



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

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CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

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FORM OF PROXY

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE

New Lahore Road,
Nishatabad,
Faisalabad.
Phones : (041) 8750363-64
Fax : (041) 8750366
URL : www.crescentcotton.com
info@crescentcotton.com

KARACHI OFFICE

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

LAHORE OFFICE

88-A, Broadway Commercial,
Near Estate Building,
D.H.A Phase 8, Lahore.
Phones : (042) 37135053

WORKS

Spinning Unit # 1& 2

Kotla Kahlon,
8/9 Kilometers from
Shahkot towards Sheikupura,
Shahkot Distt. Nankana.
Phones : (041) 2025350
Fax : (041) 2044590

SUBSIDIARY

CRESCOT MILLS LIMITED

PRINCIPAL & REGISTERED OFFICE

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

Chief Executive Officer

Mr. Adnan Amjad

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Taimur Amjad
(Chairman)

Mr. Abid Mehmood
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

Mr. Adnan Amjad
Mr. Naveed Gulzar
Ms. Nazish Arshad
Mr. Salman Saif
Mrs. Shameen Azfar

AUDIT COMMITTEE

Mr. Salman Saif (Chairman)
Mr. Adnan Amjad (Member)
Mr. Taimur Amjad (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Shameen Azfar (Chairman)
Mr. Adnan Amjad (Member)
Ms. Nazish Arshad (Member)

COMPANY SECRETARY

Mr. Sami Ullah

BANKERS

National Bank of Pakistan
Bank Alfalah Limited

AUDITORS

Riaz Ahmad & Compnay
Chartered Accountants

COMPANY REGISTRAR

Vision Consulting Limited.
5-C, LDA Flats, 1st Floor,
Lawrance Road, Lahore.
Ph: 042-36283096-7

URL

www.crescentcotton.com

CRESCENT COTTON MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting of the shareholders of the Company will be held on Wednesday the 28th October, 2026 at 9.30 a.m. at Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad to transact the following business:

1. To receive, consider and adopt the Chairman's Review Report, the Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2026.
2. To appoint Company's external auditors and to fix their remuneration.
3. To transact any other business with the permission of the chair.

REGISTERED OFFICE:

Crescent Cotton Mills Limited
 New Lahore Road, Nishatabad,
 Faisalabad: Phone No. 041-8750363-4
 Dated: September 30, 2026

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

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). Transfers received at the Share registrar office **Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore** at the close of business on October 20, 2026 will be treated in time for the purpose of entitlement to attend the Annual General Meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan:

a. For attending the meeting:

- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account; and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their Participants I.D. numbers and account numbers in CDC.
- ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For appointing proxies

- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account; and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii). The proxy form shall be witnessed by two persons whose names and NIC Nos. shall be mentioned on the form.
- iii). Attested Copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv). The proxy shall produce his original NIC or original passport at the time of the meeting.
- v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

5. CNIC/IBAN for E-Dividend Payment

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

6. Circulations of Annual Reports through CD/DVD/USB/ Email:

Pursuant to the Securities and Exchange Commission of Pakistan ("SECP") notification S.R.O. 389(I)/2013 dated March 21, 2023 the shareholders of Crescent Cotton Mills Limited had accorded their consent for transmission/circulate the Annual Audited Financial Statements including Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Directors Report, etc. ("annual audited financial statements") other information contained therein of the Company to its members through QR enabled code and weblink instead of circulation through CD/DVD/USB.

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

7. The members can attend the AGM via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information alongwith valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at info@crescentcotton.com by October 26, 2026
8. Placement of Financial Statements: The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended June 30, 2026 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company.
9. Conversion of Physical Shares into Book-Entry Form (i.e. CDC Account): Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form (i.e. CDC Account) within four (4) years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter No. CSD/ ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares in Book-Entry Form (i.e. CDC Account) in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into the Book-Entry Form.
10. The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended June 30, 2026 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company and can be accessed through following weblink and QR Code:



<https://www.crescentcotton.com/en/Annual-Report-2026.pdf>

VISION

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

MISSION

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

CHAIRMAN'S REVIEW

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

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has developed a mechanism for the evaluation of performance of the Board of Directors. For the financial year ended June 30, 2026, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

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

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



TAIMUR AMJAD

CHAIRMAN

Faisalabad

September 30, 2026

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the year ended June 30, 2026 together with the auditors' report thereon.

Overview Of Economy And Industry

Pakistan's textile sector remained under pressure, with exports staying sluggish during the year ended 30 June 2026. The period was marked by increased volatility and global economic uncertainty. The outbreak of the US-Iran war in February 2026 further disrupted global markets. This conflict has significantly slowed global growth, fueled inflation, and worsened fuel and food insecurity. Pakistan has been particularly affected by surging fuel prices, which continue to drive up the cost of doing business. The competitive environment for Pakistan's textile sector has been intensified by India's Free Trade Agreement (FTA) with the United Kingdom and the conclusion of its FTA negotiations with the European Union in January 2026. The continued uncertainty of US tariff policies has created an ambiguous trading environment, prompting global buyers to adopt a cautious approach and slow down order placements. On the domestic front, the industry is facing a severe shortage of raw materials. Pakistan produced only 5.60 million cotton bales against a target of 10.20 million during the last year, resulting in a shortfall of around 45% and necessitating higher imports of costly cotton. Furthermore, geopolitical tensions led to an increase in crude oil prices, which in turn pushed up international polyester fibre prices. These higher input costs have significantly squeezed operating margins across the sector.

In response to these multifaceted challenges, the Company remains focused on enhancing operational efficiency and diversifying its product portfolio. It is also committed to maintaining and strengthening partnerships with key global brands in order to sustain high capacity utilization. Accordingly, it is well positioned to navigate the current geopolitical disruptions and capitalize on evolving market opportunities.

Financial And Operational Performance

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

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

The company earned a post-tax profit of Rs. 55.269 million as compared to post-tax profit of Rs. 60.710 million in the last year.

Sales revenue during the year under review has been recorded at Rs. 5,577.854 million whereas in the last year it stood at Rs. 5,573.501 million.

Our gross profit ratio for continuing operations this year is 7.11% (2025: 7.75%).

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

SUMMARY OF KEY FINANCIAL RESULTS IN COMPARISON TO LAST YEAR

PROFIT AND LOSS	FY-2026		FY-2025		INCREASE/(DECREASE)	
	RS. IN "000"	%	RS. IN "000"	%	RS. IN "000"	%
CONTINUING OPERATIONS						
Sales revenue	5,577,854	100.00	5,573,501	100.00	4,353	0.08
Cost of sales	5,181,223	92.89	5,141,580	92.25	39,643	0.77
Gross profit	396,631	7.11	431,921	7.75	(35,290)	(8.17)
Operating expenses	323,706	5.80	358,928	6.44	(35,222)	(9.81)
Other income	144,967	2.60	88,985	1.60	55,982	62.91
Profit from operations	217,892	3.91	161,978	2.91	55,914	34.52
Finance cost	81,772	1.47	85,272	1.53	(3,500)	(4.10)
Levy & Taxation	80,851	1.45	70,217	1.26	10,634	15.14
Profit after taxation	55,269	0.99	6,489	0.12	48,780	751.73
DISCONTINUED OPERATION						
Profit/(Loss) after taxation	0	0.00	54,221	0.97	(54,221)	(100.00)
Profit after taxation	55,269		60,710		(5,441)	(8.96)
Earnings per share (Rs.)	2.44		2.68		(0.24)	

Pakistan's economy demonstrated a gradual recovery during FY2025–26, with real GDP growth improving to 3.70%, compared with revised growth of 3.18% in the preceding fiscal year. While macroeconomic stabilization, improved sectoral performance and ongoing structural reforms supported this recovery, economic gains remained vulnerable to external uncertainties, climate-related challenges and persistent structural constraints.

Financial Strength

The company has been able to improve its financial strength, the current ratio of the company is now 1.48 (2025: 1.48). The Company's cash flow management system projects cash inflows and outflows on a regular basis and monitors the cash position on a daily basis. The Company manages its working capital requirements through short term borrowings.

Earnings Per Share

The profit per share stood at Rs. 2.44 per share (2025: Rupees 2.68 per share).

Risk And Opportunities

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

Strategic Risks

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

Business Risks

The Company faces a number of following business risks:

Cotton Supply and Price

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

Export Demand and Price

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

Energy Availability and Cost

The rising cost and un-availability of energy i.e. electricity and gas shortage is a major threat to manufacturing industry. This risk, if unmitigated can render us misfit to compete in the international markets. In order to counter the rising energy costs, the Company is considering to opt for alternative renewable energy sources. The measures to conserve energy have also been taken at all manufacturing facilities of the Company.

Financial Risks

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

Currency risk

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

Interest rate risk

The Company's interest rate risk arises from long term financing and short term borrowings. Fair value sensitivity analysis and cash flow sensitivity analysis shows that the Company's profitability is not materially exposed to the interest rate risk.

Credit risk

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

Liquidity risk

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

Employee Recruitment and Retention

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

Product Development

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

Statement on Corporate and financial reporting framework

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

- There are seven (7) directors of the Company including:
 - i) 5 Male
 - ii) 2 Female
- There have been four (4) Board Meetings during the year and attendance of each director is stated under:-

NAME OF DIRECTOR
(In alphabetical order)

MEETINGS ATTENDED

Mr. Abid Mahmood	- Chief Executive Officer	4
Mr. Adnan Amjad	- Non-Executive Director	4
Mr. Naveed Gulzar	- Executive Director	4
Miss. Nazish Arshad	- Non-Executive Director	4
Mr. Salman Rafi	- Independent Director	0*
Mrs. Shameen Azfar	- Independent Director	3
Mr. Taimur Amjad	- Chairman	4

* Leaves of absence were obtained and approved from relevant director in two meetings.

