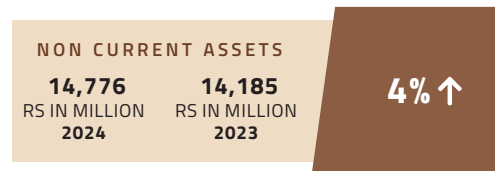


احمد شفیع

چیف ایگزیکٹو آفیسر



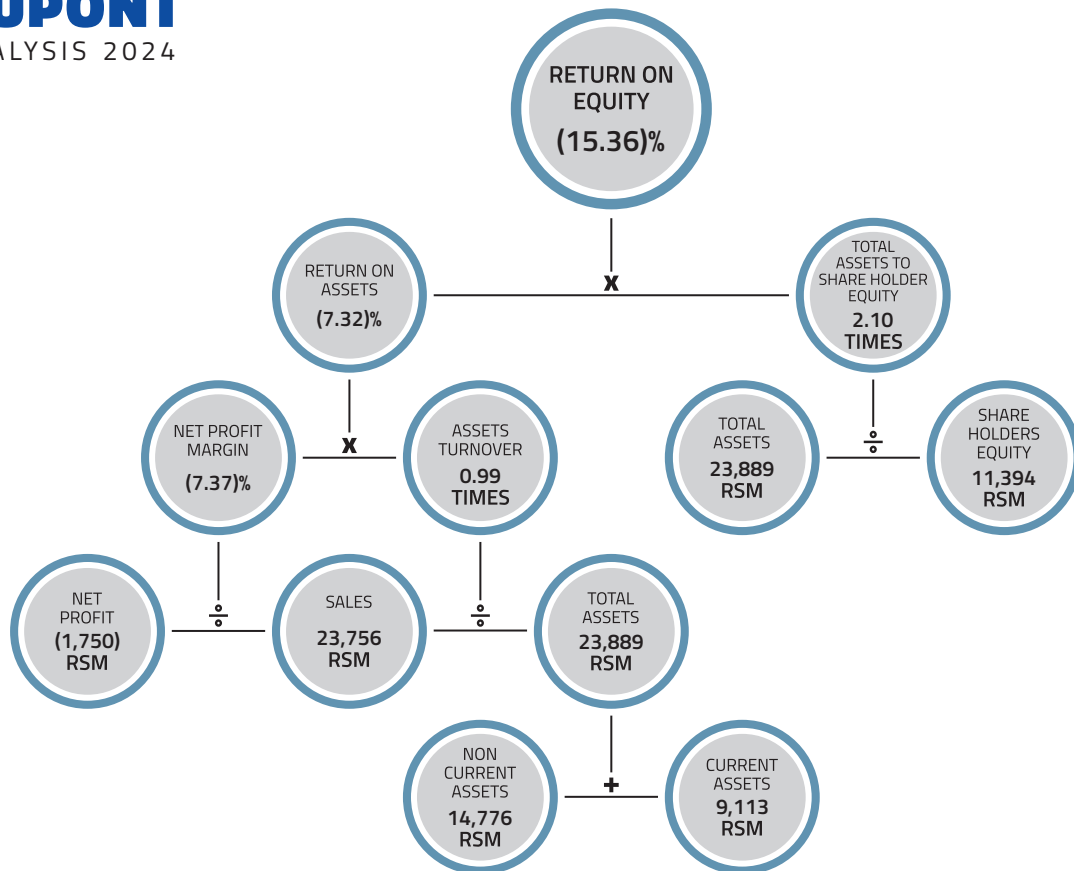
2024 YEAR AT GLANCE





DUPONT

ANALYSIS 2024



Summary of Dupont Analysis	FY 2024	FY 2023
Return on equity (%)	(15.36)	4.49
Net profit margin (%)	(7.37)	2.82
Return on assets (%)	(7.32)	2.20
Assets turnover (times)	0.99	0.79
Total assets to shareholders' equity (times)	2.10	2.01

Comments:

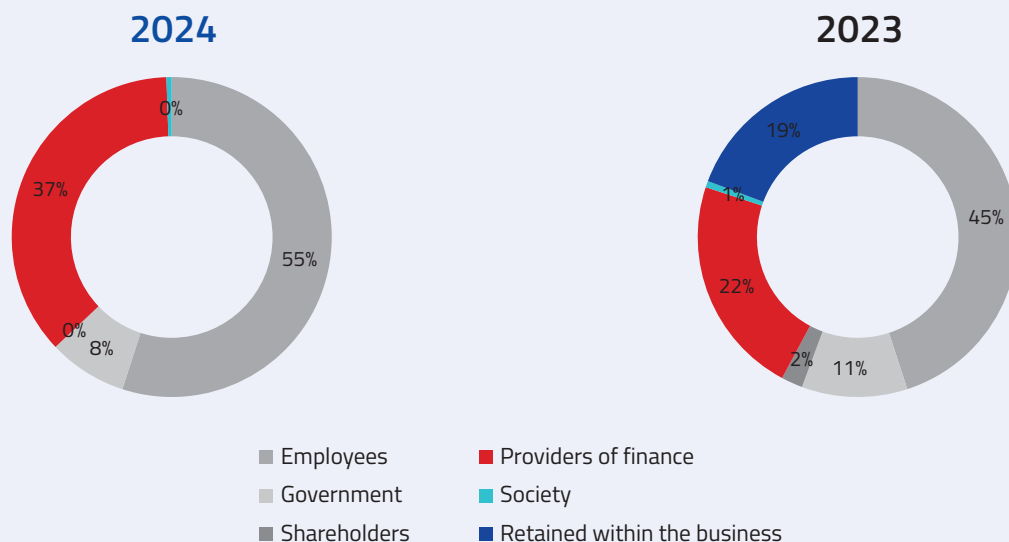
Sales revenue of the company grew to 19% but increase of 30% in COGS outpaced the growth in revenues and contracted gross margins heavily during the year. Finance cost increased by 59% due to increase in average borrowings rate, which consequently decreased the net profit margin, return on equity and return on assets.

STATEMENT OF VALUE ADDITION

(Rupees in million)	2024	%	2023	%
WEALTH GENERATED				
Revenue	23,756	100%	19,891	100%
Bought-in-material and services	19,290	81%	15,277	78%
	4,466	19%	4,614	22%
WEALTH DISTRIBUTED				
TO EMPLOYEES				
Salaries, wages and other benefits	2,456	55%	2,076	45%
TO GOVERNMENT				
Taxes and duties	355	8%	493	11%
TO SHAREHOLDERS				
Dividend *	-	0%	100	2%
TO PROVIDERS OF FINANCE				
Finance cost	1,632	37%	1,025	22%
TO SOCIETY				
Donation toward health and education	23	0.5%	29	0.6%
RETAINED WITHIN THE BUSINESS FOR FUTURE GROWTH				
Retained earning and depreciation	0	0%	891	19%
	4,466	100%	4,614	100%

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

Distribution of Wealth



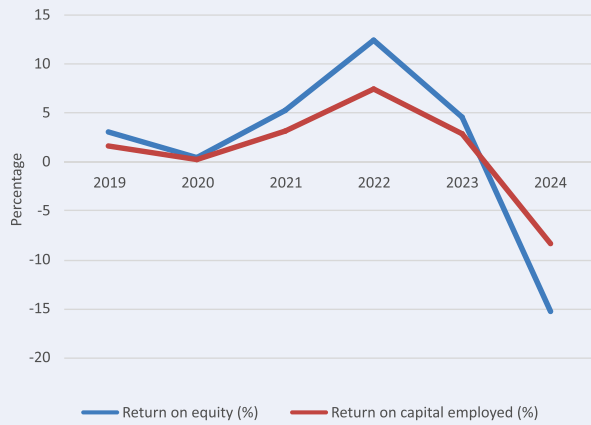
PERFORMANCE INDICATORS

		2024	2023	2022	2021	2020	2019
A. PROFITABILITY RATIOS							
Gross profit ratio	%	5.73	13.40	17.42	13.77	11.68	11.74
Net (loss) / profit to sales	%	(7.37)	2.82	6.63	2.89	0.25	1.71
EBITDA margin to sales *	%	1.94	10.76	12.77	9.00	7.48	8.65
Return on equity	%	(15.36)	4.49	12.43	5.22	0.39	3.02
Return on capital employed	%	(8.43)	2.78	7.40	3.08	0.21	1.53
B. LIQUIDITY RATIOS							
Current ratio	Times	0.79	0.95	1.02	0.96	0.83	0.80
Quick ratio	Times	0.43	0.49	0.53	0.53	0.45	0.49
Cash to current liabilities	%	1.78	1.58	1.44	3.69	0.44	0.05
Cash flow from operations to sales	%	11.51	11.25	3.77	4.33	7.45	11.08
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	5	4	4	4	4	5
Number of days in inventory	Days	71	101	90	82	85	72
Debtors turnover	Times	7	5	6	7	5	6
Number of days in receivables	Days	53	70	58	52	70	65
Creditors turnover	Times	7	7	8	8	6	8
Number of days in payables	Days	53	55	44	46	57	47
Total assets turnover	Times	0.99	0.79	0.93	0.89	0.71	0.81
Property, plant and equipment turnover	Times	2.10	1.83	2.58	2.42	1.79	2.07
Operating cycle	Days	72	116	104	89	97	91
D. INVESTMENT / MARKET RATIO							
Basic and diluted (loss) / earning per share	Rs	(17.50)	5.61	13.68	6.12	0.42	2.98
Price earning ratio	Times	(1)	2	1	4	50	7
Dividend Yield ratio **	%	-	7.75	5.56	-	-	2.76
Dividend Payout ratio **	%	-	17.83	7.42	-	-	20.12
Dividend Cover ratio **	Times	-	5.61	13.68	-	-	4.97
Cash dividend **	%	-	10.00	10.00	-	-	6.00
Market value per share							
- At the end of the period	Rs	13.36	12.90	17.99	27.29	20.82	21.76
- Highest during the period	Rs	17.94	18.79	29.81	39.96	26.30	38.53
- Lowest during the period	Rs	11.65	11.42	17.10	18.54	17.25	20.51
Break up value	Rs	113.94	124.97	110.04	117.24	108.00	98.83
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	0.77	0.71	0.75	0.77	0.86	0.93
Weighted average cost of debt	%	18.49	12.08	6.34	6.04	6.53	6.82
Long term debt to equity ratio	%	8.33	9.14	7.79	9.77	12.97	14.17
Interest cover ratio	Times	(0.01)	1.77	4.54	2.79	1.37	1.78

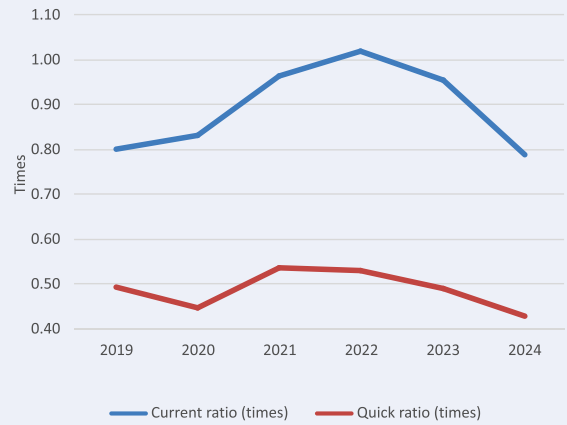
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