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

NAME OF DIRECTOR
(In alphabetical order)

MEETINGS ATTENDED

Mr. Salman Rafi	- Chairman	0*
Mr. Adnan Amjad	- Member	4
Mr. Taimur Amjad	- Member	4

* Leaves of absence were obtained and approved from relevant director in two meetings.

- The members composition of HR and Remuneration Committee is as Follows:

- i. Mrs. Shameen Azfar - Chairperson
- ii. Mr. Adnan Amjad - Member
- iii. Miss Nazish Arshad - Member

- The members composition of Sustainability Committee is as Follows:

- i. Mrs. Shameen Azfar - Chairperson
- ii. Mr. Adnan Amjad - Member
- iii. Miss Nazish Arshad - Member

Financial Statements

As required under regulation 25 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Chief Executive Officer and Chief Financial Officer presented the financial statements, duly endorsed under their

respective signatures, for consideration and approval of the Board of Directors and the Board after consideration and approval authorized the signing of financial statements for issuance and circulation.

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

Appropriations

The Board of Directors of the company feels that it is prudent to plough back the profits for future growth and enhanced working capital needs of the company and do not recommend any dividend for the year ended June 30, 2026. The Company will be able to provide sufficient returns to shareholders in the upcoming years.

Pattern of Shareholding

The pattern of shareholding as per section 227 of the Companies Act, 2017 is attached.

During the year there was no shares of the Company purchased / sold by directors/spouses/minor children, Chief Financial Officer, Company Secretary and their spouses and minor children.

Related parties

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

Gender pay gap statement under Circular No 10 dated 17 April 2024:

There are a few females in the Company. However, following is gender pay gap calculated for the year ended 30-06-2026

- (i) Mean Gender Pay Gap : 175 %
- (ii) Median Gender Pay Gap : 397 %

To Address the Sustainability Risks and Opportunities

The Board has established a dedicated Sustainability Committee to monitor and review the Company's sustainability-related risks and opportunities. The Company reinforced its commitment to environmental, social, and governance (ESG) principles and sustainability. Our strategic objectives are deeply rooted in fostering long-term value for our stakeholders while advancing responsible business practices that line up with global sustainability standards.

Our approach to ESG and sustainability is comprehensive, driven by a commitment to ethical governance, social responsibility and environmental stewardship. We have integrated ESG considerations into our core business strategies, ensuring that these principles are not only adhered to but are central to our decision-making procedures.

This progress is informed by the latest regulatory policies and guidelines on ESG, sustainability, and climate related risk management. We are committed to embedding ESG into every aspect of our operations, ensuring alignment with our core values and meeting the expectations of our stakeholders.

The directors remain committed to furthering these objectives, continuously adapting our strategies to meet the changing expectations of our stakeholders and to contribute positively to the broader community and environment. We believe that our efforts in ESG and sustainability not only align with our core values but also position the company as a leader in a responsible and sustainable business practices.

Corporate Governance

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

Directors' Remuneration

The Board determines remuneration in line with the Code of Corporate Governance, ensuring no Director participates in the decision regarding his/her own remuneration. Details of Directors' and CEO's remuneration are provided in the notes to the financial statements.

Committees of the Board

The board of directors in compliance with the Code of Corporate Governance has established an Audit Committee, Human Resources and Remuneration Committee and Sustainability Committee.

Corporate Social Responsibility

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

The Company regularly undertakes welfare work as part of its philanthropic activities. The Company is providing healthy, safe and learning work environment to its employees and sends them to attend training courses, seminars, workshops and conferences both within the country and abroad.

External Auditors

The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending June 30, 2027.

Events after reporting date

There is no significant event after reporting period which needs to be mentioned in Directors' Report.

Consolidated financial statements

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

Way Forward

The textile sector remains a key contributor to Pakistan's economy; however, it operates in a challenging macroeconomic environment characterized by high energy costs, exchange rate volatility, inflationary pressures, and fiscal constraints. Rising oil prices have further increased electricity and captive power generation costs, while lower domestic cotton availability has led to greater reliance on imported raw materials, increasing both input costs and working capital requirements. These pressures are expected to persist in the near term. Despite these challenges, improving global demand for value-added textile products and ongoing structural adjustments within the industry may support performance over the medium term. At the same time, growing emphasis on sustainability and ESG compliance is expected to shape industry practices and influence export competitiveness. Crescent Cotton Mills Limited remains focused on strengthening its operations through disciplined cost management and targeted improvements. The Company is undertaking gradual modernization, enhancing its product mix, and optimizing processes to improve overall efficiency and competitiveness in export markets. It also continues to prioritize compliance, workforce development, and occupational health and safety standards. The Company is actively engaging with industry stakeholders and relevant authorities to address key sector challenges, including energy pricing, export facilitation, and policy support. Overall, while near-term conditions remain constrained, the Company is focused on maintaining operational stability and progressively strengthening its long term position through prudent management and efficiency-driven initiatives.

The operating environment for the industry is expected to remain challenging in the near term due to high prices of raw material, inconsistent demand, and high interest rates. The Board and management remain focused on strengthening operational performance through improved efficiency, optimized energy utilization, increase in solar capacity, and disciplined cost control measures. Emphasis will also be placed on prudent working capital management, stable customer relationships, and selective market diversification to enhance order consistency and capacity utilization. While external uncertainties persist, the Company is committed to adopting prudent financial and operational strategies aimed at stabilizing performance and gradually restoring profitability, thereby safeguarding long-term shareholder value.

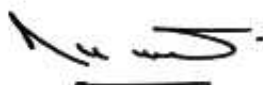
The company has setup a state of the art weaving unit comprising forty new looms. The weaving unit is expected to start its operations in full swing in the financial year 2026-2027. This will no doubt be a source of additional revenues for the company.

SUBSIDIARY

CRESCOT MILLS LIMITED (CML)

CML is engaged in the business of trading of raw materials of textiles. During the year CML earned revenue of Rupees 554.373 million and incurred loss after taxation of Rupees 12.021 million.

For and on behalf of
the Board of Directors



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR

Faisalabad
September 30, 2026.

کریسٹنٹ کاٹن ملز لمیٹڈ

حصص یافتگان کے لیے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے اپنی رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معیشت اور انڈسٹری کا جائزہ:

30 جون 2026 کو ختم ہونے والے سال کے دوران پاکستان کا ٹیکسٹائل سیکٹر دباؤ کا شکار رہا، اور برآمدات سست روی کا شکار رہیں۔ یہ مدت بڑھتی ہوئی غیر یقینی صورتحال اور عالمی معاشی بے یقینی سے عبارت تھی۔ فروری 2026 میں امریکہ-ایران جنگ کے آغاز نے عالمی منڈیوں میں مزید خلل ڈالا۔ اس تنازعے نے عالمی ترقی کو نمایاں طور پر سست کر دیا ہے، افراط زر کو ہوا دی ہے، اور ایندھن اور خوراک کے عدم تحفظ کو مزید بدتر کر دیا ہے۔ پاکستان خاص طور پر ایندھن کی بڑھتی ہوئی قیمتوں سے متاثر ہوا ہے، جس سے کاروبار کرنے کی لاگت میں مسلسل اضافہ ہو رہا ہے۔ بھارت کے برطانیہ کے ساتھ آزاد تجارتی معاہدے (FTA) اور جنوری 2026 میں یورپی یونین کے ساتھ اس کے FTA مذاکرات کی تکمیل سے پاکستان کے ٹیکسٹائل سیکٹر کے لیے مسابقتی ماحول مزید شدت اختیار کر گیا ہے۔ امریکی ٹیرف پالیسیوں کی مسلسل غیر یقینی صورتحال نے تجارتی ماحول کو مبہم بنا دیا ہے، جس کی وجہ سے عالمی خریدار محتاط رویہ اختیار کر رہے ہیں اور آرڈرز کی بنگ سست کر رہے ہیں۔ ملکی محاذ پر، صنعت کو خام مال کی شدید قلت کا سامنا ہے۔ پاکستان نے گزشتہ سال 10.20 ملین بیلز کے ہدف کے مقابلے میں صرف 5.60 ملین کاٹن بیلز پیدا کیں، جس کے نتیجے میں تقریباً 45 فیصد کمی ہوئی اور مہنگی کپاس کی زیادہ درآمدات ضروری ہو گئیں۔ مزید برآں، جغرافیائی سیاسی کشیدگی کی وجہ سے خام تیل کی قیمتوں میں اضافہ ہوا، جس نے بدلے میں بین الاقوامی پولیٹر فائبر کی قیمتوں کو بڑھا دیا۔ ان زیادہ لاگتی اخراجات نے پورے سیکٹر میں آپریٹنگ مارجن کو نمایاں طور پر کم کر دیا ہے۔

ان کثیر جہتی چیلنجز کے جواب میں، کمپنی آپریشنل کارکردگی کو بڑھانے اور اپنی مصنوعات کے پورٹ فولیو کو متنوع بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ یہ اعلیٰ صلاحیت کے استعمال کو برقرار رکھنے کے لیے اہم عالمی برانڈز کے ساتھ شراکت داری کو برقرار رکھنے اور مضبوط بنانے کے لیے بھی پرعزم ہے۔ اس کے مطابق، یہ موجودہ جغرافیائی سیاسی رکاوٹوں سے نمٹنے اور ابھرتی ہوئی مارکیٹ کے مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔

مالیاتی اور عملی کارکردگی:

کمپنی، کئی عملی چیلنجز کے باوجود مسلسل اور مستعد کوششوں کے ذریعے منافع میں شاندار بہتری لانے میں کامیاب رہی ہے۔ ہمارے ٹیکسٹائل کے کاروبار کو متعدد چیلنجز کا سامنا کرنا پڑا ہے جس میں طلب اور منافع دونوں کافی حد تک کم ہو گئے ہیں۔ اس طرح کے نامساعد حالات میں کام کرنے کے باوجود آپ کی کمپنی زیر جائزہ سال کے دوران نفع حاصل کرنے میں کامیاب رہی ہے۔ ہم نے ملک میں کام کرنے والے ایسے ہی دیگر

یونٹوں کے مقابلے میں بہت بہتر کارکردگی کا مظاہرہ کیا ہے۔

کمپنی کو پچھلے سال کے 60.710 ملین روپے بعد از ٹیکس منافع کے مقابلہ میں 55.269 ملین روپے بعد از ٹیکس منافع ہوا۔

زیر جائزہ سال کے دوران فروخت کی آمدنی 5577.854 ملین روپے ریکارڈ کی گئی جبکہ پچھلے سال یہ 5573.501 ملین روپے تھی۔

اس سال جاری آپریشنز کے لیے ہمارے مجموعی منافع کا تناسب 7.11 فیصد ہے۔ (2025: 7.75 فیصد)

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

پچھلے سال کے مقابلے میں کلیدی مالی نتائج کا خلاصہ

نفع اور نقصان	مالی سال 2026	فیصد	مالی سال 2025	فیصد	اضافہ / (کمی)	فیصد
	(ہزار روپے)	%	(ہزار روپے)	%	(ہزار روپے)	%
جاری آپریشنز						
فروخت کی آمدنی	5,577,854	100.00	5,573,501	100.00	4,353	0.08
فروخت کی لاگت	5,181,223	92.89	5,141,580	92.25	39,643	0.77
مجموعی منافع	396,631	7.11	431,921	7.75	(35,290)	(8.17)
عملی اخراجات	323,706	5.80	358,928	6.44	(35,222)	(9.81)
دیگر آمدنی	144,967	2.60	88,985	1.60	55,982	62.91
عوامل سے منافع	217,892	3.91	161,978	2.91	55,914	34.52
مالیاتی لاگت	81,772	1.47	85,272	1.53	(3,500)	(4.10)
لیوی اور ٹیکسیشن	80,851	1.45	70,217	1.26	10,634	15.14
منافع بعد از محصولات	55,269	0.99	6,489	0.12	48,780	751.73
بند آپریشنز						
منافع / (نقصان) بعد از محصولات	0	0.00	54,221	0.97	(54,221)	(100.00)
منافع بعد از محصولات	55,269		60,710		(5,441)	(8.96)
فی حصص آمدنی (روپے)	2.44		2.68		(0.24)	

پاکستان کی معیشت نے مالی سال 2025-26 کے دوران بتدریج بحالی کا مظاہرہ کیا، جس میں حقیقی جی ڈی پی کی شرح نمو گزشتہ مالی سال کی 3.18 فیصد کی نظر ثانی شدہ شرح نمو کے مقابلے میں بہتر ہو کر 3.70 فیصد ہو گئی۔ اگرچہ میکرو اکنامک استحکام، شعبہ جاتی کارکردگی میں بہتری اور جاری ساختی اصلاحات نے اس بحالی میں مدد دی، لیکن معاشی فوائد بیرونی غیر یقینی صورتحال، موسمیاتی چیلنجز اور مستقل ساختی رکاوٹوں کے باعث کمزور رہے۔

مالی طاقت:

کمپنی اپنی مالی طاقت کو بہتر بنانے میں کامیاب رہی ہے، کمپنی کا موجودہ تناسب اب 1.48 ہے (2025 میں 1.48)۔ کمپنی کا کیش فلو منجسٹ سسٹم مستقل بنیادوں پر کیش ان فلو اور آؤٹ فلو کا منصوبہ بناتا ہے اور روزانہ کی بنیاد پر کیش پوزیشن پر نظر رکھتا ہے۔ کمپنی قلیل المدتی قرضوں کے ذریعے اپنے جاری سرمایہ کی ضروریات کا انتظام کرتی ہے۔

فی حصص آمدنی:

فی حصص نفع 2.44 روپے رہا۔ (2025ء میں فی حصص نفع 2.68 روپے)

خطرات اور مواقع:

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

تزویریاتی خطرات:

ہم ایک مسابقانہ ماحول میں کام کر رہے ہیں جہاں جدت، معیار اور لاگت معنی رکھتے ہیں۔ اس خطرے کو مسلسل تحقیق اور ترقی کے ذریعے کم کیا جاتا ہے۔ تزویریاتی خطرہ تمام خطرات میں سب سے اہم سمجھا جاتا ہے۔ تمام کاروباری شعبہ جات کے سربراہ ملکی و بین الاقوامی سطح پر پیش آمدہ خطرات سے نمٹنے کے لیے مربوط حکمت عملی بنانے کیلئے مستقل بنیادوں پر رابطے میں رہتے ہیں۔

کاروباری خطرات:

کمپنی کو درج ذیل متعدد کاروباری خطرات کا سامنا ہے:

کپاس کی رسد اور قیمت:

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

برآمدی طلب اور قیمت:

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

توانائی کی دستیابی اور قیمت:

توانائی کی بڑھتی ہوئی قیمتیں اور عدم دستیابی یعنی بجلی اور گیس کی کمی پیداواری صنعت کیلئے بہت بڑا خطرہ ہے۔ اگر یہ خطرہ کم نہ کیا جائے تو بین الاقوامی منڈیوں میں مسابقت کیلئے ہمیں نااہل کر سکتا ہے۔ توانائی کے بڑھتے ہوئے اخراجات کا مقابلہ کرنے کے لیے کمپنی متبادل قابل تجدید توانائی کے ذرائع اختیار کر رہی ہے۔ کمپنی کی تمام پیداواری سہولیات پر بھی توانائی کی بچت کے اقدامات کیے گئے ہیں۔

مالی خطرات:

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

کرنسی کا خطرہ:

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

شرح سود کا خطرہ:

کمپنی کو شرح سود کا خطرہ طویل مدتی فنانسنگ اور قلیل مدتی قرضے سے پیدا ہوتا ہے۔ مناسب قدر کی حساسیت کا تجزیہ اور نقد بہاؤ کی حساسیت کا تجزیہ ظاہر کرتا ہے کہ کمپنی کا نفع شرح سود کے خطرے سے مادی طور پر خالی نہیں ہے۔

ادھار کا خطرہ:

کمپنی کے ادھار کے خطرات اور خرابی کے نقصانات کے لیے کمپنی کا کریڈٹ ایکسپوژر اس کے تجارتی قرضوں، سرمایہ کاری، بینک بیلنس، دیگر قابل وصول، قرضوں، ایڈوانسز اور ڈپازٹس سے متعلق ہے۔ اس خطرے کو اس حقیقت سے کم کیا جاسکتا ہے کہ ہمارے بیشتر صارفین کی مالی حیثیت مضبوط ہے اور ہمارے تمام صارفین کے ساتھ ہمارے دیرینہ کاروباری تعلقات ہیں۔ ہم اپنے صارفین کی طرف سے عدم ادائیگی کی توقع نہیں کرتے لہذا ادھار کا خطرہ کم ہے۔

لیکیو ڈٹی کا خطرہ:

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

ملازمین کی بھرتی اور معاوضہ:

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

پیداوار میں بہتری:

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

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی کو ظاہر کرتے ہیں۔
- 2۔ متذکرہ کمپنی اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔
- 3۔ مالیاتی بیانات کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات معقول اور ٹھوس فیصلوں پر مبنی ہیں۔
- 4۔ مالیاتی سسٹم کی تیاری میں عالمی مالیاتی رپورٹنگ کے معیارات، جیسے پاکستان میں لاگو ہیں، ان کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔
- 5۔ اندرونی کنٹرول کا نظام ڈیزائن میں محفوظ ہے اور اس کا نفاذ اور نگرانی مؤثر طریقہ سے کی گئی ہے، اور
- 6۔ اس میں کوئی شک نہیں کہ مندرجہ کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔
- 7۔ پچھلے چھ سال کا تخلص شدہ بنیادی عملی اور مالیاتی ڈیٹا لف ہے۔
- 8۔ مالیاتی بیانات میں ظاہر شدہ کے علاوہ ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں تمام قانونی ادائیگیاں کردی گئی ہیں۔

9۔ کمپنی کے سات (7) ڈائریکٹرز ہیں جن میں شامل ہیں:

(الف): 5 مرد ڈائریکٹرز

(ب): 2 خواتین ڈائریکٹرز

10۔ سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے جن میں ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام (الفبائی ترتیب کے مطابق)	عہدہ	شرکت کردہ اجلاس
مسٹر عابد محمود	چیف ایگزیکٹو آفیسر	4
مسٹر عدنان امجد	غیر فعال ڈائریکٹر	4
مسٹر نوید گلزار	فعال ڈائریکٹر	4
مس نازش ارشد	غیر فعال ڈائریکٹر	4
مسٹر سلمان رفیع	آزاد ڈائریکٹر	*0
مسز شامین اظفر	آزاد ڈائریکٹر	3
مسٹر تیمور امجد	چیئر مین	4

* متعلقہ ڈائریکٹر کی دو اجلاسوں میں عدم حاضری کی رخصت حاصل کی گئی اور منظور کی گئی۔

11۔ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	عہدہ	شرکت کردہ اجلاس
مسٹر سلمان رفیع	چیئر مین	0*
مسٹر عدنان امجد	ممبر	4
مسٹر تیمور امجد	ممبر	4

* متعلقہ ڈائریکٹر کی دو اجلاسوں میں عدم حاضری کی رخصت حاصل کی گئی اور منظور کی گئی۔

12۔ ایچ آر کمیٹی کے ممبران کی ساخت درج ذیل ہے:

(1): مسز شامین اظفر چیئر پرسن

(2): مسٹر عدنان امجد ممبر

(3): مس نازش ارشد ممبر

13۔ پائیداری کمیٹی کے ممبران کی ساخت درج ذیل ہے:

(1): مسز شامین اظفر چیئر پرسن

(2): مسٹر عدنان امجد ممبر

(3): مس نازش ارشد ممبر

مالیاتی بیانات:

جیسا کہ مندرجہ کمپنیوں کے قواعد و ضوابط کوڈ آف کارپوریٹ گورننس 2019 کی شق نمبر 25 کے تحت ضرورت تھی چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے اپنے دستخطوں کے ہمراہ مالیاتی بیانات بورڈ آف ڈائریکٹرز کے غور و خوض اور منظوری کے لیے پیش کیے اور بورڈ نے غور و خوض اور منظوری کے بعد دستخط کردہ مالیاتی بیانات کے اجراء اور اشاعت کی اجازت دی۔

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

تخصیصات:

کمپنی کے بورڈ آف ڈائریکٹرز کو لگتا ہے کہ مستقبل کی ترقی اور کمپنی کے بڑھے ہوئے ورکنگ کمپیوٹل کی ضروریات کے لیے منافع کو واپس کاروبار میں لگانا سمجھداری کی بات ہے اور 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کرتے۔ کمپنی آنے والے سالوں میں حصص یافتگان کو کافی منافع فراہم کر سکے گی۔

حصص یافتگی کا نمونہ:

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

سال کے دوران کمپنی کے ڈائریکٹرز/ان کی شریک حیات/نائبانچوں، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی شریک حیات اور نائبانچوں کی جانب سے کمپنی کے حصص کی کوئی خرید و فروخت نہیں کی گئی۔

متعلقہ پارٹیاں:

متعلقہ فریقین کے درمیان لین دین اس قیمت پر کیے گئے جو غیر وابستہ فریقین کے درمیان مروجہ قیمتوں کے مطابق ہوتے ہیں، اور یہ قیمتیں قابل موازنہ غیر مربوط قیمتوں کے طریقہ کار کے تحت مقرر کی گئی تھیں۔ یہ ٹرانزیکشنز آڈٹ کمیٹی کی طرف سے تصدیق اور بورڈ کی طرف سے منظور کی گئی ہیں۔

سرکلر نمبر 10 مورخہ 17 اپریل 2024 کے تحت صنفی تنخواہ کے فرق کا بیان ::

کمپنی میں چند خواتین ہیں۔ تاہم، 30 جون 2026 کو ختم ہونے والے سال کے لیے درج ذیل صنفی تنخواہ کے فرق کا حساب لگایا گیا ہے:

(i) صنفی تنخواہ کا اوسط فرق: 175%

(ii) صنفی اشتراک کا درمیانی فرق: 395%

پائیداری کے خطرات اور مواقع سے نمٹنے کے لیے:

بورڈ نے کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینے کے لیے ایک مخصوص پائیداری کمیٹی قائم کی ہے۔ کمپنی نے ماحولیاتی، سماجی اور گورننس (ESG) اصولوں اور پائیداری کے لیے اپنے عزم کو مزید مضبوط کیا ہے۔ ہمارے اسٹریٹجک مقاصد ہمارے اسٹیک ہولڈرز کے لیے طویل مدتی قدر کو فروغ دینے میں گہرائی سے پیوست ہیں جبکہ ذمہ دارانہ کاروباری طریقوں کو آگے بڑھاتے ہیں جو عالمی پائیداری کے معیارات سے ہم آہنگ ہیں۔

ESG اور پائیداری کے حوالے سے ہمارا نقطہ نظر جامع ہے، جو اخلاقی گورننس، سماجی ذمہ داری اور ماحولیاتی نگہبانی کے عزم سے کارفرما ہے۔ ہم نے ESG کے پہلوؤں کو اپنی بنیادی کاروباری حکمت عملیوں میں ضم کیا ہے، اس بات کو یقینی بناتے ہوئے کہ ان اصولوں کی نہ صرف پاسداری کی جائے بلکہ یہ ہمارے فیصلہ سازی کے طریقہ کار کا مرکزی حصہ ہوں۔

یہ پیش رفت ESG، پائیداری، اور موسمیاتی تبدیلی سے متعلق رسک مینجمنٹ پر تازہ ترین ریگولیٹری پالیسیوں اور رہنما خطوط سے آگاہ ہے۔ ہم ESG کو اپنے آپریشنز کے ہر پہلو میں شامل کرنے کے لیے پرعزم ہیں، جو ہماری بنیادی اقدار سے ہم آہنگی کو یقینی بناتا ہے اور ہمارے اسٹیک ہولڈرز کی توقعات پر پورا اترتا ہے۔

ڈائریکٹرز ان مقاصد کو آگے بڑھانے کے لیے پرعزم ہیں، مسلسل اپنی حکمت عملیوں کو ہمارے اسٹیک ہولڈرز کی بدلتی ہوئی توقعات کو پورا کرنے اور وسیع تر کمیونٹی اور ماحول میں مثبت کردار ادا کرنے کے لیے ڈھال رہے ہیں۔ ہمیں یقین ہے کہ ESG اور پائیداری کے حوالے سے ہماری کوششیں نہ صرف ہماری بنیادی اقدار سے ہم آہنگ ہیں بلکہ کمپنی کو ذمہ دارانہ اور پائیدار کاروباری طریقوں میں ایک رہنما کے طور پر بھی پیش کرتی ہیں۔

کارپوریٹ گورننس:

مندرجہ کمپنیوں کے ہمراہ تکمیل کا بیان قواعد و ضوابط کوڈ آف کارپوریٹ گورننس 2019 لف ہے۔

ڈائریکٹرز کا معاوضہ:

بورڈ ضابطہ کارپوریٹ گورننس کے مطابق معاوضے کا تعین کرتا ہے، اس بات کو یقینی بناتے ہوئے کہ کوئی بھی ڈائریکٹر اپنے ذاتی معاوضے سے متعلق فیصلے میں شریک نہ ہو۔ ڈائریکٹرز اور سی ای او کے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔

بورڈ کی کمیٹیاں:

بورڈ آف ڈائریکٹرز نے ضابطہ کارپوریٹ گورننس کی تعمیل میں آڈٹ کمیٹی، ہیومن ریسورسز اینڈ ریمونیریشن کمیٹی اور سسٹینیبلٹی کمیٹی قائم کی ہے۔

ادارہ جاتی سماجی ذمہ داری:

آپ کی کمپنی معاشرے کی طرف سے عائد اپنی ادارہ جاتی ذمہ داری سمجھتی ہے اور معاشرے کے پسماندہ افراد اور اپنے مستحق ملازمین کو مالی امداد فراہم کرنے کے ساتھ ساتھ رفاه عامہ کے کام کے ذریعے اپنی ذمہ داری پوری کرتی ہے۔ کمپنی توانائی کی بچت اور ماحولیاتی تحفظ کے لیے مختلف حل لاگو کر کے، اپنے قابل قدر گاہکوں کو بہترین معیار کی مصنوعات اور بعد از فروخت تکنیکی خدمات کی فراہمی کے ذریعے قومی خزانے میں بھی معتد بہ مقدار میں اپنا حصہ ڈال رہی ہے۔ کمپنی اپنی فلاحی سرگرمیوں کے حصے کے طور پر باقاعدگی سے فلاحی کام سرانجام دیتی ہے۔ آپ کی کمپنی اپنے ملازمین کو صحت مند، محفوظ اور سیکھنے کا ماحول فراہم کر رہی ہے اور انہیں اندرون و بیرون ملک تربیتی کورسز، سیمینارز، ورکشاپس اور کانفرنسز میں بھیجا جاتا ہے۔

بیرونی محاسب:

موجودہ بیرونی محاسب میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی صورت میں انہوں نے اپنی رضامندی ظاہر کی ہے۔ محاسب کمپنی کی تجویز کی بنیاد پر بورڈ نے میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2027ء کو ختم ہونے والے مالی سال کے لیے بطور بیرونی محاسب دوبارہ تعیناتی کی سفارش کی ہے۔

احوال بعد از تاریخ رپورٹنگ:

رپورٹنگ کی مدت کے بعد ایسا کوئی اہم وقوعہ یا تغیر رونما نہیں ہوا جسے ڈائریکٹر رپورٹ میں ظاہر کرنا ضروری ہو۔

مضبوط مالی بیانات:

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

پیش بندی:

ٹیکسٹائل سیکٹر پاکستان کی معیشت میں ایک کلیدی کردار ادا کرتا رہا ہے، تاہم، یہ ایک چیلنجنگ میکرو اکنامک ماحول میں کام کر رہا ہے جس کی خصوصیات زیادہ توانائی کے اخراجات، شرح مبادلہ میں اتار چڑھاؤ، مہنگائی کے دباؤ، اور مالیاتی رکاوٹیں ہیں۔ تیل کی قیمتوں میں اضافے نے بجلی اور کپھو پاور جزییشن کے اخراجات میں مزید اضافہ کیا ہے، جبکہ مقامی کپاس کی کم دستیابی کی وجہ سے درآمدی خام مال پر انحصار بڑھ گیا ہے، جس سے ان پٹ لاگت اور ورکنگ کپیکلٹی کی ضروریات دونوں میں اضافہ ہوا ہے۔ توقع ہے کہ یہ دباؤ قلیل مدتی میں برقرار رہے گا۔ ان چیلنجز کے باوجود، ویلیو ایڈڈ ٹیکسٹائل مصنوعات کی عالمی طلب میں