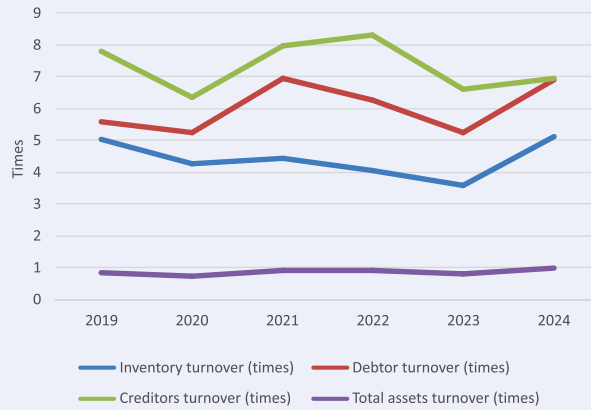
RETURN ON CAPITAL AND EQUITY



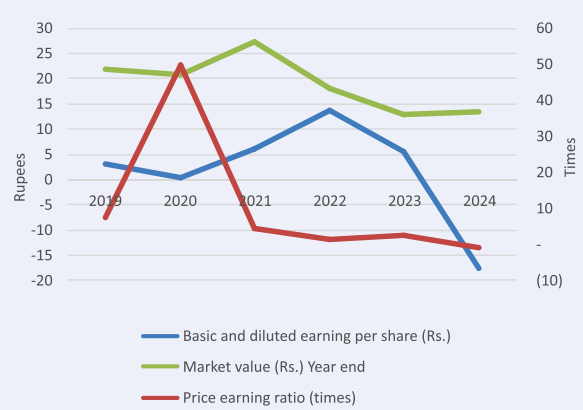
LIQUIDITY



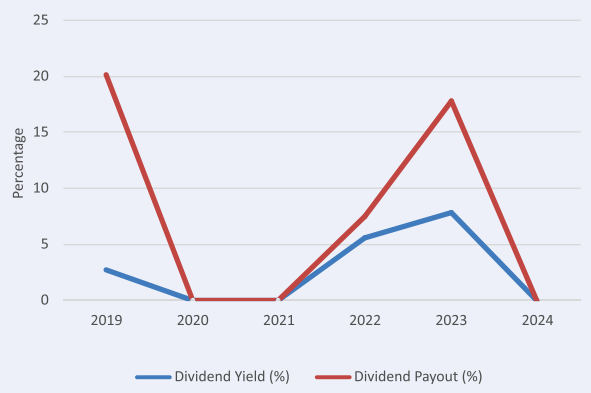
ASSET MANAGEMENT



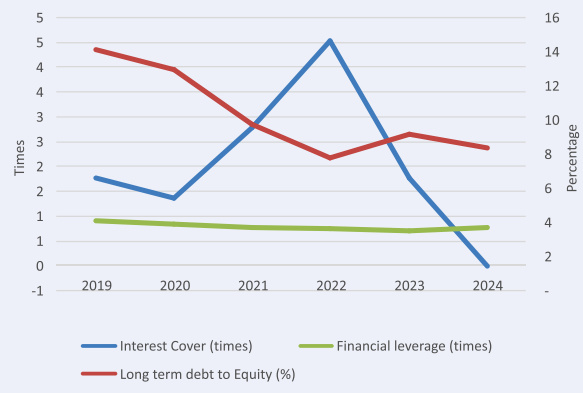
PER SHARE RESULT



DIVIDEND AND RETURNS



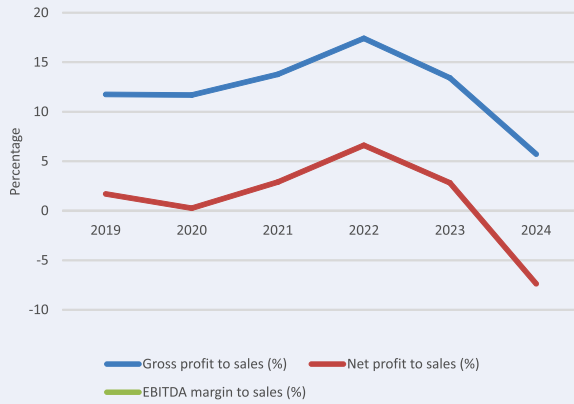
DEBT MANAGEMENT



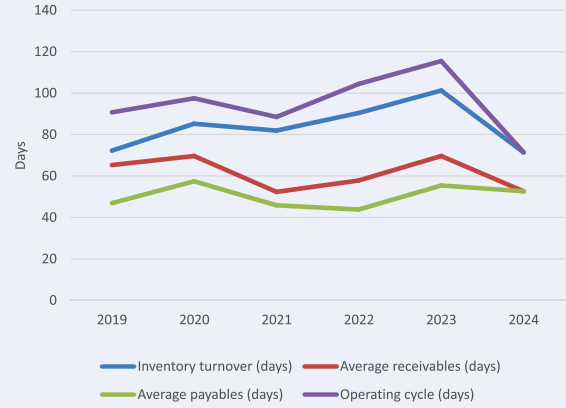
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2024	2023	2022	2021	2020	2019
SUMMARY OF STATEMENT OF PROFIT OR LOSS						
Revenue	23,756	19,891	20,331	17,817	13,264	13,946
Gross profit	1,361	2,665	3,541	2,453	1,549	1,637
Profit / (loss) from operations	(11)	1,811	2,260	1,262	657	903
Profit / (loss) before levy & taxation	(1,643)	787	1,762	810	177	396
Profit / (loss) after levy & taxation	(1,750)	561	1,347	516	34	239
SUMMARY OF STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	11,296	10,898	7,880	7,376	7,402	6,727
Long term investments	3,473	3,278	3,729	3,807	3,693	3,792
Stores, spare parts and loose tools	377	380	348	225	234	265
Stock-in-trade	3,793	4,953	4,610	3,711	3,187	2,285
Trade debts	3,007	3,835	3,755	2,695	2,419	2,648
Advance income tax and levy - net	577	393	417	522	612	598
Other receivables	375	736	378	381	301	295
Short term investments	600	255	446	792	477	390
Total current assets	8,981	10,862	10,326	8,836	7,375	6,574
Total assets	23,889	25,117	21,957	20,049	18,629	17,232
Total Equity	11,394	12,497	10,835	9,875	8,640	7,907
Long term financing	950	1,142	844	964	1,120	1,120
Trade and other payables	3,314	3,414	2,342	2,060	2,027	1,866
Unclaimed Dividend	14	12	11	11	11	9
Short term borrowings	7,473	7,248	6,892	6,128	6,240	5,936
Current liabilities	11,546	11,462	10,129	9,164	8,869	8,205
Total equity and liabilities	23,889	25,117	21,957	20,049	18,629	17,232
SUMMARY OF STATEMENT OF CASH FLOWS						
Cash and cash equivalents at the beginning of the year	181	146	338	39	5	3
Net cash (used in) / from operating activities	659	1,000	(54)	98	257	864
Net cash used in investing activities	(896)	(1,630)	(788)	(297)	(286)	(674)
Net cash from / (used in) financing activities	261	666	649	499	64	(189)
Net (decrease) / increase in Cash and cash equivalents	24	36	(192)	299	35	1
Cash and cash equivalents at the end of the year	206	181	146	338	39	5

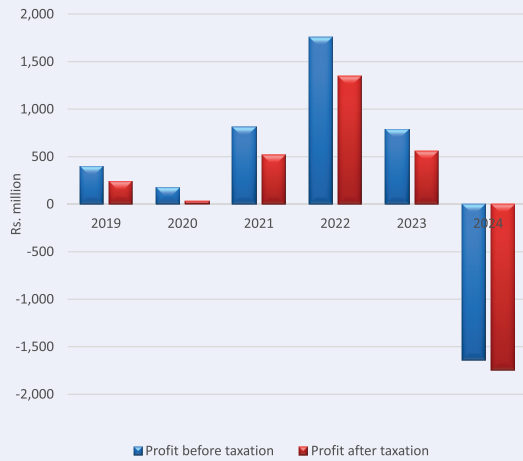
PROFITABILITY



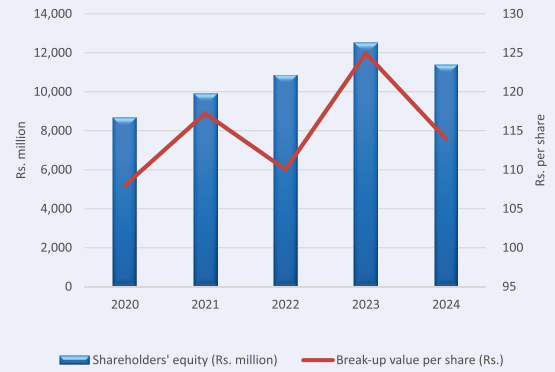
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	11,296	47.3	10,898	43.4	7,880	35.9	7,376	36.8	7,402	39.7	6,727	39.0
Intangible assets	-	-	0	0.0	6	0.0	13	0.1	20	0.1	6	0.0
Long term investments	3,473	14.5	3,278	13.1	3,729	17.0	3,807	19.0	3,693	19.8	3,792	22.0
Long term loans and advances	2	0.0	1	0.0	1	0.0	0	0.0	0	0.0	1	0.0
Long term deposits and prepayments	6	0.0	8	0.0	15	0.1	15	0.1	29	0.2	30	0.2
Deferred income tax asset	-	-	-	-	-	-	1	0.0	110	0.6	103	0.6
Stores, spare parts and loose tools	377	1.6	380	1.5	348	1.6	225	1.1	234	1.3	265	1.5
Stock in trade	3,793	15.9	4,953	19.7	4,610	21.0	3,711	18.5	3,187	17.1	2,285	13.3
Trade debts	3,007	12.6	3,835	15.3	3,755	17.1	2,695	13.4	2,419	13.0	2,648	15.4
Loans and advances	35	0.1	98	0.4	100	0.5	42	0.2	22	0.1	17	0.1
Short term deposits and prepayments	10	0.0	31	0.1	127	0.6	131	0.7	84	0.5	71	0.4
Income tax	577	2.4	393	1.6	417	1.9	522	2.6	612	3.3	598	3.5
Other receivables	375	1.6	736	2.9	378	1.7	381	1.9	301	1.6	295	1.7
Short term investments	600	2.5	255	1.0	446	2.0	792	3.9	477	2.6	390	2.3
Cash and bank balances	206	0.9	181	0.7	146	0.7	338	1.7	39	0.2	4	0.0
Non-Current assets held for sale	133	0.6	69	0.3	-	-	-	-	-	-	-	-
Total assets	23,889	100	25,117	100	21,957	100	20,049	100	18,629	100	17,232	100
Issued, subscribed and paid up share capital	1,000	4.2	1,000	4.0	1,000	4.6	800	4.0	800	4.3	800	4.6
Share Deposit Money	-	-	-	-	-	-	312	1.6	-	-	-	-
Sponsors' loans	253	1.1	-	-	-	-	-	-	-	-	-	-
Premium on issue of right shares	392	1.6	392	1.6	392	1.8	200	1.0	200	1.1	200	1.2
Fair value reserve	539	2.3	29	0.1	596	2.7	1,080	5.4	673	3.6	524	3.0
Surplus on revaluation of operating fixed assets	5,904	24.7	5,928	23.6	4,160	18.9	4,161	20.8	4,161	22.3	3,567	20.7
Revenue reserves	3,306	13.8	5,148	20.5	4,687	21.3	3,322	16.6	2,805	15.1	2,815	16.3
Shareholders equity	11,394	47.7	12,497	49.8	10,835	49.3	9,875	49.3	8,640	46.4	7,907	45.9
Long term financing	950	4.0	1,142	4.5	844	3.8	964	4.8	1,120	6.0	1,120	6.5
Deferred income tax liability	-	-	15	0.1	149	0.7	-	-	-	-	-	-
Deferred liabilities	-	-	-	-	-	-	46	0.2	-	-	-	-
Trade and other payables	3,314	13.9	3,414	13.6	2,342	10.7	2,060	10.3	2,027	10.9	1,866	10.8
Unclaimed Dividend	14	0.1	12	0.0	11	0.1	11	0.1	11	0.1	9	0.1
Accrued mark-up	340	1.4	360	1.4	124	0.6	80	0.4	101	0.5	120	0.7
Short term borrowings	7,473	31.3	7,248	28.9	6,892	31.4	6,128	30.6	6,240	33.5	5,936	34.4
Current portion of long term financing	405	1.7	428	1.7	414	1.9	479	2.4	35	0.2	275	1.6
Current portion of deferred liabilities	-	-	-	-	345	1.6	407	2.0	456	2.4	-	-
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-
Total equity and liabilities	23,889	100	25,117	100	21,957	100	20,049	100	18,629	100	17,232	100
STATEMENT OF PROFIT OR LOSS												
Revenue	23,756	100.0	19,891	100.0	20,331	100.0	17,817	100.0	13,264	100.0	13,946	100.0
Cost of sales	22,395	94.3	17,226	86.6	16,790	82.6	15,364	86.2	11,715	88.3	12,309	88.3
Gross profit	1,361	5.7	2,665	13.4	3,541	17.4	2,453	13.8	1,549	11.7	1,637	11.7
Distribution cost	905	3.8	887	4.5	930	4.6	769	4.3	574	4.3	679	4.9
Administrative expenses	550	2.3	524	2.6	490	2.4	447	2.5	392	3.0	345	2.5
Other expenses	34	0.1	67	0.3	238	1.2	106	0.6	43	0.3	42	0.3
Other income	117	0.5	623	3.1	377	1.9	131	0.7	117	0.9	330	2.4
Profit from operations	(11)	(0.0)	1,811	9.1	2,260	11.1	1,262	7.1	657	5.0	903	6.5
Finance cost	1,632	6.9	1,025	5.2	498	2.5	452	2.5	481	3.6	507	3.6
Profit / (loss) before levy & taxation	(1,643)	(6.9)	787	4.0	1,762	8.7	810	4.5	177	1.3	396	2.8
Levy	261	1.1	287	1.4	330	1.6	209	1.2	160	1.2	129	0.9
Profit / (loss) before taxation	(1,904)	(8.0)	500	2.5	1,432	7.0	602	3.4	17	0.1	266	1.9
Taxation	(154)	(0.6)	(61)	(0.3)	84	0.4	86	0.5	(17)	(0.1)	28	0.2
Profit / (loss) after taxation	(1,750)	(7.4)	561	2.8	1,347	6.6	516	2.9	34	0.3	239	1.7

HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	11,296	3.7	10,898	38.3	7,880	6.8	7,376	(0.3)	7,402	10.0	6,727	6.3
Intangible assets	-	(100.0)	0.03	(99.4)	6	(57.1)	13	(33.3)	20	247.6	6	(52.2)
Long term investments	3,473	5.9	3,278	(12.1)	3,729	(2.0)	3,807	3.1	3,693	(2.6)	3,792	1.5
Long term loans and advances	2	66.7	1	16.1	1	261.6	0	(1.0)	0	(38.0)	1	(53.8)
Long term deposits and prepayments	6	(30.7)	8	(46.7)	15	(0.5)	15	(47.1)	29	(4.1)	30	191.6
Deferred income tax asset	-	-	-	-	-	(100)	1	(99)	110	7	103	(19)
Stores, spare parts and loose tools	377	(0.8)	380	8.9	348	55.0	225	(3.8)	234	(12.0)	265	34.0
Stock-in-trade	3,793	(23.4)	4,953	7.4	4,610	24.2	3,711	16.5	3,187	39.5	2,285	(11.8)
Trade debts	3,007	(21.6)	3,835	2.1	3,755	39.3	2,695	11.4	2,419	(8.6)	2,648	12.8
Loans and advances	35	(64.1)	98	(1.3)	100	137.4	42	88.8	22	27.3	17	89.7
Short term deposits and prepayments	10	(68.6)	31	(75.3)	127	(2.9)	131	55.3	84	18.6	71	16.9
Advance income tax and levy - net	577	46.8	393	(5.7)	417	(20.0)	522	(14.7)	612	2.3	598	(11.8)
Other receivables	375	(49.1)	736	94.5	378	(0.8)	381	26.4	301	2.1	295	(79.2)
Short term investments	600	135.3	255	(42.8)	446	(43.7)	792	66.0	477	22.2	390	313.3
Cash and bank balances	206	13.5	181	24.6	146	(56.9)	338	766.8	39	772.5	4	30.9
Non-Current assets held for sale	133	100.0	69	100.0	-	-	-	-	-	-	-	-
TOTAL ASSETS	23,889	(4.9)	25,117	14.4	21,957	9.5	20,049	7.6	18,629	8.1	17,232	(2.2)
Issued, subscribed and paid up share capital	1,000	-	1,000	-	1,000	25.0	800	-	800	-	800	-
Share Deposit Money	-	-	-	-	-	(100.0)	312	100.0	-	-	-	-
Sponsors' loans	253	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of right shares	392	-	392	-	392	95.6	200	-	200	-	200	-
Fair value reserve	539	1,731.0	29	(95.1)	596	(44.8)	1,080	60.3	673	28.6	524	(57.3)
Surplus on revaluation of operating fixed assets	5,904	(0.4)	5,928	42.5	4,160	(0.0)	4,161	(0.0)	4,161	16.6	3,567	(0.0)
Revenue reserves	3,306	(35.8)	5,148	9.8	4,687	41.1	3,322	18.4	2,805	(0.4)	2,815	9.3
Total Equity	11,394	(8.8)	12,497	15.3	10,835	9.7	9,875	14.3	8,640	9.3	7,907	(5.5)
Long term financing	950	(17)	1,142	35	844	(12)	964	(14)	1,120	-	1,120	33
Deferred income tax liability	-	100	15	100	149	100	-	-	-	-	-	-
Deferred liabilities	-	-	-	-	-	(100)	46	100	-	-	-	-
Trade and other payables	3,314	(2.9)	3,414	45.8	2,342	13.7	2,060	1.6	2,027	8.6	1,866	25.4
Unclaimed Dividend	14	14.1	12	13.5	11	(1.1)	11	(1.1)	11	19.0	9	(0.8)
Accrued mark-up	340	(5.5)	360	190.0	124	56.1	80	(20.9)	101	(16.1)	120	40.1
Short term borrowings	7,473	3.1	7,248	5.2	6,892	12.5	6,128	(1.8)	6,240	5.1	5,936	(7.5)
Current portion of long term financing	405	(5.3)	428	3.3	414	(13.5)	479	1,279.6	35	(87.4)	275	6.5
Current portion of deferred liabilities	-	-	-	(100.0)	345	(15.2)	407	(10.7)	456	100.0	-	-
TOTAL EQUITY AND LIABILITIES	23,889	(4.9)	25,117	14.4	21,957	9.5	20,049	7.6	18,629	8.1	17,232	(2.2)
STATEMENT OF PROFIT OR LOSS												
Revenue	23,756	19.4	19,891	(2.2)	20,331	14.1	17,817	34.3	13,264	(4.9)	13,946	23.3
Cost of sales	22,395	30.0	17,226	2.6	16,790	9.3	15,364	31.2	11,715	(4.8)	12,309	20.5
Gross profit	1,361	(48.9)	2,665	(24.7)	3,541	44.3	2,453	58.3	1,549	(5.4)	1,637	48.8
Distribution cost	905	2.1	887	(4.6)	930	20.9	769	34.1	574	(15.5)	679	44.9
Administrative expenses	550	5.0	524	6.8	490	9.6	447	14.2	392	13.6	345	16.9
Other expenses	34	(48.4)	67	(72.0)	238	124.8	106	143.9	43	4.5	42	191.9
Other income	117	(81.2)	623	65.2	377	187.1	131	12.6	117	(64.6)	330	1.7
Profit / (loss) from operations	(11)	(100.6)	1,811	(19.8)	2,260	79.0	1,262	92.0	657	(27.2)	903	39.3
Finance cost	1,632	59.2	1,025	105.7	498	10.2	452	(6.0)	481	(5.1)	507	(20.5)
Profit / (loss) before levy & taxation	(1,643)	(309)	787	(55)	1,762	117	810	359	177	(55)	396	3,790
Levy	261	(9)	287	(13)	330	58	209	31	160	23	129	(0.32)
Profit / (loss) before taxation	(1,904)	(481)	500	(65)	1,432	138	602	3,453	17	(94)	266	(322.72)
Taxation	(154)	153	(61)	(172)	84	(2)	86	(615)	(17)	(160)	28	(78)
Profit / (loss) after taxation	(1,750)	(412)	561	(58)	1,347	161	516	1,435	34	(86)	239	2,722

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF THE CRESCENT TEXTILE MILLS LIMITED
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Crescent Textile Mills Limited (the Company) for the year ended 30 June 2024 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 2024.



RIAZ AHMAD & COMPANY

Chartered Accountants

Faisalabad.

Date: October 04, 2024

UDIN: CR2024101583Ytd7sNMI

STATEMENT OF COMPLIANCE

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

Name of Company: The Crescent Textile Mills Limited

Year ended: June 30, 2024

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

1. The total number of directors are seven (7) as per the following:

- a. Male: Six
- b. Female: One

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

Category	Name
Independent Director	Mr. Amin Anjum Saleem
	Mrs. Nazia Maqbool (female)
Executive Directors	Mr. Ahmad Shafi
	Mr. Muhammad Anwar
Non-Executive Directors	Mr. Aurangzeb Shafi
	Mr. Imran Maqbool*
	Mr. Khalid Bashir

* Mr. Imran Maqbool has resigned with effect from 20 July 2024. Subsequently appointment of Mr. Khurram Mazhar Karim has been made on 23 July 2024.

** The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

STATEMENT OF COMPLIANCE

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

9. The Board is fully compliant with the provision with regard to their training program. Three members of the Board have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 19(2) of the CCG. Four other directors have completed Directors' Training Program including two independent directors. 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.
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
11. The board has formed committees comprising of members given below:
- a) Audit Committee
- | | |
|--------------------------|------------|
| Mr. Amin Anjum Saleem | (Chairman) |
| Mr. Khalid Bashir | (Member) |
| Mr. Khurram Mazhar Karim | (Member) |
- Due to resignation of Mr. Imran Maqbool with effect from 20 July 2024, Mr. Khurram Mazhar Karim has been included as a member of the Audit Committee.
- b) HR and Remuneration Committee
- | | |
|--------------------------|---------------|
| Mrs. Nazia Maqbool | (Chairperson) |
| Mr. Ahmad Shafi | (Member) |
| Mr. Khurram Mazhar Karim | (Member) |
- Due to resignation of Mr. Imran Maqbool with effect from 20 July 2024, Mr. Khurram Mazhar Karim has been included as a member of the HR and Remuneration Committee.
12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
13. The frequency of meetings of the aforesaid committees were as per following:
- a) Audit Committee: Four meetings during the financial year ended 30 June 2024
- b) HR and Remuneration Committee: One meeting during the financial year ended 30 June 2024
14. The board has set up an effective outsourced internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
15. 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.

STATEMENT OF COMPLIANCE

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

16. 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.
17. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
18. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. #	Requirement	Explanation for Non-compliance	Reg. #
1.	Training of Head of Department: At least one head of department every year is required to be trained under the Directors' Training program from July 2022.	The Company will organize the training of its one head of department each year from next financial year.	19(3)(ii)
2.	Company Secretary Same person shall not simultaneously hold office of Chief Financial Officer (CFO) and the Company Secretary.	Subsequent to the year end on 30 September 2024, Mr. Naseer Ahmad Chaudhary, the Company Secretary, has been appointed as Chief Financial Officer due to resignation of the previous CFO. The Company is deliberating on this issue and will hire separate person as CFO in future.	24
3.	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)
4.	Risk Management Committee: The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and appraises the Board accordingly.	30(1)

For and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of The Crescent Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2024, 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 material accounting policy information 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 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2024 amounting to Rupees 4,169.780 million, break up of which is as follows:</p> <ul style="list-style-type: none">- Stores, spare parts and loose tools of Rupees 376.567 million- Stock-in-trade of Rupees 3,793.213 million <p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to their size, representing 17.45% of the total assets of the Company as at 30 June 2024, and the judgment involved in valuation.</p>	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <ul style="list-style-type: none">▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

INDEPENDENT AUDITOR'S REPORT

For further information on inventories, refer to the following:

- Material accounting policy information, Inventories (Note 2.12 to the financial statements).
- Stores, spare parts and loose tools (Note 18) and Stock-in-trade (Note 19) to the financial statements.

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

2. Investments in equity securities

As at 30 June 2024, the Company carried its portfolio of investments as follows:

- Quoted investments carried at fair value through other comprehensive income amounting to Rupees 1,054.894 million.
- Un-quoted investments carried at fair value through other comprehensive income amounting to Rupees 2,974.861 million.

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

Investments in unquoted equity securities are accounted for as financial assets at fair value through other comprehensive income and are subject to fair

Our procedures included, but were not limited to:

- We documented and assessed the processes and controls in place to record investment transactions and to value the portfolio.
- We agreed the valuation of all of quoted investments from prices quoted on Pakistan Stock Exchange Limited.
- We agreed the holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and physical share certificates in hand.
- We verified the accuracy of management's judgement used in classification of quoted investments in related parties.
- We evaluated the independent professional valuer's competence, capabilities and objectivity.

INDEPENDENT AUDITOR'S REPORT

valuation at each reporting date. Significant un-quoted investments as at 30 June 2024 are valued on the basis of valuation carried out during the year by an independent professional valuer. With reference to the valuation, management estimated the fair value of these un-quoted investments at Rupees 2,974.607 million at year end.

For further information, refer to the following:

- Material accounting policy information, financial instruments-equity investments (Note 2.11 to the financial statements)
- Long term investments (Note 15 to the financial statements).
- Short term investments (Note 25 to the financial statements).

3. Revenue recognition

The Company recognized revenue of Rupees 23,755.882 million for the year ended 30 June 2024.

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, refer to the following:

- Material accounting policy information, Revenue recognition (Note 2.15 to the financial statements).
- Revenue (Note 28 to the financial statements).

- We assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the investments.
- We checked, on a sample basis, the accuracy and reasonableness of the input data provided by management to the independent professional valuer.
- We agreed holding of all un-quoted investments from physical share certificates in hand.
- We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.

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 statement.

INDEPENDENT AUDITOR'S REPORT

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,

INDEPENDENT AUDITOR'S REPORT

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



RIAZ AHMAD & COMPANY

Chartered Accountants

Faisalabad

Date: October 04, 2024

UDIN: AR202410158D4FjUJziH

STATEMENT OF FINANCIAL POSITION

as at June 30, 2024

(Rupees in '000')	Note	2024	2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (2023: 200 000 000) ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	3	1,000,000	1,000,000
Sponsors' loans	4	252,952	-
Reserves			
Capital reserves	5.1	391,559	391,559
Premium on issue of right shares	5.1	539,335	29,456
Fair value reserve			
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	5,904,012	5,928,182
		6,834,906	6,349,197
Revenue reserves	5.2	3,305,724	5,147,791
Total reserves		10,140,630	11,496,988
TOTAL EQUITY		11,393,582	12,496,988
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	949,621	1,142,121
Deferred income tax liability	8	-	15,317
		949,621	1,157,438
CURRENT LIABILITIES			
Trade and other payables	9	3,313,798	3,413,557
Unclaimed dividend		14,231	12,472
Accrued mark-up	10	340,363	360,235
Short term borrowings	11	7,472,718	7,248,114
Current portion of long term financing	7	405,129	428,001
		11,546,239	11,462,379
TOTAL LIABILITIES		12,495,860	12,619,817
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		23,889,442	25,116,805

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



Ahmad Shafi
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

as at June 30, 2024

(Rupees in '000')	Note	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	11,296,004	10,897,732
Intangible assets	14	-	32
Long term investments	15	3,472,651	3,277,915
Long term loans and advances	16	2,149	1,289
Long term deposits and prepayments	17	5,593	8,067
		14,776,397	14,185,035
CURRENT ASSETS			
Stores, spare parts and loose tools	18	376,567	379,511
Stock-in-trade	19	3,793,213	4,952,860
Trade debts	20	3,007,283	3,834,785
Loans and advances	21	35,314	98,464
Short term deposits and prepayments	22	9,836	31,317
Advance income tax and levy - net	23	577,467	393,376
Other receivables	24	374,745	735,616
Short term investments	25	600,201	255,051
Cash and bank balances	26	205,919	181,395
		8,980,545	10,862,375
Non-current assets held for sale	27	132,500	69,395
		9,113,045	10,931,770
TOTAL ASSETS		23,889,442	25,116,805



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

for the Year Ended June 30, 2024

(Rupees in '000')	Note	2024	2023
Revenue	28	23,755,882	19,891,361
Cost of sales	29	(22,394,980)	(17,226,096)
Gross profit		1,360,902	2,665,265
Distribution cost	30	(905,218)	(886,706)
Administrative expenses	31	(549,746)	(523,744)
Other expenses	32	(34,372)	(66,677)
		(1,489,336)	(1,477,127)
		(128,434)	1,188,138
Other income	33	117,427	623,265
(Loss) / profit from operations		(11,007)	1,811,403
Finance cost	34	(1,631,765)	(1,024,827)
(Loss) / profit before levy and taxation		(1,642,772)	786,576
Levy	23	(261,177)	(286,725)
(Loss) / profit before taxation		(1,903,949)	499,851
Taxation	35	154,107	60,963
(Loss) / profit after taxation		(1,749,842)	560,814
(Loss) / earnings per share - basic And diluted (rupees)	36	(17.50)	5.61

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2024

(Rupees in '000')	Note	2024	2023
(Loss) / profit after taxation		(1,749,842)	560,814
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Surplus on revaluation of operating fixed assets		-	1,770,038
Related deferred income tax		-	(1,742)
Reversal of surplus on revaluation of operating fixed assets	27	21,184	-
		21,184	1,768,296
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income	5.1.2	507,088	(641,749)
Related deferred income tax	5.1.2	10,329	75,191
		517,417	(566,558)
Items that may be reclassified to statement of profit or loss in subsequent periods		-	-
Other comprehensive income for the year - net of deferred income tax		538,601	1,201,738
Total comprehensive (loss) / income for the year		(1,211,241)	1,762,552

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2024

	SHARE CAPITAL	SPONSORS' LOAN	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				TOTAL
			Premium on issue of right shares	Fair value of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Unappropriated profit	Sub total		
(Rupees in '000')											
Balance as at 30 June 2022	1,000,000	-	391,559	596,014	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 1 per share	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(142)	(142)	-	142	142	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(285)	(285)	-	-	-	(285)	(285)
Profit for the year	-	-	-	-	-	-	-	560,814	560,814	560,814	560,814
Other comprehensive income for the year	-	-	-	(566,558)	1,768,296	1,201,738	-	-	-	1,201,738	1,201,738
Total comprehensive income for the year	-	-	-	(566,558)	1,768,296	1,201,738	-	560,814	560,814	1,762,552	1,762,552
Balance as at 30 June 2023	1,000,000	-	391,559	29,456	5,928,182	6,349,197	1,803,643	3,344,148	5,147,791	11,496,988	12,496,988
Transaction with owners - Final dividend for the year ended 30 June 2023 at the rate of Rupee 1 per share	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Sponsors' loans received during the year	-	252,952	-	-	-	-	-	-	-	-	252,952
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(237)	(237)	-	237	237	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(2,749)	(2,749)	-	-	-	(2,749)	(2,749)
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(7,538)	-	(7,538)	-	7,538	7,538	-	-
Loss for the year	-	-	-	-	-	-	-	(1,749,842)	(1,749,842)	(1,749,842)	(1,749,842)
Other comprehensive income for the year	-	-	-	517,417	(21,184)	496,233	-	-	-	496,233	496,233
Total comprehensive loss for the year	-	-	-	517,417	(21,184)	496,233	-	(1,749,842)	(1,749,842)	(1,253,609)	(1,253,609)
Balance as at 30 June 2024	1,000,000	252,952	391,559	539,335	5,904,012	6,834,906	1,803,643	1,502,081	3,305,724	10,140,630	11,393,582



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

STATEMENT OF CASH FLOWS

for the Year Ended June 30, 2024

(Rupees in '000')	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	2,734,557	2,238,843
Finance cost paid		(1,644,805)	(779,317)
Income tax and levy paid - net		(298,898)	(262,863)
Dividend paid		(98,241)	(98,519)
Workers' profit participation fund paid	9.3	(35,124)	(86,869)
Gas Infrastructure Development Cess (GIDC) paid		-	(18,567)
Net increase in long term loans and advances		(860)	(179)
Net decrease in long term deposits and prepayments		2,474	7,060
Net cash generated from operating activities		659,103	999,589
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,001,842)	(1,647,557)
Proceeds from sale of property, plant and equipment		33,137	16,815
Proceeds from sale of non-current assets held for sale		73,000	-
Proceeds from sale of investment		10,299	-
Short term investments made		(43,097)	-
Profit received from saving accounts and term deposit receipts		32,795	878
Net cash used in investing activities		(895,708)	(1,629,864)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		212,078	744,983
Repayment of long term financing		(427,450)	(433,698)
Sponsors' loans received	4	252,952	-
Short term borrowings - net		223,524	354,699
Net cash from financing activities		261,104	665,984
Net increase in cash and cash equivalents		24,499	35,709
Net foreign exchange difference on translating bank balances		25	85
Cash and cash equivalents at the Beginning of the year		181,395	145,601
Cash and cash equivalents at the End of the year	26	205,919	181,395



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except for the weaving unit which is situated at Industrial Estate, Hattar, Tehsil and District Haripur, Khyber Pakhtunkhwa, stitching units which are situated at Lahore Road, Jaranwala, Punjab and at Faisalabad Industrial Estate Development and Management Company (FIEDMC) site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab, and liaison office situated at 8th Floor, Sidco Avenue Centre, 264-R.A. Lines, Stretchen Road, Karachi, Sindh.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except for the change in accounting policy of taxation and levy made in accordance with "Application Guidance on Accounting for Minimum Taxes" issued by The Institute of Chartered Accountants of Pakistan through circular 7/2024. The change has been explained in Note 2.6 to these financial statements.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

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

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets including intangible assets for possible impairment on an annual basis. If such indication exists, asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

Inventories

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

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company consider that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

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.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 'Financial Instruments'.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

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

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of 'Accounting Estimate'; and
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules.

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 2023 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) Standard and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standard and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 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 2024. 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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors.'

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the past - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees retirement benefit

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

2.3 Government grants

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

2.4 Provisions

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

2.5 Dividend and other appropriations

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

2.6 Taxation and levy

Change in accounting policy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously,

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and resulted in following reclassification of corresponding figures:

(Rupees in '000')		2024 (Rupees in '000')
Statement of profit or loss:		
Taxation	Levy	286,725
Statement of financial position:		
Advance income tax	Prepaid levy	126,232
Provision for taxation	Levy payable	286,725

Had there been no change in the above referred accounting policy, amounts of Rupees 261.177 million, Rupees 174.346 million and Rupees 261.177 million of levy, prepaid levy and levy payable would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements. Further, this change in accounting policy has no impact on earnings per share of the Company.