بہتری اور صنعت کے اندر جاری ساختی ایڈجسٹمنٹس درمیانی مدت میں کارکردگی کو سہارا دے سکتی ہیں۔ اسی وقت، پائیداری اور ESG کی تعمیل پر بڑھتا ہوا زور صنعتی طریقوں کو تشکیل دینے اور برآمدی مسابقت پر اثر انداز ہونے کی توقع ہے۔ کریسنٹ کاٹن ملز لمیٹڈ نظم و ضبط کے ساتھ لاگت کے انتظام اور ہدفی بہتریوں کے ذریعے اپنے آپریشنز کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ کمپنی بتدریج جدید کاری، اپنے پروڈکٹس کو بہتر بنانے، اور برآمدی منڈیوں میں مجموعی کارکردگی اور مسابقت کو بہتر بنانے کے لیے عمل کو بہتر بناتی ہے۔ یہ تعمیل، افرادی قوت کی ترقی، اور پیشہ ورانہ صحت و حفاظت کے معیارات کو بھی ترجیح دیتی رہتی ہے۔ کمپنی توانائی کی قیمتوں، برآمدی سہولت کاری، اور پالیسی سپورٹ سمیت اہم شعبہ جاتی چیلنجز سے نمٹنے کے لیے صنعتی اسٹیک ہولڈرز اور متعلقہ حکام کے ساتھ فعال طور پر رابطے میں ہے۔ مجموعی طور پر، اگرچہ قلیل مدتی حالات محدود ہیں، کمپنی آپریشنل استحکام کو برقرار رکھنے اور محتاط انتظام اور کارکردگی پر مبنی اقدامات کے ذریعے اپنی طویل مدتی پوزیشن کو بتدریج مضبوط بنانے پر توجہ مرکوز کیے ہوئے ہے۔

صنعت کے لیے آپریٹنگ ماحول خام مال کی بلند قیمتوں، غیر مستقل طلب، اور بلند شرح سود کی وجہ سے قلیل مدت میں چیلنجنگ رہنے کی توقع ہے۔ بورڈ اور انتظامیہ بہتر کارکردگی، توانائی کے بہتر استعمال، سولر صلاحیت میں اضافے، اور نظم و ضبط پر مبنی لاگت کنٹرول اقدامات کے ذریعے آپریشنل کارکردگی کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہیں۔ محتاط ورکنگ کمپیٹل مینجمنٹ، مستحکم کسٹمر تعلقات، اور آرڈر کی مستقل مزاجی اور صلاحیت کے استعمال کو بڑھانے کے لیے منتخب مارکیٹ ڈائریکشن پر بھی زور دیا جائے گا۔ اگرچہ بیرونی غیر یقینی صورتحال برقرار ہے، کمپنی کارکردگی کو مستحکم کرنے اور بتدریج منافع کو بحال کرنے کے لیے محتاط مالی اور آپریشنل حکمت عملیوں کو اپنانے کے لیے پرعزم ہے، اس طرح طویل مدتی شیئر ہولڈروں کا تحفظ کیا جاسکے۔

کمپنی نے چالیس نئی لومز پر مشتمل ایک جدید ترین ویونگ یونٹ قائم کیا ہے۔ توقع ہے کہ ویونگ یونٹ مالی سال 2026-2027 میں بھرپور طریقے سے اپنے آپریشنز کا آغاز کر دے گا۔ یہ بلاشبہ کمپنی کے لیے اضافی آمدنی کا ذریعہ ہوگا۔

ماتحت کمپنی:

کریسکوٹ ملز لمیٹڈ:

کریسکوٹ ملز لمیٹڈ ٹیکسٹائل کے خام مال کی تجارت کے کاروبار میں مصروف ہے۔ سال کے دوران کریسکوٹ ملز لمیٹڈ نے 554.373 ملین روپے کی آمدنی حاصل کی اور بعد از ٹیکس 12.021 ملین روپے کا نقصان اٹھایا۔

منجانب

بورڈ آف ڈائریکٹرز

۲۲

۱۰

ڈائریکٹر

چیف ایگزیکٹو آفیسر

فیصل آباد

30 ستمبر 2026ء

KEY OPERATING AND FINANCIAL DATA**(RUPEES IN MILLION)****Summary of Profit and Loss Account**

	2026	2025	2024	2023	2022	2021
Sales	5,578	5,574	5,963	6,386	7,115	5,406
Gross profit	397	432	477	468	726	726
Profit from operations	218	162	222	297	431	485
Finance cost	82	85	84	110	99	87
Profit/(Loss) before taxation	136	77	138	187	332	398
Levy & Taxation	81	70	62	72	83	76
Profit/(Loss) after taxation	55	7	76	115	249	322
Profit/(Loss) after taxation from discontinued operations	-	54	(26)	-	-	-
Profit/(Loss) after taxation	55	61	50	115	249	322

Summary of Balance Sheet

Property, plant and equipment	5,842	5,373	587	5,911	5,312	5,204
Other non-current assets	64	82	68	63	57	60
Stock in trade	676	647	557	636	658	488
Trade debts	457	465	490	477	514	195
Other current assets	1,270	1,844	6,586	1,124	852	744
Current assets	2,403	2,956	7,633	2,237	2,024	1,427
Total assets	8,309	8,411	8,288	8,211	7,393	6,691
Shareholders equity	1,655	1,371	1,226	1,176	1,091	887
Surplus on revaluation of operating fixed assets	4,896	4,896	4,926	4,926	4,283	4,137
Long term financing	20	8	20	54	111	204
Other non-current liabilities	116	135	137	98	161	149
Trade and other payables	645	1,071	1,210	1,173	815	678
Short term borrowings	943	903	698	561	674	369
Other current liabilities	34	27	71	223	258	267
Current liabilities	1,622	2,001	1,979	1,957	1,747	1,314
Total equity and liabilities	8,309	8,411	8,288	8,211	7,393	6,691

Summary of Cash Flow Statement

Cash and cash equivalents at the beginning of the year	15	20	50	44	143	42
Net cash (used in) / generated from operating activities	218	(244)	(106)	226	(233)	548
Net cash used in investing activities	(147)	76	(5)	(2)	(64)	(59)
Net cash from / (used in) financing activities	58	165	81	(218)	198	(388)
Net increase / (decrease) in cash and cash equivalents	129	(5)	(30)	6	(99)	101
Cash and cash equivalents at the end of the year	144	15	20	50	44	143

PERFORMANCE INDICATORS

	2026	2025	2024	2023	2022	2021
--	------	------	------	------	------	------

Profitability Ratios

Gross profit ratio	%	7.12	7.75	8.00	7.33	10.20	13.43
Net profit to sales	%	0.99	0.13	1.27	1.80	3.50	5.96
Return on equity	%	3.32	0.51	6.20	9.78	22.82	36.30
Return on capital employed	%	20.37	11.53	20.67	28.01	49.73	59.61
Earning/(loss) per share	Rs.	2.44	2.68	2.23	5.07	10.99	14.19

Liquidity Ratios

Current ratio	Times	1.48	1.48	3.86	1.14	1.16	1.09
Quick ratio	Times	1.06	1.15	3.58	0.82	0.78	0.71
Cash to current liabilities	%	0.09	0.01	0.01	0.03	0.03	0.11

Activity / Turnover Ratios

Inventory turnover	Times	8	9	9	9	11	9
Number of days in inventory	Days	47	43	40	40	33	40
Debtor turnover	Times	12	12	12	13	20	23
Number of days in receivables	Days	30	30	30	28	18	16
Creditors turnover	Times	6	5	5	6	9	7
Number of days in payables	Days	60	81	79	61	43	52
Total assets turnover	Times	0.67	0.67	0.72	0.82	1.01	0.80
Property, plant and equipment turnover	Times	0.99	1.87	1.84	1.14	1.35	1.04

Investment / Market Ratios

Basic and diluted earning/(loss) per share	Rs.	2.44	2.68	2.23	5.07	10.99	14.19
Price earning ratio	Times	17.04	21.71	41.30	6.68	4.15	3.86
Market value per share							
- At the end of year	Rs.	41.57	58.17	92.10	33.86	45.66	54.75
- Highest during the year	Rs.	58.17	111.94	111.34	35.00	59.17	60.00
- Lowest during the year	Rs.	35.00	48.02	92.10	29.00	30.55	24.94
Break up value w/o surplus on revaluation	Rs.	73.04	60.50	54.10	51.90	48.15	39.14
Break up value with surplus on revaluation	Rs.	289.10	276.57	271.49	269.28	237.16	221.71

Capital Structure Ratios

Financial leverage ratio	Times	0.58	0.66	0.59	0.52	0.72	0.65
Long term debt to equity ratio	%	1.21	0.58	1.63	4.59	10.17	23.00
Interest coverage ratio	Times	2.66	1.91	2.64	2.70	4.35	5.57

Form - 20

The Companies Act, 2017
(Section 227 (2) f)
Pattern Of Shareholding
1. Incorporation Number **0000984**2. Name of The Company **Crescent Cotton Mills Limited**3. Pattern of Holding of the Shares held by the Shareholders as at : **June 30, 2026**

Shareholders	From	To	Total Shares
705	1	100	21,188
458	101	500	112,974
159	501	1,000	115,686
156	1,001	5,000	338,214
28	5,001	10,000	206,436
13	10,001	15,000	152,460
4	15,001	20,000	70,046
7	20,001	25,000	164,408
4	25,001	30,000	110,337
4	35,001	40,000	150,025
4	40,001	45,000	169,968
2	45,001	50,000	93,915
4	50,001	55,000	211,228
4	55,001	60,000	237,024
1	60,001	65,000	63,600
1	70,001	75,000	71,549
1	75,001	80,000	75,500
2	80,001	85,000	166,198
1	85,001	90,000	86,204
3	95,001	100,000	297,520
4	100,001	105,000	412,434
1	120,001	125,000	121,480
1	130,001	135,000	132,915
1	135,001	140,000	136,219
2	145,001	150,000	297,358
1	155,001	160,000	157,855
1	160,001	165,000	162,541
1	165,001	170,000	167,866
1	170,001	175,000	173,012
2	175,001	180,000	355,715
2	190,001	195,000	381,600
2	205,001	210,000	413,183
1	210,001	215,000	212,000
2	215,001	220,000	435,570
1	225,001	230,000	227,986
1	230,001	235,000	233,132
1	240,001	245,000	244,565
1	335,001	340,000	340,000
1	350,001	355,000	353,224
1	370,001	375,000	372,905
2	400,001	405,000	806,745
1	410,001	415,000	413,264
1	480,001	485,000	483,124
1	540,001	545,000	543,046
1	545,001	550,000	550,000
1	570,001	575,000	571,620
1	590,001	595,000	590,744
1	605,001	610,000	606,885
2	640,001	645,000	1,285,083
1	645,001	650,000	650,000
1	735,001	740,000	737,066
1	855,001	860,000	860,000
1	1,015,001	1,020,000	1,017,813
1	1,030,001	1,035,000	1,034,499
1	1,060,001	1,065,000	1,061,848
1	1,225,001	1,230,000	1,229,104
1	1,970,001	1,975,000	1,973,245