Deferred

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

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

2.7 Property, plant and equipment

2.7.1 Operating fixed assets and depreciation

a) Cost / Revalued amount

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss and leasehold land which is stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. 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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition.

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

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

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

b) **Depreciation**

Depreciation on operating fixed assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of. Depreciation is charged to the statement of profit or loss on reducing balance method, except leasehold land on which depreciation is charged on straight line method to write off the cost of operating fixed assets over their expected useful lives at the rates mentioned in Note 13.1. The residual values and useful lives are reviewed by the management at each financial year-end and adjusted if impact on depreciation is significant.

c) **De-recognition**

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

2.8 **Assets subject to ijarah contracts**

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as ijarah contracts. The Company accounts for its ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Payments made under ijarah contracts are charged to the statement of profit or loss on a straight line basis over the lease term.

2.9 **Intangible asset and amortization**

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in the statement of profit or loss. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

2.10 Non-current assets held for sale

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

2.11 Financial instruments

i) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

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

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

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

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

b) Measurement

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Debt instruments

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity instruments

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

Fair Value Through Other Comprehensive Income (FVTOCI)

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

Financial liabilities

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

ii) Impairment of financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost and on contract assets. 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 and other debt securities 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).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Financial liabilities

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

iv) Offsetting of financial instruments

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

2.12 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

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

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

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

Stock of waste materials is stated at net realizable value.

2.13 Cash and cash equivalents

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

2.14 Borrowings

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

2.15 Revenue recognition

i) Revenue from contracts with customers

a) 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.

b) Rendering of services

The Company provides processing and weaving services to local customers. These services are sold separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at point in time, generally at the time of dispatch. There are no items giving rise to variable consideration under the Company's contracts with its customers.

c) Sale of electricity

Revenue from sale of electricity is recognized at time of transmission.

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 received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

v) Other income recognition

a) 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.

b) Rent

Rent revenue is recognized on a straight-line basis over the lease term.

c) Dividend

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

d) **Other revenue**

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

2.16 **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.

2.17 **Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost. These are subsequently measured at amortized cost using the effective interest rate method.

2.18 **Borrowing cost**

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

2.19 **Share capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.20 **Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

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

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

2.22 Segment reporting

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

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

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

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

2.23 Earnings / (loss) per share

The Company presents Earnings Per Share (EPS) / Loss Per Share (LPS) data for its ordinary shares. EPS / (LPS) 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.

2.24 Contingent assets

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

2.25 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from 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; or there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized but disclosed unless the possibility of an outflow is remote.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2024 (Number of Shares)	2023		2024 (Rupees in '000')	2023
70 571 213	70 571 213	Ordinary shares of Rupees 10 each fully paid in cash	705,712	705,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
100 000 000	100 000 000		1,000,000	1,000,000

3.2 Ordinary shares of the Company held by related parties:

(Number of Shares)	2024	2023
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	3 064 252	3 064 252
Suraj Cotton Mills Limited	2 060 625	2 060 625
Premier Insurance Limited	944 981	944 981
Crescent Fibres Limited	1 487 926	1 487 926
Crescent Steel and Allied Products Limited (Note 3.2.1)	565 473	-
	8 123 257	7 557 784

3.1.1 Due to election of Board of Directors of the Crescent Steel and Allied Products Limited held on 29 January 2024, it became related party due to common directorship.

4. SPONSORS' LOANS

These loans were received during the year from some directors and other sponsors of the Company. These loans are interest free and are payable at the discretion of the Company. Out of total loans, Rupees 165.952 million (2023: Rupees Nil) were received from directors and their spouses.

5. RESERVES

Composition of reserves is as follows:

5.1 Capital reserves		
Premium on issue of right shares (Note 5.1.1)	391,559	391,559
Fair value reserve of investments at FVTOCI - net of deferred income tax (Note 5.1.2)	539,335	29,456
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 6)	5,904,012	5,928,182
	6,834,906	6,349,197

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

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

(Rupees in '000')	2024	2023
Balance as at 01 July	29,456	596,014
Fair value adjustment during the year	507,088	(641,749)
	536,544	(45,735)
Gain realized on disposal of equity investment at fair value through other comprehensive income	(7,538)	-
Deferred income tax relating to investments at fair value through other comprehensive income	10,329	75,191
	2,791	75,191
Balance as at 30 June	539,335	29,456
5.2 Revenue reserves		
General reserve	1,803,643	1,803,643
Unappropriated profit	1,502,081	3,344,148
	3,305,724	5,147,791
6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Opening balance	5,931,750	4,161,881
Surplus arising on revaluation during the year	-	1,770,038
Less:		
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	237	142
Related deferred income tax liability	96	-
Reversal of surplus on revaluation (Note 6.2)	21,184	27
	21,517	169
	5,910,233	5,931,750

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
Less:		
Deferred income tax liability as at 01 July	3,568	1,568
Adjustment of deferred income tax liability due to surplus arising on revaluation during the year	-	1,742
Adjustment of deferred income tax liability due to re-assessment at year end	2,749	285
Incremental depreciation charged during the year transferred to the statement of profit or loss	(96)	(27)
	6,221	3,568
	5,904,012	5,928,182

6.1 This represents surplus resulting from revaluation of freehold land and leasehold land carried out on 30 June 2023 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP) as per the basis stated in Note 13.1.1. Previously revaluation was carried out on 30 June 2020, 30 June 2017, 30 June 2013 and 30 June 2007 by an independent valuer.

6.2 This relates to an adjustment in surplus on revaluation of land classified as held for sale, fully disclosed in Note 27.

7. LONG TERM FINANCING

From banking companies - secured		
Long term loans (Note 7.1)	1,170,190	1,537,487
Diminishing musharaka (Note 7.2)	184,560	32,635
	1,354,750	1,570,122
Less: Current portion shown under current liabilities	405,129	428,001
	949,621	1,142,121

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

	LENDER	2024	2023	RATE OF MARK-UP / PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(Rupees in '000')							
7.1	Long term loans							
	The Bank of Punjab	-	9,916	SBP rate for LTFF plus 2.50%	These are different loans repayable in 20 equal quarterly installments starting from 31 March 2017 and ended on 20 October 2023	-	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	57,745	194,104	SBP rate for LTFF plus 2.50%	These are different loans repayable in 12 equal half yearly installments starting from 27 September 2017 and ending on 28 June 2025	-	Quarterly	First pari passu charge over fixed assets of the Company.
	Pak Libya Holding Company (Private) Limited	78,176	112,920	Pak Libya's spread 2% plus SBP's spread 2%	This loan is repayable in 20 equal quarterly installments starting from 23 December 2021 and ending on 23 September 2026	-	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	15,527	20,305	3 Month KIBOR plus 2.50% without any floor or cap	This loan is repayable in 22 equal quarterly installments starting from 10 June 2022 and ending on 10 September 2027	Quarterly	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	110,679	180,679	SBP rate for LTFF plus 2.50%	These are different loans repayable in 20 equal quarterly installments starting from 27 March 2020 and ending on 03 February 2026	-	Quarterly	First pari passu charge over present and future fixed assets of the Company.
	MCB Bank Limited	55,274	69,963	SBP rate for LTFF plus 3%	These are different loans repayable in 28 equal quarterly installments starting from 14 May 2021 and ending on 07 April 2028	-	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
	Askari Bank Limited	202,160	270,068	3 Month KIBOR plus 2%	These are different loans repayable in 16 to 18 equal quarterly installments starting from 11 February 2023 and ending on 21 July 2027	Quarterly	Quarterly	First pari passu charge of Rupees 400 million over fixed assets of the Company.
	Pak Libya Holding Company (Private) Limited	152,624	152,624	SBP rate for LTFF plus 3%	This loan is repayable in 20 equal quarterly installments starting from 21 October 2024 and ending on 21 July 2029	-	Quarterly	Joint pari passu charge over fixed and current assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

LENDER	2024	2023	RATE OF MARK-UP / PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
(Rupees in '000')							
Pak Libya Holding Company (Private) Limited	47,377	47,377	3 Month KIBOR plus 2.50%	This loan is repayable in 20 equal quarterly installments starting from 06 December 2024 and ending on 06 September 2029	Quarterly	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
The Bank of Punjab	255,000	300,000	3 Month KIBOR plus 2%	These are different loans repayable in 20 equal quarterly installments starting from 07 December 2023 and ending on 09 September 2028	Quarterly	Quarterly	First pari passu charge over fixed assets of the Company.
United Bank Limited	195,628	179,531	1 Month KIBOR plus 2.50%	These are different loans repayable in 16 equal quarterly installments starting from 22 December 2023 and ending on 22 November 2028	Monthly	Quarterly	First pari passu charge over fixed assets of the Company.
	1,170,190	1,537,487					

7.2 Diminishing musharaka

Bank Alfalah Limited	22,242	32,635	12 Month KIBOR plus 2% with floor of 15% and cap of 30%	These are different musharakas repayable in 48 equal monthly installments starting from 28 November 2022 and ending on 21 December 2026	Yearly	Monthly	Title of the specific vehicles.
OLP Modaraba	162,318	-	3 Month KIBOR plus 3.50%	This loan is repayable in 48 equal monthly installments starting from 17 March 2025 and ending on 16 February 2029	Quarterly	Monthly	Specific charge of the diminishing musharka asset.
	184,560	32,635					

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
8. DEFERRED INCOME TAX LIABILITY		
Taxable temporary differences on		
Tax depreciation allowance	532,482	212,955
Surplus on revaluation of operating fixed assets	6,221	3,568
Fair value reserve of investments	9,032	19,361
	547,735	235,884
Deductible temporary differences on		
Provision for doubtful receivables	(71,459)	(95,844)
Unused tax losses and minimum tax	(476,276)	(124,723)
	(547,735)	(220,567)
Deferred income tax liability	-	15,317
8.1 Movement in deferred income tax liability balance is as follows:		
At beginning of the year	15,317	149,444
Less:		
Recognized in statement of profit or loss:		
- tax depreciation allowance	319,527	24,628
- surplus on revaluation of operating fixed assets	2,653	2,000
- provision for doubtful receivables	24,385	(60,641)
- unused tax losses and minimum tax	(351,553)	(24,923)
	(4,988)	(58,936)
Recognized in statement of comprehensive income:		
- unrealized gain on investments at FVTOCI	(10,329)	(75,191)
	(15,317)	(134,127)
	-	15,317
8.2	The deferred income tax asset has been accounted for to the extent that the realization of related tax benefits is probable from reversals of existing temporary differences of future taxable profits. Therefore, the Company has not recognized deferred income tax asset of Rupees 44.168 million related to unused tax losses.	
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	1,717,991	1,663,529
Accrued liabilities	1,126,453	1,192,866
Gas Infrastructure Development Cess (GIDC) payable (Note 9.2)	325,977	325,977
Contract liabilities - unsecured	29,651	121,492
Advance against sale of non-current assets held for sale	56,427	31,000
Payable to Employees' Provident Fund Trust	9,348	8,964
Retention money payable	5,848	3,545
Income tax deducted at source	22,187	16,456
Sales tax deducted at source	716	1,517
Workers' profit participation fund (Note 9.3)	12,462	40,754
Other liabilities	6,738	7,457
	3,313,798	3,413,557

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

9.1 These include Rupees 4.343 million (2023: Rupees 7.272 million) due to Premier Insurance Limited, a related party.

9.2 This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. On 13 August 2020, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Meanwhile the Company along with other industrial gas consumers has obtained interim stay order dated 14 September 2020 from Honorable Lahore High Court, Lahore which restrained Sui Northern Gas Pipelines Limited (SNGPL) from recovering GIDC prior to promulgation of GIDC Act, 2015 and ordered to charge GIDC at the rate of Rupees 100 per MMBTU instead of Rupees 200 per MMBTU against captive gas connections till the final decision on this matter.

(Rupees in '000')	2024	2023
9.3 Workers' profit participation fund		
Balance as on 01 July	40,754	80,939
Interest for the year (Note 34)	6,832	9,503
Provision for the year	-	37,181
	47,586	127,623
Less: Payments made during the year	35,124	86,869
Balance as on 30 June	12,462	40,754
10. ACCRUED MARK-UP		
Long term financing	39,827	57,306
Short term borrowings	300,536	302,929
	340,363	360,235
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 11.1 and Note 11.4)	3,015,456	3,200,995
State Bank of Pakistan (SBP) refinance (Note 11.2 and Note 11.4)	3,692,870	3,838,924
Short term foreign currency finances (Note 11.3 and Note 11.4)	764,392	208,195
	7,472,718	7,248,114

11.1 The finances aggregating to Rupees 4,724 million (2023: Rupees 4,003 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.25 to 2.50 percent (2023: KIBOR plus 1.50 to 2.50 percent) per annum payable quarterly.

11.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 17.50 to 19 percent (2023: 3.00 to 18 percent) per annum are charged on quarterly basis. Aggregate borrowing limits of these facilities are of Rupees 3,701 million (2023: Rupees 3,839 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

11.3 Short term foreign currency finances amounting to Rupees 793 million (2023: Rupees 283 million) are available at mark-up ranging from LIBOR plus 0.10 to 4.65 percent (2023: LIBOR plus 1.67 to 4.65 percent) per annum payable quarterly.

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

12. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 339.001 million (2023: Rupees 258.088 million) are given by the banks of the Company to Collector of Customs against import of certain items, SNGPL against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections.

ii) Post dated cheques and security cheques of Rupees 2,942.646 million (2023: Rupees 466.690 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans, for covering full amount plus profit for three months against diminishing musharaka to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.

iii) The Company along with its majority shareholders has filed petition in Honorable Lahore High Court, Lahore on 03 June 2024 under sections 286 and 287 read with all other enabling provisions of the Companies Act, 2017 against Crescent Bahuman Limited (CBL), its chief executive officer and chairman of board of directors and others praying that the Honorable Lahore High Court, Lahore to: declare the affairs of CBL are being run in a prejudicial and oppressive manner, declare that CBL and others have illegally deprived the majority shareholder of the Company from participating in election of directors of CBL, direct CBL to declare dividends from past 5 years, declare the decision of CBL's board of directors with regards to right issue of 57,120,000 ordinary voting shares of CBL as illegal, declare the illegal land transaction pertaining to purchase of properties by CBL from its chief executive officer and chairman of board of directors and others as unauthorized and without legal effect, and some other prayers. On application for grant of interim relief, Honorable Lahore High Court, Lahore has ordered on 15 July 2024 that CBL will not alienate any of its immovable asset except by following the requirements of section 183(3) of the Companies Act, 2017.

iv) Writ petition has been filed by the Company challenging the letters of Securities and Exchange Commission of Pakistan (SECP) regarding certain information concerning related parties. The petition is presently pending adjudication before the Honorable Islamabad High Court, Islamabad. Therein appropriate interim relief has been granted to the Company. The legal advisor of the Company is of the view that the outcome of the aforementioned case will be favorable for the Company.

v) First Information Report (FIR) No. 1638/24 dated 28 June 2024 has been lodged by Chief Executive Officer of the Company against Mr. Usman Shafi, Executive Director Business Development. Mr. Usman Shafi's responsibilities included acquiring new clients and expanding the Company's business. He presented a plan to increase sales by offering a 2% commission to foreign agents. Upon further investigation, the Company discovered that Mr. Usman was embezzling the commission amounts and misrepresenting existing clients as new sales to procure these commissions. Furthermore, Mr. Usman threatened Company employees in his capacity as an executive director to

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

increase the commission percentages to 4% to 5%. The FIR states that when confronted, Mr. Usman admitted to his conduct and assured the Company that he will return embezzled funds by June 2024. However, when pressed on this deadline, he began to issue serious threats against the Company and its management. The Company has flagged commission payments of USD 748,850 over the period of time. The financial impact on ultimate settlement of this matter cannot be reasonably estimated at this stage, therefore, no adjustment has been made in these financial statements.