1608

Form - 20 (II)

22,660,126

Sr.#	Categories of Shareholders	Numbers	Shares Held	Percentage
1	Insurance Companies	1	212,000	0.94
2	Joint Stock Companies	19	1,354,363	5.98
3	Individuals	1567	19,500,659	86.06
4	Mutual Fund	2	1,061,974	4.69
5	Others	8	150,901	0.67
6	Financial Institutions	7	374,764	1.65
7	Investment Companies	4	5,465	0.02
Grand Total		1,608	22,660,126	100.00

PATTERN OF HOLDING OF SHARES

Held by Shareholders as at June 30, 2026

Categories of Shareholder	Total Holding	%Age
1 - Directors, Chief Executive Officer, Their Spouses and Minor Children		
Chief Executive Officer		
Mr. Abid Mehmood	316,092	1.39
Directors		
Mr. Adnan Amjad	806,599	3.56
Mr. Salman Saif	2,500	0.01
Mrs. Shameen Azfar	2,500	0.01
Mr. Naveed Gulzar	1,128,147	4.98
Mr. Taimur Amjad	737,066	3.25
Mrs. Nazish Arshad	2,544,865	11.23
Director's Spouses and Their Minor Children		
Mrs. Marium Naveed	105	0.00
Mst. Shireen Abid	1,582,328	6.98
	7,120,202	31.42
2 - Executives		
Executives	3,774,605	16.66
	3,774,605	16.66
3 - Associated Companies, Undertakings & Related Parties		
-	-	-
	-	-
6 - Banks, NBFCs, DFIs, Takaful, Pension Funds		
Banks, NBFCs, DFIs, Takaful, Pension Funds	1,442,203	6.36
	1,442,203	6.36
7 - Other Companies		
Other Companies, Corporate Bodies, Trust etc.	1,717,264	7.58
	1,717,264	7.58
9 - General Public		
A. Local	8,605,852	37.98
B. Foreign	-	-
	8,605,852	37.98
	22,660,126	100.00
Shareholders More Than 5.00%		
Miss Nazish Arshad	2,544,865	11.23
Mst. Shireen Abid	1,582,328	6.98

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended 30 June 2026

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

1. The total numbers of directors are Seven(7) as per the following.
 - a. Male: 5 (Five)
 - b. Female: 2 (Two)

2. The composition of the Board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or up datings maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Five of the seven board members have either completed directors' training programme or are exempt due to the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee

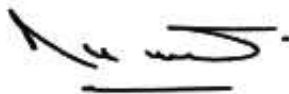
Mr. Salman Saif	(Chairman)
Mr. Adnan Amjad	(Member)
Mr. Taimur Amjad	(Member)
 - b) HR and Remuneration Committee

Mrs. Shameen Azfar	(Chairperson)
Mr. Adnan Amjad	(Member)
Miss. Nazish Arshad	(Member)
 - c) Sustainability Committee

Mrs. Shameen Azfar	(Chairperson)
Mr. Adnan Amjad	(Member)
Miss. Nazish Arshad	(Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four meetings during the financial year ended 30 June, 2026.
 - b) HR and Remuneration Committee: One meeting during the financial year ended 30 June, 2026.
 - c) Sustainability Committee: One meeting during the financial year ended 30 June, 2026.
15. The Board has outsourced the internal audit function to RSM Avas Hyder Liaquat Nauman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the independent directors for which Board of Directors is of the view that considering the volume of business, independent directors should not be more than two as required by these Regulations. Hence, the fraction of independent directors has not been rounded up.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation for Non-compliance	Reg. No.
1	Qualification of Company Secretary: The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	The Company is in the process of hiring the suitable individual for the company secretary.	24
2	Nomination Committee: The Board may constitute a separate committee, designated as the Nomination Committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR Remuneration and Committee.	29(1)
3	Risk Management Committee: The Board may constitute the Risk Management Committee (RMC), of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and apprises the Board accordingly.	30(1)
4	Directors' Training for directors: By June 30, 2022, all the directors on the Board have participated in directors training program.	Directors' Training Program for its remaining two directors has been planned by the Company to arrange in next year.	19(1)(iii)
5	Directors' Training for female executive: Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training program from July 2020.	Directors' Training Program has been planned by the Company to arrange in next year, for at least one female executive.	19(3)(i)
6	Directors' Training for Head of Department: Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	Directors' Training Program has been planned by the Company to arrange in next year, for at least one head of department.	19(3)(ii)


CHAIRMAN
 Faisalabad
 September 30, 2026.


CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Crescent Cotton Mills Limited****Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Cotton Mills Limited (the Company) for the year ended 30 June 2026 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 2026.

RIAZ AHMAD & COMPANY
Chartered Accountants



Faisalabad
October 02, 2026
UDIN: CR202610158bwSqLsOho

INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Cotton Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Crescent Cotton Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, 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 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. No.	Key audit matters	How the matter were addressed in our audit
1.	Inventory existence and valuation As at 30 June 2026, inventories are stated at Rupees 674.900 million, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 46.410 million - Stock-in-trade of Rupees 628.490 million Inventories are stated at lower of cost and net realizable value. We identified existence and valuation of inventories as a key audit matter due to their size, representing 8.12% of the total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on inventories, refer to the following: - Material accounting policy information, Inventories note 2.11 to the financial statements. - Stores, spare parts and loose tools note 20 and Stock-in-trade note 21 to the financial statements.	Our procedures over existence and valuation of inventories included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.

Sr. No.	Key audit matters	How the matter were addressed in our audit
2.	Revenue recognition The Company recognized net revenue of Rupees 5,577.854 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information on revenue recognition, refer to the following: - Material accounting policy information, Revenue recognition note 2.13 to the financial statements. - Revenue note 28 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RIAZ AHMAD & COMPANY **Chartered Accountants**



Faisalabad

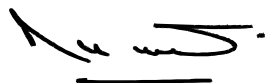
October 02, 2026

UDIN: AR202610158poNcrJtRq

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

EQUITY AND LIABILITIES	NOTE	2026	2025
SHARE CAPITAL AND RESERVES		(RUPEES IN THOUSAND)	
Authorized share capital			
30 000 000 (2025: 30 000 000) ordinary shares of Rupees 10 each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid up share capital	4	226,601	226,601
Reserves			
Capital reserves			
Premium on issue of shares	5	5,496	5,496
Plant modernization reserve		12,000	12,000
Fair value reserve	6	277,580	74,950
Surplus on revaluation of freehold land and investment properties	7	4,896,102	4,896,102
		5,191,178	4,988,548
Revenue reserves	8	1,133,099	1,051,968
Total reserves		<u>6,324,277</u>	<u>6,040,516</u>
TOTAL EQUITY		6,550,878	6,267,117
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	9	19,426	7,818
Staff retirement gratuity	10	116,294	135,160
		135,720	142,978
CURRENT LIABILITIES			
Trade and other payables	11	569,053	817,920
Contract liabilities	12	75,606	252,743
Accrued mark-up	13	14,008	12,930
Short term borrowings	14	943,380	902,542
Current portion of long term financing	9	17,556	11,373
Unclaimed dividend		2,449	2,909
		1,622,052	2,000,417
TOTAL LIABILITIES		1,757,772	2,143,395
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		<u>8,308,650</u>	<u>8,410,512</u>

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



CHIEF EXECUTIVE OFFICER

ASSETS	NOTE	2026	2025
(RUPEES IN THOUSAND)			
NON-CURRENT ASSETS			
Property, plant and equipment	16	5,511,066	5,065,337
Investment properties	17	331,236	307,687
Long term investments	18	9,694	5,916
Long term deposits		3,092	3,092
Deferred income tax asset	19	51,383	72,591
		5,906,471	5,454,623
CURRENT ASSETS			
Stores, spare parts and loose tools	20	46,410	50,196
Stock-in-trade	21	628,490	647,141
Trade debts	22	456,678	464,836
Loans, advances and prepayments	23	36,292	43,641
Other receivables	24	378,173	895,075
Taxation and levy - net	25	116,138	159,259
Short term investments	26	595,994	680,260
Cash and bank balances	27	144,004	15,481
		2,402,179	2,955,889
TOTAL ASSETS		8,308,650	8,410,512



DIRECTOR

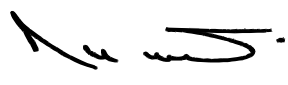


CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026**

CONTINUING OPERATIONS	NOTE	2026 (RUPEES IN THOUSAND)	2025
REVENUE	28	5,577,854	5,573,501
COST OF SALES	29	(5,181,223)	(5,141,580)
GROSS PROFIT		396,631	431,921
DISTRIBUTION COST	30	(39,981)	(83,277)
ADMINISTRATIVE EXPENSES	31	(264,602)	(258,422)
OTHER EXPENSES	32	(19,123)	(17,173)
OTHER INCOME	33	144,967	88,929
PROFIT FROM CONTINUING OPERATIONS		217,892	161,978
FINANCE COST	34	(81,772)	(85,272)
PROFIT BEFORE LEVY AND TAXATION		136,120	76,706
LEVY	35	(56,748)	(65,573)
PROFIT BEFORE TAXATION		79,372	11,133
TAXATION	36	(24,103)	(4,644)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		55,269	6,489
DISCONTINUED OPERATION			
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION		-	54,221
PROFIT AFTER TAXATION		55,269	60,710
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	37	2.44	2.68
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	37	2.44	0.29
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	37	-	2.39

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

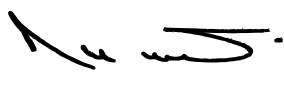


CHIEF FINANCIAL OFFICER

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	2026	2025
		(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION		55,269	60,710
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Experience adjustment on staff retirement gratuity	10.1	24,720	5,772
Deferred income tax related to experience adjustment	19.1	(7,169)	(1,674)
		17,551	4,098
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income	6	210,941	49,901
		228,492	53,999
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year - net of deferred income tax		228,492	53,999
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>283,761</u>	<u>114,709</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	RESERVES									TOTAL EQUITY	
	CAPITAL RESERVES			REVENUE RESERVES					Total Reserves		
	Premium on issues of shares	Plant modernization	Fair value reserve of investments at FVTOCI	Surplus on revaluation of freehold land and investment properties	Sub total	General reserve	Unappropriated profit	Sub total			
(RUPEES IN THOUSAND)											
	226,601	5,496	12,000	69,931	4,926,217	5,013,644	100,988	811,175	912,163	5,925,807	6,152,408
Balance as at 30 June 2024											
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(44,882)	-	(44,882)	-	44,882	44,882	-	-
Surplus related to freehold land disposed of during the year	-	-	-	-	(30,115)	(30,115)	-	30,115	30,115	-	-
Profit for the year	-	-	-	49,901	-	-	-	60,710	60,710	60,710	60,710
Other comprehensive income for the year	-	-	-	49,901	-	49,901	-	4,098	4,098	53,999	53,999
Total comprehensive income for the year	-	-	-	49,901	-	49,901	-	64,808	64,808	114,709	114,709
Balance as at 30 June 2025	226,601	5,496	12,000	74,950	4,896,102	4,988,548	100,988	950,980	1,051,968	6,040,516	6,267,117
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(8,311)	-	(8,311)	-	8,311	8,311	-	-
Profit for the year	-	-	-	210,941	-	-	-	55,269	55,269	55,269	55,269
Other comprehensive income for the year	-	-	-	210,941	-	210,941	-	17,551	17,551	228,492	228,492
Total comprehensive income for the year	-	-	-	210,941	-	210,941	-	72,820	72,820	283,761	283,761
Balance as at 30 June 2026	226,601	5,496	12,000	277,580	4,896,102	5,191,178	100,988	1,032,111	1,133,099	6,324,277	6,550,878

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



 CHIEF EXECUTIVE OFFICER

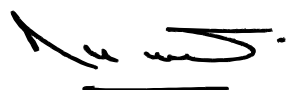


 CHIEF FINANCIAL OFFICER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	2026 (RUPEES IN THOUSAND)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	389,391	16,506
Finance cost paid		(80,386)	(99,713)
Income tax and levy paid		(23,691)	(106,044)
Staff retirement gratuity paid		(40,866)	(47,996)
Workers' profit participation fund paid	11.5	(7,385)	(7,389)
Workers' welfare fund paid	11.6	(19,663)	-
Decrease in long term deposits		-	291
Net cash generated from / (used in) operating activities		217,400	(244,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(516,127)	(6,364)
Proceeds from sale of assets held for sale		-	550,205
Proceeds from sale of property, plant and equipment		52,770	714
Investments made-net		(10,545)	(520,648)
Proceeds from sale of investments		326,856	52,076
Net cash (used in) / from investing activities		(147,046)	75,983
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		31,172	-
Repayment of long term financing		(13,381)	(39,573)
Short term borrowings - net		40,838	204,255
Dividend paid		(460)	(1,268)
Net cash from financing activities		58,169	163,414
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		128,523	(4,948)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		15,481	20,429
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	144,004	15,481

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited (the Company) is a public limited company incorporated in March 1959 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited on 30 November 1965. The Company is engaged in the business of manufacturing and sale of yarn, home textile and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups. The Company's registered office is situated at New Lahore Road, Nishatabad, Faisalabad, Punjab.

1.1 Geographical location and addresses of all business units of the Company except for the registered office as mentioned above are as follows:

Manufacturing Units & Offices	Address
Spinning Unit No. 1 and 2, Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab
Liasion Unit	408-Business Avenue, Shahrah-e-Faisal, Karachi, Sindh
Liasion Unit	88-A, Broadway Commercial, Near Estate Building, D.H.A Phase 8, Lahore.

1.2 These financial statements are the separate financial statements of the Company. Consolidated financial statements are prepared separately. Detail of the Company's investment in subsidiary is stated in Note 18 to these financial statements.

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 otherwise stated.

2.1 Basis of preparation

a) Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Useful lives, patterns of economic benefits and impairment

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

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales. Inventory write-down is made based on the current market conditions and historical experience. It could change significantly as a result of changes in market conditions.

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 considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Recovery of deferred income tax assets

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

Provisions

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

Contingencies

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

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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.

Staff retirement gratuity

The actuarial valuation of staff retirement gratuity requires the use of certain assumptions related to future periods, including increase in future salary and the rate used to discount future cash flows to present value.

Classification of investments

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

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 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Rates' – Lack of Exchangeability.

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 2025 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 standards, amendments and improvements to accounting standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

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 new 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'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Company will fall in Phase-II of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore, for mandatory disclosures, the effective date is for annual reporting periods beginning on or after 01 July 2026.

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

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature-dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1

January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The above standards, amendments and improvements are likely to have no significant impact on the financial statements apart from certain additional disclosures.

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 accounting standards that are mandatory for accounting periods beginning on or after 01 July 2026 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 Staff retirement gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme, calculated from the date of their joining with the Company. The Company's obligation under the scheme is determined through actuarial valuation using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases and mortality rates. The latest actuarial valuation was conducted by an independent actuary. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to the statement of profit or loss for the year.

Actuarial gains and losses (remeasurement gains / losses) on staff retirement gratuity are recognized immediately in other comprehensive income.

2.3 Taxation and levy

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. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, 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 the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the 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.

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.

2.4 Property, plant and equipment

Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

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

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

b) Depreciation

Depreciation on property, plant and equipment is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

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

d) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.5 Investment properties

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

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

2.6 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 (FVTOCI);
- those to be measured subsequently at fair value through profit or loss (FVTPL); and
- those to be measured at amortized cost

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

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

b) Measurement

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

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 fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

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.

Fair value through profit or loss (FVTPL)

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

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.7 Financial liabilities - Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities 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 profit or loss.

2.8 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- 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:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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 including forward-looking information.

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.

2.9 De-recognition of financial assets and financial liabilities

a) 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.

b) 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.

2.10 Investment in subsidiary company

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

2.10 Inventories

Inventories, except for 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

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

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

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

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.12 Cash and cash equivalents

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

2.13 Revenue recognition

(i) 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.

(ii) Rendering of services

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

(iii) 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.

(iv) Rent

Rent is recognized when rent is accrued.

(v) Dividend

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

(vi) Other revenue

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

2.14 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.

2.15 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.

2.16 Contract liabilities

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

2.17 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.18 Borrowings

Financing and borrowings are recognized initially at fair value of the consideration received, net of transaction costs and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.19 Trade debts and other receivables

Trade debts are initially stated 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.

2.20 Share capital

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

2.21 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 method.

2.22 Impairment of non-financial assets

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

2.23 Provisions

Provisions are recognized when the Company has a present 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 of obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.24 Earnings per share

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

2.25 Contingent assets

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

2.26 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation which 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. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.2 Foreign currency transactions and translation

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.

3.3 Offsetting of financial assets and liabilities

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

3.4 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset.

3.5 Right-of-use assets

A right-of-use asset is recognized at the commencement date of A lease. the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of these assets are recognized as expense on straight-line basis over the lease term.

3.6 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which these are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.7 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.

3.8 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 the sale is considered highly probable. These are stated at the lower of carrying amount and fair value less cost to sell.

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (NUMBER OF SHARES)	2025		2026 (RUPEES IN THOUSAND)	2025
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid up in cash	55,098	55,098
16 992 345	16 992 345	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	169,923	169,923
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up, issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	1,580	1,580
<u>22 660 126</u>	<u>22 660 126</u>		<u>226,601</u>	<u>226,601</u>

4.1 Ordinary shares of the Company held by the associated company:

	2026 (NUMBER OF SHARES)	2025
Premier Insurance Limited	-	212 000

4.1.1 It ceased to be associated company with effect from 19 May 2026 due to change of common director.

5. PREMIUM ON ISSUE OF SHARES RESERVE

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

6. FAIR VALUE RESERVE

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

2026 2025
(RUPEES IN THOUSAND)

Balance as on 01 July	74,950	69,931
Add: Fair value adjustment during the year	210,941	49,901
Less: Gain realized on disposal of equity investments	8,311	44,882
Balance as on 30 June	<u>277,580</u>	<u>74,950</u>

7. SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

Freehold land (Note 7.1)	4,782,963	4,782,963
Investment properties	113,139	113,139
	<u>4,896,102</u>	<u>4,896,102</u>

7.1 Surplus on revaluation of freehold land

Balance as on 01 July	4,782,963	4,813,078
Less: Surplus related to freehold land disposed of during the year	-	30,115
Balance as on 30 June	<u>4,782,963</u>	<u>4,782,963</u>

7.1.1 This represents surplus resulting from revaluation of freehold land carried out on 19 June 2023 by independent valuer Messrs Evaluation Focused Consulting. The valuation was determined with respect to the present market value of similar properties. Previously revaluation was carried out in June 2022, June 2019, June 2016, June 2015 and March 2010 by independent valuers.