- vi) On 16 May 2024, Honorable Lahore High Court, Lahore decided an intra court appeal no. 57579/23 in favour of the Company regarding the retrospective application of section 4C of the Income Tax Ordinance, 2001 for the tax year ended 2022. Therefore the Company has adjusted the extra 6 percent of super tax in taxation for the current year amounting to Rupees 83.949 million. However the tax department has filed appeal against this order before Honorable Supreme Court of Pakistan on 15 August 2024, subsequent to the reporting date, which is pending for adjudication. As per the legal counsel of the Company, the decision of the appeal will be decided in favor of the Company.
- vii) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) Lahore, for the collection of PRA withholding tax amounting to Rupees 23.348 million (2023: Rupees 23.348 million). Appeal is pending for adjudication. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.

b) Commitments

- i) Contracts for capital expenditure are of Rupees 93.885 million (2023: Rupees 209.839 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 390.604 million (2023: Rupees 816.543 million).
- iii) Ijarah commitments of the Company related to vehicles are of Rupees 1.739 million (2023: Rupees 28.071 million) taken from OLP Modaraba for the period of three years. Ijarah rentals are payable on monthly basis.

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

(Rupees in '000')	2024	2023
Not later than one year	1,739	26,323
Later than one year and not later than five years	-	1,748
	1,739	28,071
13. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 13.1)	10,833,873	8,894,443
Capital work-in-progress (Note 13.2)	462,131	2,003,289
	11,296,004	10,897,732

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

13.1 Operating fixed assets

(Rupees in '000')	Land-Freehold	Land-Leasehold	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Factory tools and equipment	Gas and electric installations	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total
At 30 June 2022												
Cost / revalued amount	4,347,543	16,727	713,871	126,621	6,591,581	36,178	113,273	187,161	7,416	60,660	113,523	12,314,554
Accumulated depreciation	-	(2,152)	(339,802)	(75,920)	(4,141,630)	(28,837)	(91,481)	(72,586)	(6,762)	(51,025)	(108,780)	(4,918,975)
Net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
Year ended 30 June 2023												
Opening net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
Additions	-	-	43,455	-	60,936	594	10,212	7,774	-	5,219	-	128,190
Revaluation surplus	1,759,400	10,638	-	-	-	-	-	-	-	-	-	1,770,038
Disposals:												
Cost	-	-	-	-	(7,521)	-	-	(6,919)	-	-	-	(14,440)
Accumulated depreciation	-	-	-	-	3,361	-	-	4,059	-	-	-	7,420
	-	-	-	-	(4,160)	-	-	(2,860)	-	-	-	(7,020)
Classified as non-current assets held for sale:												
Cost	(50,283)	-	(25,632)	-	-	-	(245)	-	-	-	-	(76,160)
Accumulated depreciation	-	-	6,587	-	-	-	178	-	-	-	-	6,765
	(50,283)	-	(19,045)	-	-	-	(67)	-	-	-	-	(69,395)
Depreciation charge	-	(213)	(33,366)	(4,527)	(247,398)	(1,532)	(5,794)	(23,555)	(131)	(5,959)	(474)	(322,949)
Closing net book value	6,056,660	25,000	365,113	46,174	2,259,329	6,403	26,143	95,934	523	8,895	4,269	8,894,443
At 30 June 2023												
Cost / revalued amount	6,056,660	27,365	731,694	126,621	6,644,996	36,772	123,240	188,016	7,416	65,879	113,523	14,122,182
Accumulated depreciation	-	(2,365)	(366,581)	(80,447)	(4,385,667)	(30,369)	(97,097)	(92,082)	(6,893)	(56,984)	(109,254)	(5,227,739)
Net book value	6,056,660	25,000	365,113	46,174	2,259,329	6,403	26,143	95,934	523	8,895	4,269	8,894,443
Year ended 30 June 2024												
Opening net book value	6,056,660	25,000	365,113	46,174	2,259,329	6,403	26,143	95,934	523	8,895	4,269	8,894,443
Additions	-	-	-	568,431	1,813,962	400	124,759	27,018	1,998	6,432	-	2,543,000
Disposals:												
Cost	-	-	-	-	(68,019)	-	-	(14,035)	-	(237)	-	(82,291)
Accumulated depreciation	-	-	-	-	62,053	-	-	9,568	-	198	-	71,819
	-	-	-	-	(5,966)	-	-	(4,467)	-	(39)	-	(10,472)
Classified as non-current assets held for sale:												
Cost / revalued amount	(135,000)	-	(20,000)	-	-	-	-	-	-	-	-	(155,000)
Accumulated depreciation	-	-	1,316	-	-	-	-	-	-	-	-	1,316
	(135,000)	-	(18,684)	-	-	-	-	-	-	-	-	(153,684)
Depreciation charge	-	(370)	(31,747)	(23,049)	(339,116)	(1,312)	(13,602)	(23,120)	(433)	(6,238)	(427)	(439,414)
Closing net book value	5,921,660	24,630	314,682	591,556	3,728,209	5,491	137,300	95,365	2,088	9,050	3,842	10,833,873
At 30 June 2024												
Cost / revalued amount	5,921,660	27,365	711,694	695,052	8,390,939	37,172	247,999	200,999	9,414	72,074	113,523	16,427,891
Accumulated depreciation	-	(2,735)	(397,012)	(103,496)	(4,662,730)	(31,681)	(110,699)	(105,634)	(7,326)	(63,024)	(109,681)	(5,594,018)
Net book value	5,921,660	24,630	314,682	591,556	3,728,209	5,491	137,300	95,365	2,088	9,050	3,842	10,833,873
Annual rate of depreciation (%)	-	Remaining useful life	5, 10	5, 10	10	20	20	20	20	50	10	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

13.1.1 Land situated at Faisalabad granted to the Company by the Government of Punjab in 1958 under Land Acquisition Act, 1894 for the specific purpose of using it as an industrial undertaking had been revalued by taking into account conditions specified under various directives of the Government, whereas land situated other than Faisalabad was revalued using the present market value. Forced sale value of freehold land and leasehold land as per last revaluation was Rupees 4,710.328 million and Rupees 20.000 million respectively.

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

(Rupees in '000')	2024			2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	54,793	-	54,793	146,693	-	146,693
Land - Leasehold	4,719	1,539	3,180	4,719	1,502	3,217
	59,512	1,539	57,973	151,412	1,502	149,910

13.1.3 Fixed assets of the Company with carrying amount of Rupees 10,601 million (2023: Rupees 8,548 million) are subject to first pari passu charge and title of specific vehicles are given as security to secured bank borrowings.

13.1.4 The power of attorney instead of title of shops located at Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi having carrying valuing of Rupees 52.428 million is in the name of Company's representative.

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

(Rupees in '000')	2024	2023
Cost of sales (Note 29)	407,002	289,520
Administrative expenses (Note 31)	32,412	33,429
	439,414	322,949

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

Particulars	Location	Area Acres	Covered area Sq. Ft.
Manufacturing facility	Sargodha Road, Faisalabad, Punjab.	114.05	1 708 833
Manufacturing facility	Phase-III Industrial Estate Hattar, Tehsil and District Haripur, Khyber Pakhtunkhwa.	10.00	179 134
Manufacturing facility	FIEDMC site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab. (Note 13.1.7)	50.01	42 123

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Particulars	Location	Area Acres	Covered area Sq. Ft.
Shops	Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi, Sindh.	0.10	4 500
Guest House	Pindi Point, Murree, Punjab.	2.99	10 621

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

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

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

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Plant and machinery								
Murata Jet Spinning Machines	4	24,797	21,802	2,995	4,400	1,405	Negotiation	M/s Mubashir Brothers, Faisalabad
Monforts Stenter Machine	1	28,693	27,484	1,209	1,500	291	Negotiation	M/s Mubashir Brothers, Faisalabad
IR Dryer	1	9,069	8,180	889	1,000	111	Negotiation	M/s Mubashir Brothers, Faisalabad
		62,559	57,466	5,093	6,900	1,807		
Vehicles								
Toyota Corolla Altis LEC 17 6361	1	2,402	1,853	549	4,100	3,551	Negotiation	Mr. Asif Masood, Faisalabad
Honda Civic VTI BJN 203	1	2,647	1,969	678	4,500	3,822	Negotiation	Mr. Feroz Ahmad, Faisalabad
Suzuki Cultus LEA-19A-7365	1	1,855	1,072	783	2,400	1,617	Negotiation	Premier Insurance Limited, a related party
Suzuki Cultus AGS AFM-878	1	1,955	712	1,243	3,300	2,057	Negotiation	Mrs. Iram Nadeem, Faisalabad
Suzuki Cultus AGS LEB 19 5592	1	1,608	1,085	523	2,707	2,184	Negotiation	Mr Sharoz Saleem, Faisalabad.
		10,467	6,691	3,776	17,007	13,231		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000								
		9,265	7,662	1,603	9,230	7,627		
		82,291	71,819	10,472	33,137	22,665		

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

13.2 Capital work-in-progress

(Rupees in '000')	2024				2023			
	Balance as at 01 July 2023	Additions	Transfer to operating fixed assets	Balance as at 30 June 2024	Balance as at 01 July 2022	Additions	Transfer to operating fixed assets	Balance as at 30 June 2023
Buildings on freehold land	-	-	-	-	17,645	25,810	(43,455)	-
Buildings on leasehold land	417,163	209,349	(568,431)	58,081	20,901	396,262	-	417,163
Plant and machinery	1,359,360	618,773	(1,813,962)	164,171	272,162	1,148,134	(60,936)	1,359,360
Advance against office equipment	-	6,432	(6,432)	-	166	5,053	(5,219)	-
Advance against furniture and fixtures	-	2,494	(1,998)	496	-	-	-	-
Advance against purchase of land	202,782	35,281	-	238,063	155,740	47,042	-	202,782
Advance against gas and electric installations	23,984	102,095	(124,759)	1,320	17,308	16,888	(10,212)	23,984
	2,003,289	974,424	(2,515,582)	462,131	483,922	1,639,189	(119,822)	2,003,289

13.3 Borrowing cost of Rupees 88.404 million (2023: Rupees 136.476 million) was capitalized during the year using the capitalization rate of 10.00% to 25.98% per annum (2023: 14.83% to 22.05% per annum).

(Rupees in '000')	2024	2023
14. INTANGIBLE ASSETS		
Computer software		
Net carrying value basis		
Opening net book value	32	5,770
Less: Amortization charged during the year (Note 31)	(32)	(5,738)
Closing net book value	-	32
Gross carrying amount		
Cost	42,057	42,057
Accumulated amortization	(42,057)	(42,025)
Closing net book value	-	32
Amortization rate (per annum)	33.33%	33.33%

14.1 The computer software is fully amortized but still in use of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
15. LONG TERM INVESTMENTS		
At fair value through other comprehensive income		
Related parties		
Quoted		
Shams Textile Mills Limited 812 160 (2023: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2023: 9.40%)	4,629	4,629
Premier Insurance Limited 141 573 (2023: 141 573) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2023: 0.28%)	35	35
Crescent Fibres Limited 351 657 (2023: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2023: 2.83%)	2,162	2,162
Unquoted		
Cresox (Private) Limited 4 199 792 (2023: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2023: 11.66%)	-	-
Others		
Quoted		
Shakarganj Limited 9 019 690 (2023: 9 019 690) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2023: 7.22%)	118,623	118,623
Crescent Cotton Mills Limited 1 034 499 (2023: 1 034 499) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2023: 4.56%)	5,124	5,124
Jubilee Spinning and Weaving Mills Limited 182 629 (2023: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2023: 0.56%)	213	213
Crescent Jute Products Limited 2 738 637 (2023: 2 738 637) fully paid ordinary shares of Rupees 10 each Equity held 11.52% (2023: 11.52%)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
Unquoted		
Crescent Bahuman Limited 26 926 433 (2023: 26 926 433) fully paid ordinary shares of Rupees 10 each Equity held 13.94% (2023: 13.94%) (Note 15.1)	269,264	269,264
286 520 000 (2023: 286 520 000) fully paid non-voting ordinary shares of Rupees 10 each Equity held 73.37% (2023: 73.37%) (Note 15.1)	2,865,200	2,865,200
Premier Financial Services (Private) Limited 500 (2023: 500) fully paid ordinary shares of Rupees 1,000 each Equity held 2.22% (2023: 2.22%)	500	500
	3,265,750	3,265,750
Add: Fair value adjustment	206,901	12,165
	3,472,651	3,277,915

15.1 Fair value of voting and non-voting ordinary shares of Crescent Bahuman Limited is determined as Rupees 9.49 per share. The valuation has been determined by an independent valuer using comparable company valuation multiples under market approach method.

16. LONG TERM LOANS AND ADVANCES

Considered good:		
Employees	4,223	2,820
Less: Current portion shown under current assets (Note 21)	2,074	1,531
	2,149	1,289

16.1 These represent interest free loans against household items given to employees and are secured against balance to the credit of employees in the provident fund trust. These are recoverable in equal monthly installments.

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

17. LONG TERM DEPOSITS AND PREPAYMENTS

Security deposits	6,542	12,962
Prepayments	765	2,287
	7,307	15,249
Less: Current portion shown under current assets (Note 22)	1,714	7,182
	5,593	8,067

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
18. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 18.1)	276,436	269,047
Spare parts	100,031	110,399
Loose tools	100	65
	376,567	379,511

18.1 These include stores in transit of Rupees 24.614 million (2023: Rupees 11.122 million).

19. STOCK-IN-TRADE		
Raw materials (Note 19.1)	826,522	1,675,767
Work-in-process	257,212	359,354
Finished goods (Note 19.2)	2,703,979	2,878,565
Waste	5,500	39,174
	3,793,213	4,952,860

19.1 Raw materials include stock in transit of Rupees 462.993 million (2023: Rupees 218.326 million).

19.2 Finished goods include stock in transit of Rupees 368.654 million (2023: Rupees 416.731 million) and stock with third parties amounting to Rupees 472.245 million (2023: Rupees 439.763 million).

20. TRADE DEBTS		
Considered good:		
Secured		
Against confirmed letters of credit	1,125,708	1,622,164
Unsecured		
Related parties (Note 20.3)	14,700	28,054
Others - against contract	2,055,273	2,373,013
	2,069,973	2,401,067
	3,195,681	4,023,231
Less: Allowance for expected credit losses (Note 20.4)	188,398	188,446
	3,007,283	3,834,785

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
20.1 Trade debts in respect of foreign and local jurisdictions is given under:		
Australia	101,381	75,293
Belgium	36,166	-
Estonia	-	22,532
France	205	-
Germany	317,230	282,468
Hong Kong	-	63,817
Italy	17,903	-
Netherlands	-	43,148
Norway	45,836	36,974
Portugal	233,431	-
Romania	26,296	-
South Africa	30,100	106,084
Spain	122,789	850,361
Sweden	405,786	149,077
United Kingdom	762,017	892,866
United States of America	113,795	132,298
Pakistan	794,348	1,179,867
	3,007,283	3,834,785

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

20.3 These represent amounts due from following related parties:

Suraj Cotton Mills Limited	10,512	28,054
Shams Textile Mills Limited	4,188	-
	14,700	28,054

20.3.1 The ageing analysis of these trade debts is as follows:

Not yet due	10,555	28,054
Upto 1 month	4,145	-
	14,700	28,054

20.3.2 The maximum aggregate amount due from the related parties at the end of any month is as follows:

Suraj Cotton Mills Limited	14,063	28,054
Shams Textile Mills Limited	4,188	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
20.4 Allowance for expected credit losses		
As at 01 July	188,446	188,596
Less:		
Recovered during the year (Note 33)	48	-
Written off during the year	-	150
	48	150
As at 30 June	188,398	188,446

20.5 As at 30 June 2024, trade debts receivable from other than the related parties are aggregating to Rupees 2,992.583 million (2023: Rupees 3,806.731 million) which are not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Not yet due	2,201,623	3,077,882
Upto 1 month	369,895	318,093
1 to 6 months	55,841	44,572
More than 6 months	365,224	366,184
	2,992,583	3,806,731

21. LOANS AND ADVANCES

Considered good:		
Employees against expenses	873	865
Current portion of long term loans and advances (Note 16)	2,074	1,531
Advances to suppliers / service providers	32,506	95,414
Letters of credit	1,153	1,243
	36,606	99,053
Less: Provision for doubtful loans and advances (Note 21.1)	1,292	589
	35,314	98,464

21.1 Provision for doubtful loans and advances

As at 01 July	589	670
Add: Recognized during the year (Note 32)	703	-
	1,292	670
Less: Written off during the year	-	(81)
As at 30 June	1,292	589

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
22. SHORT TERM DEPOSITS AND PREPAYMENTS		
Considered good:		
Margin deposits	1,105	369
Short term deposits and prepayments	7,017	23,766
Current portion of long term deposits and prepayments (Note 17)	1,714	7,182
	9,836	31,317
23. ADVANCE INCOME TAX AND LEVY - NET		
Advance income tax - net		
Advance income tax	670,893	644,413
Less: Provision for taxation	(6,595)	(90,544)
	664,298	553,869
Levy payable / prepaid levy - net		
Prepaid levy	174,346	126,232
Less: Levy payable	(261,177)	(286,725)
	(86,831)	(160,493)
	577,467	393,376
24. OTHER RECEIVABLES		
Considered good:		
Due from related parties (Note 24.1)	1,227	817
Export rebate and claims	72,521	43,016
Sales tax and special excise duty refundable	351,234	743,374
Profit on saving accounts and term deposit receipts	5,291	3,325
Miscellaneous	1,191	1,803
	431,464	792,335
Less: Provision for doubtful export rebate, sales tax and special excise duty refundable (Note 24.2)	56,719	56,719
	374,745	735,616
24.1 This represents amounts due from following related parties:		
Shams Textile Mills Limited	1,227	461
Crescent Fibres Limited	-	356
	1,227	817

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
24.1.1 The ageing of amounts receivable from related parties is as follows:		
Upto 1 month	370	419
1 to 6 months	857	280
More than 6 months	-	118
	1,227	817
24.1.2 The maximum aggregate amounts due from the related parties at the end of any month during the year were as follows:		
Shams Textile Mills Limited	1,227	461
Crescent Fibres Limited	1,276	356
24.2 Provision for doubtful export rebate, sales tax and special excise duty refundable		
As at 01 July	56,719	64,723
Less: Written off during the year	-	8,004
	56,719	56,719
25. SHORT TERM INVESTMENTS		
At fair value through other comprehensive income		
Quoted		
Related party		
Crescent Steel and Allied Products Limited		
8 538 303 (2023: Nil) fully paid ordinary shares of Rupees 10 each.		
Equity held 11% (2023: Nil) (Note 25.1)	190,669	-
Others		
Samba Bank Limited		
8 228 956 (2023: 9 140 238) fully paid ordinary shares of Rupees 10 each.		
Equity held 0.82% (2023: 0.91%)	24,969	27,730
Crescent Steel and Allied Products Limited		
Nil (2023: 8 538 303) fully paid ordinary shares of Rupees 10 each.		
Equity held Nil (2023: 11%) (Note 25.1)	-	190,669
	215,638	218,399
Add: Fair value adjustment	341,466	36,652
	557,104	255,051
At amortized cost		
Term deposit receipts (Note 25.2)	43,097	-
	600,201	255,051

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

25.1 Crescent Steel and Allied Products Limited became related party on 29 January 2024 due to common directorship.

25.2 These represent term deposit receipts issued by National Bank of Pakistan having maturity period of 1 year. Rate of profit ranged from 18.25 percent to 20.10 percent per annum (2023: Nil). These are under lien with the banks against guarantees given on behalf of the Company.

(Rupees in '000')	2024	2023
26. CASH AND BANK BALANCES		
With banks:		
On current accounts		
Including US\$ 94,850 (2023: US\$ 65,492)	27,080	36,191
Term Deposit Receipts (TDRs) (Note 26.1)	162,860	142,860
On saving accounts (Note 26.2)	14,511	189
	204,451	179,240
Cash in hand	1,468	2,155
	205,919	181,395

26.1 These represent Term Deposit Receipts (TDRs) having maturity period of three months and carrying profit ranging from 17.90% to 21.25% (2023: 18% to 20.25%) per annum with The Bank of Punjab and National Bank of Pakistan. These are under lien with the banks against guarantees given on behalf of the Company.

26.2 Rate of profit on saving accounts was ranging from 8.00% to 20.05% (2023: 6.70% to 19.50%) per annum).

27. NON-CURRENT ASSETS HELD FOR SALE

Reconciliation of non-current assets classified as held for sale under IFRS-5 'Non Current Assets held for Sale and Discontinued Operations' are summarized hereunder:

Opening balance	69,395	-
Add: Book value of assets transferred from property, plant and equipment during the year		
Freehold land	135,000	50,283
Building on freehold land	18,684	19,045
Gas and electric installations	-	67
	153,684	69,395
	223,079	69,395

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
Less: Book value of assets disposed of during the year		
Freehold land	50,283	-
Building on freehold land	19,045	-
Gas and electric installations	67	-
	69,395	-
Decrease in the book value of assets transferred as held for sale	21,184	-
	132,500	69,395

27.1 Specific items of freehold land, buildings on freehold land and gas and electric installation were presented as held for sale during the year ended 30 June 2023. Disposal of these assets located at Chak No. 66 J.B., Dhandra, Airport Chowk, Jhang Road, Faisalabad, Punjab was made during the year against consideration of Rupees 73 million. Moreover, freehold land and buildings thereon located at Plot No. 18-E, Block 6, P.E.C.H.S., Karachi, Sindh has been classified as held for sale during the year. However keeping in view the provisions of IFRS 5, the book value of these assets was decreased to their fair value at Rupees 132.500 million. The difference of Rupees 21.184 million has been reversed through related available surplus. Remaining surplus on revalued freehold land is of Rupees 21.916 million. This transaction will be completed in next financial year. Moreover certain payments have been received from the buyer regarding this transaction as disclosed in Note 9 to these financial statements.

28. REVENUE

Revenue from contracts with customers:		
Export sales	16,708,713	11,984,439
Local sales (Note 28.1)	6,946,493	7,836,500
	23,655,206	19,820,939
Export rebate	100,676	70,422
	23,755,882	19,891,361

28.1 Local sales

Sales	7,169,414	8,360,546
Waste	707,487	693,709
Processing and weaving income	284,338	156,291
	8,161,239	9,210,546
Less: Sales tax	1,214,746	1,374,046
	6,946,493	7,836,500

28.2 The Company has recognized revenue of Rupees 65.335 million (2023: Rupees 68.064 million) from amounts included in contract liabilities at the year end.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
29. COST OF SALES		
Raw materials consumed (Note 29.1)	8,679,224	8,738,994
Cost of raw materials sold	243,390	59,945
Cloth and yarn purchased	2,884,747	1,428,912
Stores, spare parts and loose tools consumed	1,679,022	1,349,657
Packing materials consumed	1,025,311	714,236
Processing and weaving charges	1,434,274	899,985
Salaries, wages and other benefits (Note 29.2)	2,016,417	1,651,707
Fuel and power	3,501,465	2,563,535
Repair and maintenance	79,410	59,444
Insurance	25,409	24,608
Depreciation (Note 13.1.5)	407,002	289,520
Other factory overheads (Note 29.3 and Note 29.4)	108,907	94,231
	22,084,578	17,874,774
Work-in-process		
Opening stock	359,354	271,467
Closing stock	(257,212)	(359,354)
	102,142	(87,887)
Cost of goods manufactured	22,186,720	17,786,887
Finished goods		
Opening stock	2,917,739	2,356,948
Closing stock	(2,709,479)	(2,917,739)
	208,260	(560,791)
	22,394,980	17,226,096
29.1 Raw materials consumed		
Opening stock	1,675,767	1,981,087
Add: Purchased during the year	7,829,979	8,433,674
	9,505,746	10,414,761
Less: Closing stock	(826,522)	(1,675,767)
	8,679,224	8,738,994

29.2 Salaries, wages and other benefits include provident fund contribution of Rupees 45.801 million (2023: Rupees 36.080 million) by the Company.

29.3 These include ijarah rentals amounting to Rupees 21.924 million (2023: Rupees 23.232 million).

29.4 These include Rupees 2.364 million (2023: Rupees 1.976 million) in respect of short term lease.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
30. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 30.1)	70,035	82,526
Freight and shipment	371,455	243,493
Postage	23,697	21,328
Duties and other charges	141,118	109,683
Commission to selling agents	297,023	425,772
Advertisement	1,890	3,904
	905,218	886,706

30.1 Salaries, wages and other benefits include provident fund contribution of Rupees 2.217 million (2023: Rupees 2.202 million) by the Company.

31. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 31.1)	369,987	341,351
Meeting fee to directors	580	740
Travelling, conveyance and entertainment	24,762	32,996
Rent, rates and taxes	5,385	7,220
Repair and maintenance	38,493	38,732
Insurance	4,090	3,649
Printing and stationery	4,004	4,015
Communication and advertisement	7,725	6,912
Subscription	29,456	23,942
Legal and professional	9,083	4,152
Auditor's remuneration (Note 31.2)	3,480	3,130
Depreciation (Note 13.1.5)	32,412	33,429
Amortization (Note 14)	32	5,738
Other charges	20,257	17,738
	549,746	523,744

31.1 Salaries, wages and other benefits include provident fund contribution of Rupees 11.438 million (2023: Rupees 10.097 million) by the Company.

31.2 Auditor's remuneration

Audit fee	2,900	2,600
Half yearly review	300	300
Other certification fees	225	175
Reimbursable expenses	55	55
	3,480	3,130

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
32. OTHER EXPENSES		
Donations (Note 32.1 and Note 32.2)	23,382	17,033
Provision for doubtful loans and advances (Note 21.1)	703	143,093
Net exchange loss	10,287	81
Workers' profit participation fund	-	78,185
	34,372	238,392
32.1 The names of donees to whom donation made exceeded 10% of total donation are as follows:		
Indus Hospital and Health Network	12,000	12,000
The Citizens Foundation	7,800	7,800
Flood Relief Contribution to All Pakistan Textile Mills Association	-	6,000
32.2 There is no interest of any director or his / her spouse in donee's fund.		
33. OTHER INCOME		
Income from financial assets		
Dividend income (Note 33.1)	17,077	776
Profit on saving accounts and TDRs	34,761	4,203
Reversal of allowance for expected credit losses (Note 20.4)	48	-
Net exchange gain	-	578,349
	51,886	583,328
Income from non-financial assets		
Sale of empties and scrap	37,277	28,433
Rental income	1,993	1,709
Gain on sale of property, plant and equipment	22,666	9,795
Gain on sale of non-current assets held for sale	3,605	-
	65,541	39,937
	117,427	623,265
33.1 Dividend income		
From related party:		
Crescent Steel and Allied Products Limited	17,077	-
From others:		
Crescent Cotton Mills Limited	-	776
	17,077	776

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
34. FINANCE COST		
Mark up on:		
Long term financing	161,744	68,391
Short term borrowings	1,438,334	925,760
Interest on workers' profit participation fund (Note 9.3)	6,832	9,503
Unwinding of discount on GIDC payable	-	265
Bank charges and commission	24,855	20,908
	1,631,765	1,024,827
35. TAXATION		
Charge for the year:		
Prior year adjustment	(146,370)	-
Deferred (Note 35.2)	(7,737)	(60,963)
	(154,107)	(60,963)

35.1 Due to unused tax losses, the Company falls under the ambit of section 113 of the Income Tax Ordinance, 2001 and therefore minimum tax is being accounted for. This tax along with final tax on exports and dividend under relevant provisions of the Ordinance has been shown as levy payable in Note 23 to the financial statements. The Company has unused tax losses of Rupees 1,794.634 million (2023: Rupees 344.829 million) representing unabsorbed depreciation of Rupees 834.683 million (2023: Rupees 344.829 million) and tax losses of Rupees 959.951 million (2023: Rupees Nil) which will expire in 2030. Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2024 is of Rupees 298.743 million (2023: Rupees 327.991 million) on which deferred income tax asset is not recognized (2023: recognized to the extent of Rupees 24.723 million). Reconciliation of the tax expenses and the product of the accounting profit multiplied by the applicable tax rate is not prepared in view of the unused tax losses of the Company.

The minimum tax would expire as follows:

(Rupees in '000')	Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	2024	86,831	2027
	2023	97,956	2026
	2022	32,876	2025
	2021	81,080	2026
		298,743	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
35.2 Deferred income tax effect due to:		
Tax depreciation allowance	532,482	212,955
Unused tax losses and minimum tax	(476,276)	(124,723)
Provision for doubtful receivables	(71,459)	(95,844)
Surplus on revaluation of operating fixed assets	3,445	792
	(11,808)	(6,820)
Opening balance as at 01 July	6,820	(53,858)
Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end	(2,749)	(285)
	(7,737)	(60,963)
36. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic (loss) / earnings per share which is based on:		
(Loss) / profit for the year	(1,749,842)	560,814
Weighted average number of ordinary shares (Numbers)	100 000 000	100 000 000
(Loss) / earnings per share (Rupees)	(17.50)	5.61
37. CASH GENERATED FROM OPERATIONS		
(Loss) /profit before taxation and levy	(1,642,772)	786,576
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment (Note 13.1.5)	439,414	322,949
Amortization on intangible assets (Note 14)	32	5,738
Gain on sale of property, plant and equipment (Note 33)	(22,666)	(9,795)
Gain on sale of non-current assets held for sale (Note 33)	(3,605)	-
Provision for doubtful loans and advances (Note 32)	703	-
Unwinding of discount on GIDC payable	-	265
Reversal of allowance for expected credit losses (Note 33)	(48)	-
Net exchange loss / (gain)	810	(17,493)
Provision for workers' profit participation fund	-	37,181
Profit on saving accounts and TDRs (Note 33)	(34,761)	(4,203)
Finance cost (Note 34)	1,631,765	1,024,562
Working capital changes (Note 37.1)	2,365,685	93,063
	2,734,557	2,238,843

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	2024	2023
37.1 Working capital changes		
Decrease / (increase) in current assets:		
- Stores, spare parts and loose tools	2,944	(31,148)
- Stock-in-trade	1,159,647	(343,358)
- Trade debts	827,795	(61,443)
- Loans and advances	62,447	1,339
- Short term deposits and prepayments	21,481	95,549
- Other receivables	362,837	(354,113)
	2,437,151	(693,174)
(Decrease) / increase in trade and other payables	(71,466)	786,237
	2,365,685	93,063

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

(Rupees in '000')	2024				2023		
	Long term financing	Short term borrowings	Sponsors' loans	Total	Long term financing	Short term borrowings	Total
Balance as at 01 July	1,570,122	1,570,122	-	8,817,190	1,258,133	6,892,369	8,150,502
Long term financing obtained	212,078	212,078	-	212,078	744,983	-	744,983
Sponsors' loan received	-	-	252,952	252,952	-	-	-
Amortization of deferred grant	-	-	-	-	704	-	704
Short term borrowings - net	-	-	-	223,524	-	354,699	354,699
Repayment of long term financing	(427,450)	(427,450)	-	(427,450)	(433,698)	-	(433,698)
Balance as at 30 June	1,354,750	1,354,750	252,952	9,078,294	1,570,122	7,247,068	8,817,190

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	Chief Executive Officer		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Managerial remuneration	24,000	11,900	24,000	9,150	116,881	129,934
Allowances:						
House rent	10,800	5,355	-	3,217	23,376	29,077
Cost of living	-	-	-	-	235	195
Utilities	-	990	-	715	11,688	12,993
Medical	-	-	-	-	11,688	10,353
Special	-	-	-	-	11,806	10,451
Other allowances	-	660	-	935	2,503	2,760
Reimbursable expenses	2,141	1,204	1,727	4,093	-	19,685
Contribution to provident fund	1,500	744	1,500	572	6,106	6,523
	38,441	20,853	27,227	18,682	184,283	221,971
Number of persons	1	1	1	1	49	46

38.1 The Chief Executive Officer, directors and certain executives are provided with free use of the Company maintained vehicles while one director is also provided with Company maintained residence.

38.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2023: five directors) was Rupees 580,000 (2023: Rupees 740,000).

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

39. PROVIDENT FUND

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

40. NUMBER OF EMPLOYEES

(Number of Persons)	2024	2023
Number of employees as on 30 June	2 945	3 722
Average number of employees during the year	3 767	3 750

41. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')			2024	2023
Name of related party	Basis of relationship	Nature of transactions		
<i>Associated companies</i>				
Premier Insurance Limited	Common directorship	Insurance premium paid	24,544	40,135
		Insurance claim received	7,594	538
		Dividend paid	945	945
Shakarganj Limited	Common directorship	Dividend paid	-	6
Crescent Fibres Limited	Common directorship	Services provided	4,709	356
		Dividend paid	1,488	-
Suraj Cotton Mills Limited	Common directorship	Purchase of goods	38,475	12,925
		Sale of goods	16,975	71,687
		Dividend paid	2,061	2,061
Shams Textile Mills Limited	Common directorship	Services provided	808	654
		Sale of goods	3,549	-
Crescent Steel and Allied Products Limited (Note 41.1)	Common directorship	Services received	3,591	-
		Dividend received	17,077	-
<i>Other related parties</i>				
The Crescent Textile Mills Limited - Employees' Provident Fund Trust	Post employment benefit plan	Contribution paid	59,456	48,379
		Dividend paid	3,064	3,064
Chief Executive Officer, directors, executives and their spouses	Members of Board of Directors, their spouses and key management personnel	Dividend paid	27,044	26,168
		Loans received	165,952	-

4.1.1 During the year Crescent Steel and Allied Products Limited became related party due to common directorship.

4.1.2 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Figures in '000')		2024	2023
42.			
	Spinning		
	100 % plant capacity converted to 20s count (Kgs.)	31 434	32 453
	Actual production converted to 20s count (Kgs.)	23 655	23 507
	Weaving		
	100 % plant capacity converted to 50 picks (Sq. Mtr.)	66 248	40 932
	Actual production converted to 50 picks (Sq. Mtr.)	52 724	31 771

Dyeing, Finishing and Home Textile

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

Power Plant

Generation capacity	(MWH)	258	258
Actual generation	(MWH)	56	91

42.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of Spinning facility is mainly due to shutdown for some intervals during the year because of shortage of raw materials and maintenance of installed machinery at textile facilities carried out during the year. Actual power generation in comparison to installed capacity is low due to utilization of electricity supplied by FESCO.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

43. SEGMENT INFORMATION

(Rupees in '000')	Spinning		Weaving	
	2024	2023	2024	2023
Revenue				
External	5,381,414	6,368,419	2,176,533	1,316,632
Intersegment	7,074,319	5,170,862	11,404,917	7,196,684
	12,455,733	11,539,281	13,581,450	8,513,316
Cost of sales	(12,441,101)	(11,711,715)	(13,527,131)	(8,438,350)
Gross profit / (loss)	14,632	(172,434)	54,319	74,966
Distribution cost	(79,714)	(92,742)	(35,020)	(27,129)
Administrative expenses	(180,086)	(171,472)	(54,816)	(52,194)
	(259,800)	(264,214)	(89,836)	(79,323)
(Loss) / profit before taxation and unallocated income and expenses	(245,168)	(436,648)	(35,517)	(4,357)
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Levy				
Taxation				
(Loss) / profit after taxation				

43.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000')	Spinning		Weaving	
	2024	2023	2024	2023
Total assets for reportable segments	2,551,705	4,170,670	4,181,600	3,790,784
Unallocated assets				
Total assets as per statement of financial position				
All segment assets are allocated to reportable segments other than non-current assets held for sale and				
Total liabilities for reportable segments	2,832,505	3,499,098	1,912,300	2,235,198
Unallocated liabilities				
Total liabilities as per statement of financial position				

All segment liabilities are allocated to reportable segments other than major portion of trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
2024	2023	2024	2023	2024	2023	2024	2023
16,197,935	12,206,310	-	-	-	-	23,755,882	19,891,361
-	-	2,336,836	1,935,464	(20,816,072)	(14,303,010)	-	-
16,197,935	12,206,310	2,336,836	1,935,464	(20,816,072)	(14,303,010)	23,755,882	19,891,361
(14,969,548)	(9,485,195)	(2,273,272)	(1,893,846)	20,816,072	14,303,010	(22,394,980)	(17,226,096)
1,228,387	2,721,115	63,564	41,618	-	-	1,360,902	2,665,265
(784,787)	(760,797)	(5,697)	(6,038)	-	-	(905,218)	(886,706)
(288,635)	(275,122)	(26,209)	(24,956)	-	-	(549,746)	(523,744)
(1,073,422)	(1,035,919)	(31,906)	(30,994)	-	-	(1,454,964)	(1,410,450)
154,965	1,685,196	31,658	10,624	-	-	(94,062)	1,254,815
						(34,372)	(66,677)
						117,427	623,265
						(1,631,765)	(1,024,827)
						(261,177)	(286,725)
						154,107	60,963
						(1,749,842)	560,814

Processing & Home Textile		Power Generation		Total - Company	
2024	2023	2024	2023	2024	2023
4,741,451	5,178,812	490,705	321,798	11,965,461	13,462,064
				11,923,981	11,654,741
				23,889,442	25,116,805
those directly relating to corporate and tax assets.					
4,126,509	3,326,968	272,699	84,572	9,144,013	9,145,836
				3,351,847	3,473,981
				12,495,860	12,619,817

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

43.2 Geographical Information

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

(Rupees in '000')	Spinning		Weaving		Processing & Home Textile		Total Company	
	2024	2023	2024	2023	2024	2023	2024	2023
Australia	-	-	-	-	626,114	637,761	626,114	637,761
Austria	-	-	1,783	-	16,557	-	18,340	-
Belgium	-	-	260,070	-	110,756	-	370,826	-
Czech Republic	-	-	-	-	48,933	-	48,933	-
Denmark	-	-	-	-	-	12,615	-	12,615
Estonia	-	-	-	-	-	47,442	-	47,442
France	-	-	-	-	549,872	12,341	549,872	12,341
Germany	-	-	68,528	34,658	1,939,884	1,497,462	2,008,412	1,532,120
Greece	-	-	-	-	53,366	-	53,366	-
Hong Kong	102,838	36,546	22,827	41,697	211,233	169,876	336,898	248,119
Italy	-	-	97,388	-	353,657	20,427	451,045	20,427
Lithuania	-	-	-	-	-	25,718	-	25,718
Malaysia	-	-	-	-	47,956	-	47,956	-
Netherlands	-	-	-	-	38,005	104,728	38,005	104,728
New Zealand	-	-	-	-	-	3,635	-	3,635
Norway	-	-	-	-	260,436	184,611	260,436	184,611
Portugal	-	-	101,651	-	224,055	115,077	325,706	115,077
Romania	-	-	-	-	100,249	101,989	100,249	101,989
South Africa	-	-	-	-	356,560	379,797	356,560	379,797
Spain	-	-	115,726	150,986	941,577	1,957,642	1,057,303	2,108,628
Sweden	-	-	-	-	1,298,042	630,441	1,298,042	630,441
Switzerland	-	-	-	-	476,833	60,926	476,833	60,926
United Kingdom	-	-	6,458	-	5,156,169	4,106,220	5,162,627	4,106,220
United States of America	-	-	102,944	-	3,118,922	1,722,266	3,221,866	1,722,266
Pakistan	5,278,576	6,331,873	1,399,158	1,089,291	268,759	415,336	6,946,493	7,836,500
	5,381,414	6,368,419	2,176,533	1,316,632	16,197,935	12,206,310	23,755,882	19,891,361

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

Yarn	4,449,703	5,695,543	2,714	6,213	-	-	4,452,417	5,701,756
Fabric	-	-	2,026,172	1,302,550	2,674,077	2,774,091	4,700,249	4,076,641
Made ups	-	-	-	-	13,417,198	9,298,983	13,417,198	9,298,983
Processing and weaving income	-	-	136,593	-	106,660	133,236	243,253	133,236
Raw materials	343,408	90,517	-	-	-	-	343,408	90,517
Waste	588,303	582,359	11,054	7,869	-	-	599,357	590,228
	5,381,414	6,368,419	2,176,533	1,316,632	16,197,935	12,206,310	23,755,882	19,891,361

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

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

43.6 Revenue from major customers

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

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

	2024	2023
Cash at banks - USD	94,850	65,492
Trade debts - USD	7,446,079	6,518,399
Trade debts - Euro	472,309	2,507,794
Trade and other payables - USD	(508,477)	(375,009)
Trade and other payables - Euro	(57,821)	(179,825)
Short term borrowings - USD	(2,746,347)	(725,167)
Net exposure - USD	4,286,105	5,483,715
Net exposure - Euro	414,488	2,327,969

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	282.52	246.59
Reporting date rate	278.30	286.60
Rupees per Euro		
Average rate	308.07	269.81
Reporting date rate	297.88	313.72

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 65.810 million lower / higher (2023: Rupees 96.506 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 is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Index (Rupees in '000')	Impact on statement of other comprehensive income (fair value reserve)	
	2024	2023
PSX 100 (5% increase)	52,745	36,513
PSX 100 (5% decrease)	(52,745)	(36,513)

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

iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, short term borrowings, term deposit receipts and bank deposits in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

(Rupees in '000')	2024	2023
Fixed rate instruments		
Financial assets		
Term deposit receipts	205,957	142,860
Financial liabilities		
Long term financing	454,498	720,206
Short term borrowings	3,692,870	3,838,924
Floating rate instruments		
Financial liabilities		
Deposit on saving accounts	14,511	189
Financial liabilities		
Long term financing	900,252	849,916
Short term borrowings	3,779,848	3,409,190

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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, (loss) / profit after taxation for the year would have been Rupees 46.656 million higher / lower (2023: Rupees 48.978 million lower / higher), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. Credit risk of the Company arises principally from investments, trade debts, bank balances, other receivables, deposits, loans and advances. The maximum exposure to credit risk at the reporting date was as follows:

Investments	4,072,852	3,532,966
Trade debts	3,007,283	3,834,785
Loans and advances	4,223	2,820
Deposits	7,647	27,402
Other receivables	7,709	5,945
Bank balances	204,451	179,240
	7,304,165	7,583,158

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The Company kept its surplus funds with banks having good credit rating ranging from A1+ to A1 in short term and AAA to A in long term.

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

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

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 20.4 to these financial statements.

c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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 2024, the Company had Rupees 1,745.282 million (2023: Rupees 947 million) available borrowing limits from financial institutions and Rupees 205.919 million (2023: Rupees 181.395 million) cash and bank balances. Moreover, the Company has Rupees 1,175 million (2023: Rupees 1,275 million) unfunded borrowing limits, out of which Rupees 445.395 million (2023: Rupees 119.696 million) were utilized. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

(Rupees in '000')	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	1,354,750	1,975,645	301,613	326,981	532,431	814,620
Trade and other payables	3,183,007	3,183,007	3,183,007	-	-	-
Unclaimed dividend	14,231	14,231	14,231	-	-	-
Accrued mark-up	340,363	340,363	340,363	-	-	-
Short term borrowings	7,472,718	8,334,381	4,791,548	3,542,833	-	-
	12,365,069	13,847,627	8,630,762	3,869,814	532,431	814,620

Contractual maturities of financial liabilities as at 30 June 2023:

Non-derivative financial liabilities:						
Long term financing	1,570,122	2,152,085	324,042	327,424	569,546	931,073
Trade and other payables	3,193,374	3,193,374	3,193,374	-	-	-
Unclaimed dividend	12,472	12,472	12,472	-	-	-
Accrued mark-up	360,235	360,235	360,235	-	-	-
Short term borrowings	7,248,114	7,980,086	5,533,863	2,446,223	-	-
	12,384,317	13,698,252	9,423,986	2,773,647	569,546	931,073

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark-up have been disclosed in Note 7 and 11 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

44.2 Financial instruments by categories

(Rupees in '000')	2024	2023
Financial assets as per statement of financial position		
At amortized cost		
Loans and advances	4,223	2,820
Deposits	7,647	27,402
Investments	43,097	-
Trade debts	3,007,283	3,834,785
Other receivables	7,709	5,945
Cash and bank balances	205,919	181,395
	3,275,878	4,052,347
At fair value through other comprehensive income		
Investments	4,072,852	3,532,966
	7,348,730	7,585,313
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	1,354,750	1,570,122
Trade and other payables	3,183,007	3,193,374
Unclaimed dividend	14,231	12,472
Accrued mark-up	340,363	360,235
Short term borrowings	7,472,718	7,248,114
	12,365,069	12,384,317

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

	2024			2023		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
(Rupees in '000')						
Assets as per statement of financial position						
Long term investments	3,472,651	-	3,472,651	3,277,915	-	3,277,915
Long term loans and advances	2,149	-	2,149	1,289	-	1,289
Long term deposits and prepayments	5,384	209	5,593	7,024	1,043	8,067
Loans and advances	2,074	33,240	35,314	1,531	96,933	98,464
Short term deposits and prepayments	2,263	7,573	9,836	20,378	10,939	31,317
Trade debts	3,007,283	-	3,007,283	3,834,785	-	3,834,785
Other receivables	7,709	367,036	374,745	5,945	729,671	735,616
Short term investments	600,201	-	600,201	255,051	-	255,051
Cash and bank balances	205,919	-	205,919	181,395	-	181,395
	7,305,633	408,058	7,713,691	4,307,398	838,586	5,145,984

	2024			2023		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
(Rupees in '000')						
Liabilities as per statement of financial position						
Long term financing	1,354,750	-	1,354,750	1,570,122	-	1,570,122
Trade and other payables	3,183,007	130,791	3,313,798	3,193,374	220,183	3,413,557
Unclaimed dividend	14,231	-	14,231	12,472	-	12,472
Accrued mark-up	340,363	-	340,363	360,235	-	360,235
Short term borrowings	7,472,718	-	7,472,718	7,248,114	-	7,248,114
	12,365,069	130,791	12,495,860	12,384,317	220,183	12,604,500

44.4 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.

44.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure and make

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred in Note 7 and 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus borrowings.

(Rupees in '000')	2024	2023
Borrowings	8,827,468	8,818,236
Total equity	11,393,582	12,496,988
Total capital employed	20,221,050	21,315,224
	(PERCENTAGE)	
Gearing ratio	43.65	41.37

Increase in gearing ratio is due to loss after taxation of the Company.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

(Rupees in '000')	Level 1	Level 2	Level 3	Total
Recurring fair value measurement				
Financial assets				
At 30 June 2024				
At fair value through other comprehensive income	1,054,894	-	2,974,861	4,029,755
At 30 June 2023				
At fair value through other comprehensive income	730,255	-	2,802,711	3,532,966

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices for listed securities and comparable company valuation multiples under market approach method for most of the unlisted securities.

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

Following table presents the changes in level 3 items for the year ended 30 June 2024:

(Rupees in '000')	Unlisted equity securities
Balance as on 30 June 2022	3,263,477
Less: Deficit recognized in other comprehensive income	460,766
Balance as on 30 June 2023	2,802,711
Add: Surplus recognized in other comprehensive income	171,896
Balance as on 30 June 2024	2,974,607

(iv) Valuation inputs and relationships to fair value

Following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of unquoted investments in Crescent Bahuman Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

Description	Fair value at		Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value"
	30 June 2024	30 June 2023			
(Rupees in '000')				30 June 2024	
At fair value through other comprehensive income					
Crescent Bahuman Limited	2,974,607	2,802,211	Market multiple	4.42	Increase / decrease in market multiple factor by 0.50% would increase / decrease fair value by Rupees 21.941 million.

The remaining unquoted investment representing shares of Premier Financial Services (Private) Limited having carrying value of Rupees 0.254 million (2023: Rupees 0.500 million) has been valued at breakup value of shares due to its meager cost.

Valuation process

The value of investments in Crescent Bahuman Limited is based on a valuation analysis carried out by an external investment advisor engaged by the Company as at 30 June 2023. The independent valuer reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once every year.

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

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

46. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

(Rupees in '000')	Level 1	Level 2	Level 3	Total
At 30 June 2024				
Land - freehold	-	5,921,660	-	5,921,660
Land - leasehold	-	24,630	-	24,630
Total	-	5,946,290	-	5,946,290
At 30 June 2023				
Land - freehold	-	6,056,660	-	6,056,660
Land - leasehold	-	25,000	-	25,000
Total	-	6,081,660	-	6,081,660

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

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

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

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

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

Valuation processes

The fair value of freehold and leasehold land has been determined as on 30 June 2023 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of SBP as per basis stated in Note 13.1.1 to the financial statements.

47. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

(Rupees in '000')	Note	2024	2023
Description			
Revenue earned from shariah compliant business	28	23,755,882	19,891,361
Gain / (loss) or dividend earned from shariah complaint investments			
Unrealized gain on remeasurement of investments at FVTOCI		50,934	196,982
Dividend income		-	776
Shariah compliant bank deposits and bank balances			
Bank balances		5,308	146
Profit earned from shariah compliant bank deposits and bank balances			
Profit on deposits with banks		6	4
Mark-up on Islamic mode of financing			
Mark-up on long term financing		21,321	7,269
Mark-up on short term borrowings		7,191	11,810
Profit earned or interest paid on any conventional loan / advance			
Mark-up on long term financing		140,423	61,122
Mark-up on short term borrowings		1,431,143	913,950
Profit on deposits with banks		34,755	4,199

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

(Rupees in '000')	Note	2024	2024
Loans / advances obtained as per Islamic mode			
Contract liabilities	9	29,651	121,492
Long term financing	7.2	184,560	32,635
Short term borrowings		191,150	99,924
Relationship with shariah compliant banks			
Bank Name	Relationship		
Meezan Bank Limited	Bank balance		
AlBaraka Bank (Pakistan) Limited	Bank balances		
OLP Modaraba	Long term financing		
Bank Alfalah Limited	Bank balance and long term financing		
MCB Islamic Bank Limited	Bank balances and short term borrowings		

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 30, 2024

49. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made, except for as given in Note 2.6 to these financial statements.

50. GENERAL

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Naseer Ahmad Chaudhary
Chief Financial Officer

PATTERN OF SHAREHOLDING - (FORM "20")

as at June 30, 2024

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
568	1	100	16,422	1	240,001	245,000	244,500
606	101	500	189,755	1	245,001	250,000	250,000
344	501	1,000	298,661	1	250,001	255,000	252,000
629	1,001	5,000	1,737,574	1	280,001	285,000	280,430
200	5,001	10,000	1,595,561	4	315,001	320,000	1,273,114
71	10,001	15,000	903,389	2	320,001	325,000	644,459
45	15,001	20,000	815,157	1	330,001	335,000	331,000
29	20,001	25,000	684,583	1	340,001	345,000	343,536
28	25,001	30,000	800,960	2	345,001	350,000	697,633
16	30,001	35,000	520,857	1	350,001	355,000	352,497
15	35,001	40,000	582,152	1	380,001	385,000	382,848
10	40,001	45,000	433,913	2	385,001	390,000	778,218
11	45,001	50,000	534,332	1	395,001	400,000	397,221
18	50,001	55,000	946,867	1	405,001	410,000	405,822
11	55,001	60,000	638,247	1	415,001	420,000	416,621
14	60,001	65,000	880,531	1	420,001	425,000	424,428
4	65,001	70,000	275,892	1	425,001	430,000	428,822
4	70,001	75,000	292,247	1	505,001	510,000	507,620
3	75,001	80,000	231,742	1	565,001	570,000	565,473
3	80,001	85,000	249,000	1	605,001	610,000	606,991
1	85,001	90,000	90,000	1	620,001	625,000	625,000
4	90,001	95,000	368,157	1	675,001	680,000	677,503
9	95,001	100,000	898,150	1	710,001	715,000	714,810
2	100,001	105,000	208,449	1	715,001	720,000	718,768
2	105,001	110,000	213,843	1	730,001	735,000	732,204
2	110,001	115,000	225,384	3	760,001	765,000	2,289,787
2	115,001	120,000	235,123	1	855,001	860,000	859,000
6	120,001	125,000	740,959	1	880,001	885,000	884,756
2	125,001	130,000	258,795	1	930,001	935,000	930,500
1	130,001	135,000	135,000	1	940,001	945,000	944,981
2	135,001	140,000	275,140	1	950,001	955,000	954,972
5	145,001	150,000	741,919	1	1,035,001	1,040,000	1,038,982
2	150,001	155,000	303,044	1	1,120,001	1,125,000	1,121,378
2	155,001	160,000	314,448	1	1,235,001	1,240,000	1,235,748
4	170,001	175,000	691,786	1	1,345,001	1,350,000	1,349,093
2	180,001	185,000	366,094	1	1,390,001	1,395,000	1,393,715
4	185,001	190,000	749,713	1	1,445,001	1,450,000	1,446,000
2	195,001	200,000	400,000	1	1,485,001	1,490,000	1,487,926
3	200,001	205,000	603,734	1	1,665,001	1,670,000	1,669,629
1	205,001	210,000	207,926	1	2,055,001	2,060,000	2,059,560
1	215,001	220,000	218,780	1	2,060,001	2,065,000	2,060,625
1	225,001	230,000	226,472	1	2,095,001	2,100,000	2,096,548
1	230,001	235,000	233,500	1	2,105,001	2,110,000	2,105,126

PATTERN OF SHAREHOLDING - (FORM "20")

as at June 30, 2024

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
1	3,060,001	3,065,000	3,064,252	1	7,410,001	7,415,000	7,411,705
1	3,085,001	3,090,000	3,087,000	1	22,340,001	22,345,000	22,343,050
1	3,775,001	3,780,000	3,779,891				
				2,746			100,000,000

PATTERN OF SHAREHOLDING - (FORM "20")

as at June 30, 2024

Categories of Shareholders	Physical	CDC	Total	% age
	(Number of shares held)			
1 - Directors, Chief Executive Officer, Their Spouses and Minor Children				
1.1- Chief Executive				
Mr. Ahmad Shafi	-	22,343,050	22,343,050	22.34
1.2- Directors				
Mr. Amin Anjum Saleem	-	31,700	31,700	0.03
Mr. Aurangzeb Shafi	-	110,780	110,780	0.11
Mr. Imran Maqbool	-	317,911	317,911	0.32
Mr. Khalid Bashir	-	2,059,560	2,059,560	2.06
Mr. Muhammad Anwar	-	1,121,378	1,121,378	1.12
Mrs. Nazia Maqbool	-	714,810	714,810	0.71
1.3- Directors' Spouses				
Begum Tanveer Khalid Bashir	-	428,822	428,822	0.43
Mrs. Abida Anwar	-	33,326	33,326	0.03
Mrs. Asma Imran Maqbool	-	343,536	343,536	0.34
Mrs. Mehreen Ahmad	-	64,000	64,000	0.06
Mr. Nadeem Maqbool	-	424,428	424,428	0.42
	-	27,993,301	27,993,301	27.99
2- Associated Companies, Undertakings & Related Parties				
Crescent Fibres Limited	-	1,487,926	1,487,926	1.49
Premier Insurance Limited	-	944,981	944,981	0.94
Suraj Cotton Mills Limited	-	2,060,625	2,060,625	2.06
Crescent Steel and Allied Products Ltd.	-	565,473	565,473	0.57
Trustees The Crescent Textile Mills Employees' Provident Fund Trust	-	3,064,252	3,064,252	3.06
	-	8,123,257	8,123,257	8.12
3- NIT & ICP				
CDC - Trustee National Investment (Unit) Trust	-	2,105,126	2,105,126	2.11
	-	2,105,126	2,105,126	2.11
4- Mutual Funds				
M/S. Tri-Star Mutual Fund Limited	-	478	478	0.00
	-	478	478	0.00
5- Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks	10,957	255,552	266,509	0.27
Pension Funds	-	514,949	514,949	0.51
	10,957	770,501	781,458	0.78

PATTERN OF SHAREHOLDING - (FORM "20")

as at June 30, 2024

	Physical	CDC	Total	% age
	(Number of shares held)			
6- Insurance Companies	704	-	704	0.00
7- Modarabas	842	189,875	190,717	0.19
8- Other Companies, Corporate Bodies and Trust etc.				
Other Companies and Corporate Bodies	58,469	16,469,423	16,527,892	16.53
Trust	5,434	338,509	343,943	0.34
	63,903	16,807,932	16,871,835	16.87
9- General Public				
General Public (Local)	1,821,091	42,111,533	43,932,624	43.93
General Public (Foreigner)	-	500	500	0.00
	1,821,091	42,112,033	43,933,124	43.93
	1,897,497	98,102,503	100,000,000	100.00
Shareholders more than 10.00%				
Mr. Ahmad Shafi			22,343,050	22.34

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Seventy Fifth (75th) Annual General Meeting (AGM) of the members of The Crescent Textile Mills Limited (the "Company") will be held on Monday, October 28, 2024 at 12:00 pm at the registered office of the Company, Sargodha Road, Faisalabad, to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2 To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Riaz Ahmad and Company, Chartered Accountants, who being eligible have offered themselves for re-appointment

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

Registered Office:
Sargodha Road,
Faisalabad:
T:+92-41-111-105-105
Dated: October 07, 2024

Notes:

1. Closure of share transfer books

The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 21, 2024, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

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

The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the Company Secretary Office by providing the required details by the end of business on Thursday, October 24, 2024 through following means:

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

Required information: Name, CNIC Number, Folio CDC Account Number, Cell Number and E-mail ID for their identification.

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

NOTICE OF ANNUAL GENERAL MEETING

3. Participation in the annual general meeting

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

For appointing proxies

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

4. Circulations of Annual Reports

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 389(I)/2023 dated March 21, 2023, the shareholders of The Crescent Textile Mills Limited had accorded their consent for circulation of annual balance sheet and profit and loss account, auditor's report, etc. ("annual audited financial statement") to its members through QR enabled code and weblink.

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended June 30, 2024 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.crescenttextile.com and can be accessed through following weblink and QR Code:

Weblink:

<https://www.crescenttextile.com/pages/financials/#1687595520449-26d943cf-dcc4>

QR Code:



The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.crescenttextile.com.

5. CNIC/IBAN for E-Dividend Payment

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank detail including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are again reminded to immediately submit a copy of their CNIC and duly filled

NOTICE OF ANNUAL GENERAL MEETING

'Dividend Bank Mandate Form' to the Company's share registrar. In absence of valid bank account and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made by the Commission. The 'Dividend Bank Mandate Form' is available on the Company's website.

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

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

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

7. Conversion of Physical Securities into CDC Account

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

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

8. Video Conference Facility

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

9. Change of address

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



The Crescent Textile Mills Limited

75th Annual General Meeting

Registered Office:
Sargodha Road,
Faisalabad, Pakistan

PROXY FORM

I/We _____
of _____ being
a member(s) of The Crescent Textile Mills Limited hold _____ ordinary
Shares hereby appoint Mr./Mrs./Miss _____
of _____
_____ or failing him _____ of
_____ as my/our proxy in my/our absence
to attend and vote for me/us and on my/our behalf at the 75th Annual General Meeting of the Company to be held on
Monday October 28, 2024 at 12:00 PM and /or any adjournment there of.

As witness my/our hand/seal this _____ day of _____ October 2024.

Signed by _____
in _____ the _____ presence _____ of _____

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

Signature on Fifty Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

IMPORTANT:

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

For CDC Account Holders/Corporate Entities

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

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
(ii) To attend the meeting through video link etc., proxy may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address by October 24, 2024 at the email naseer.ahmad@crestex.pk.
(ii) The video link of meeting shall be sent to the members on their registered email addresses.



پراکسی فارم

میں / ہم

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

یا ان کے حاضر نہ ہو سکنے کی صورت میں

کو اپنے / ہمارے ایما، پکینی کے 28 اکتوبر 2024 بروز سوموار 12:00 PM بجے کو ہونے والے 75 ویں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرنا / کرتے ہیں۔

بطور گواہ آج بتاریخ _____ دن _____ اکتوبر 2024 میرے / ہمارے دستخط ہوئے

دستخط

کی موجودگی میں

پچاس روپے کے رسیدی ٹکٹ پر دستخط

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

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

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم اجلاس سے کم از کم 48 گھنٹے قبل کپنی کے رجسٹرڈ آفس سرگودھا روڈ، فیصل آباد میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹس آف پراکسی کا عدم قرار دیے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کیلئے

مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔

- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔
- (ii) ویڈیولنک وغیرہ کے ذریعے مینٹگ میں شرکت کے لیے، پراکسی کپنی کو مطلع کر سکتی ہے اور اپنی تفصیلات بشمول نام، CNIC اسکین (دونوں طرف)، فولیو نمبر، بیل فون نمبر اور ای میل ایڈریس 24 اکتوبر 2024 تک ای میل naseer.ahmad@crestex.pk پر پرفراہم کر سکتی ہے۔
- (iii) مینٹگ کا ویڈیولنک ممبران کو ان کے رجسٹرڈ ای میل ایڈریس پر بھیجا جائے گا۔

Mills & Registered Office

Sargodha Road,

Faisalabad, Pakistan

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

F: +92-41-8786525

E: crestex@ctm.com.pk

Share Register

CorpTec Associates (Pvt)Limited,

503-E, Johar Town,

Lahore, Pakistan

T: +92-42-35170336-7

F: +92-42-35170338

E: info@corptec.com.pk

www.ctm.com.pk