8. REVENUE RESERVE

General reserve	100,988	100,988
Unappropriated profit	1,032,111	950,980
	<u>1,133,099</u>	<u>1,051,968</u>

9. LONG TERM FINANCING

From banking company - secured

Long term loans (Note 9.1)	7,818	19,191
Diminishing musharakah (Note 9.2)	29,164	-
	<u>36,982</u>	<u>19,191</u>
Less: Current portion shown under current liabilities		
Long term loans	7,818	11,373
Diminishing musharakah	9,738	-
	<u>17,556</u>	<u>11,373</u>
	<u>19,426</u>	<u>7,818</u>

LENDER	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
9.1 Long term loans							
National Bank of Pakistan	<u>7,818</u>	<u>19,191</u>	6%	These are different loans repayable in twenty seven to twenty eight equal quarterly installments starting from 30 June 2020 and ending on 21 April 2027	-	Quarterly	First charge of Rupees 107 million over entire fixed assets of the Company at Spinning Unit No. 1 and 2 and personal guarantee of Chief Executive Officer, Director and Executive of the Company
9.2 Diminishing musharakah							
First Habib Modaraba	<u>29,164</u>	<u>-</u>	3 Months KIBOR + 2.50%	These are different musharakas repayable in thirty three to thirty six equal monthly installments starting from 15 March 2026 and ending on 15 April 2029	Quarterly	Monthly	Title of the specific vehicles

10. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of the staff retirement gratuity was conducted on 30 June 2026 using Projected Unit Credit Actuarial Cost Method.

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
10.1 Reconciliation of the movements in the net liability recognized in the statement of financial position		
Balance as on 01 July	135,160	137,363
Add:		
Provision for the year (Note 10.3)	46,720	48,438
Experience adjustment recognized in other comprehensive income	(24,720)	(5,772)
	157,160	180,029
Less:		
Paid during the year	(40,866)	(44,869)
Balance as on 30 June	116,294	135,160
10.2 Movements in the present value of staff retirement gratuity		
Balance as on 01 July	135,160	137,363
Current service cost	32,240	30,000
Interest expense	14,480	18,438
Payments made during the year	(40,866)	(44,869)
Experience adjustment recognized in other comprehensive income	(24,720)	(5,772)
Balance as on 30 June	116,294	135,160
10.3 Provision for the year		
Current service cost	32,240	30,000
Interest expense	14,480	18,438
	46,720	48,438

2026 2025
(RUPEES IN THOUSAND)

10.3.1 Charge for the year has been allocated as follows:

Cost of sales (Note 29.2)	17,729	25,605
Administrative expenses (Note 31.1)	28,991	22,833
	<u>46,720</u>	<u>48,438</u>

10.4 Significant actuarial assumptions used

	2026	2025
Discount rate to determine defined benefit cost (per annum)	11.75%	14.75%
Expected rate of increase in salary to determine defined benefit cost (per annum)	10.75%	13.75%
Discount rate to determine defined benefit obligation (per annum)	11.75%	11.75%
Expected rate of increase in salary to determine defined benefit obligation (per annum)	10.75%	10.75%
Average duration of the benefit (years)	5	5
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

10.5 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2027 are Rupees 35.817 million.

10.6 Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement gratuity as at reporting date to changes in the weighted principal assumption is:

	2026	2025
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(4,596)	(6,537)
Decrease in assumption (Rupees in thousand)	5,799	8,152
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	5,891	8,278
Decrease in assumption (Rupees in thousand)	(4,796)	(6,807)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 10.4.

10.7 Risks associated with defined benefit plan

Discount rate risk

The risk of changes in discount rate will have an impact on the actuarial liability. Any increase in discount rate will reduce the liability and vice versa.

Salary increase / inflation risk

The increase in salary in future years being higher than assumed will increase the liability.

Mortality risk

Any reduction in the mortality rates being assumed will increase the liability.

Withdrawal risk

Any difference in the assumed withdrawal rates will have a corresponding impact on the liability depending on the benefits payable on withdrawal.

11. TRADE AND OTHER PAYABLES

	2026 (RUPEES IN THOUSAND)	2025
Creditors (Note 11.1)	203,500	391,094
Gas Infrastructure Development Cess (GIDC) payable (Note 11.2)	59,017	59,017
Accrued and other liabilities (Note 11.3 and 11.4)	280,052	285,277
Income tax deducted at source	4,704	12,671
Sales tax payable	11,903	43,121
Workers' profit participation fund (Note 11.5)	7,099	7,077
Workers' welfare fund (Note 11.6)	2,778	19,663
	<u>569,053</u>	<u>817,920</u>

11.1 These include Rupees Nil (2025: Rupees 0.144 million) due to Crescot Mills Limited, the subsidiary company.

11.2 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. On 13 August 2020, Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company along with other industrial gas consumers has obtained interim relief from Lahore High Court, Lahore against the charge of GIDC at the rate of captive power consumer instead of industrial consumer.

11.2.1 This amount is exclusive of GIDC amounting to Rupees 70.869 million, related to Spinning Unit No. 3 of the Company which was sold during the year ended 30 June 2021 and as per the agreement, its liabilities were taken over by the new owner of the property. However, the provision of this amount has been included in 'accrued and other liabilities' which will be written back after the confirmation of Sui Northern Gas Pipelines Limited (SNGPL) regarding transfer of liability of GIDC.

	2026 (RUPEES IN THOUSAND)	2025
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11.3 These include amounts due to following related parties:

Crescot Mills Limited - subsidiary company	<u>733</u>	<u>233</u>
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11.4 These include gratuity payable due but not paid to employees amounting to Rupees 8.510 million (2025: Rupees 8.510 million).

2026 2025
(RUPEES IN THOUSAND)

11.5 Workers' profit participation fund

Balance as on 01 July	7,077	6,868
Add:		
Provision for the year (Note 32)	7,099	6,743
Interest for the year (Note 34)	308	855
	14,484	14,466
Less: Payments during the year	7,385	7,389
Balance as on 30 June	<u>7,099</u>	<u>7,077</u>

11.6 Workers' welfare fund

Balance as on 01 July	19,663	16,991
Add: Provision for the year (Note 32)	2,778	2,672
Less: Payments during the year	19,663	-
Balance as on 30 June	<u>2,778</u>	<u>19,663</u>

12. CONTRACT LIABILITIES

These represent unsecured contract liabilities of the Company towards various parties. The amount of Rupees 245.912 million included in contract liabilities at 30 June 2025 has been recognised as revenue (Note 28) during the year (2025: Rupees 213.894 million).

13. ACCRUED MARK-UP

Long term financing	309	310
Short term borrowings	13,699	12,620
	<u>14,008</u>	<u>12,930</u>

14. SHORT TERM BORROWINGS

From banking company - secured

Cash finances (Note 14.1)	615,163	575,083
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Others - unsecured

Other related parties (Note 14.3)	328,217	327,459
	<u>943,380</u>	<u>902,542</u>

- 14.1** These form part of total credit facility of Rupees 900 million (2025: Rupees 850 million) and carry mark-up at the rates of 1 month KIBOR plus 2.5 percent and 3 month KIBOR plus 1.5 percent (2025: 1 month KIBOR plus 2.5 percent and 3 month KIBOR plus 1.5 percent) per annum. These are secured against charge, pledge, lien and hypothecation over fixed and current assets of the Company and personal guarantee of Chief Executive Officer, Director and certain executives. The rate of mark-up ranges from 12.08 percent to 25.00 percent (2025: 13.82 percent to 25.00 percent) per annum during the year on the balances outstanding.

14.2 The main facilities of letters of credits and guarantees aggregate to Rupees 350 million (2025: Rupees 350 million). The amounts utilized at 30 June 2026 were Rupees 193.357 million (2025: Rupees 284.844 million). Securities of these facilities are the same as mentioned in Note 14.1.

14.3 These represent interest free loans obtained from Chief Executive Officer, directors and certain executives of the Company to meet the Company's working capital requirements. These are repayable on demand.

15. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Certain additions have been made by the assessing officers in tax years 2006 and 2010 on various grounds and have created demand of Rupees 3.700 million. The Company, being aggrieved, filed appeals with Lahore High Court, Lahore, which are still pending. Dates of the institution of above mentioned appeals were 05 September 2016 and 29 November 2014 respectively. No provision has been made in these financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) Crescent Fibres Limited (CFL) filed civil revision petition on 17 May 2019 for the recovery of Rupees 23.000 million along with mark-up in Lahore High Court, Lahore, after rejection of its application in Civil Court, Lahore. Lahore High Court, Lahore stayed the proceedings before Civil Court, Lahore on the same date. No provision against this receivable has been made in these financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) Commissioner Inland Revenue filed a sales tax reference No. 56623 dated 11 September 2023 in Lahore High Court, Lahore against the Company for an amount of Rupees 6.700 million. However, no provision is created due to possible favourable outcome of the reference for the Company, on advice of legal counsel.

iv) The Company filed writ petition No. 51121 of 2025 in Honorable Lahore High Court, Lahore on 11 September 2025, against the imposition of gas levy amounting to Rupees 5.917 million on the captive power plants under the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Company has also given a post-dated cheque of the same amount to SNGPL. Keeping in view of the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.

v) Guarantees of Rupees 91.195 million (2025: Rupees 106.888 million) are given by the banks of the Company to SNGPL and Lahore Electric Supply Company Limited against gas and electricity connections respectively.

b) Commitments

i) Contracts and letter of credit for capital expenditure are of Rupees 7.246 million (2025: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees 99.582 million (2025: Rupees 177.956 million).

iii) Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 2.805 million (2025: Rupees 2.550 million) which are to be paid within one year (2025: within one year).

2026 2025 **(RUPEES IN THOUSAND)**

16. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 16.1)	5,196,055	5,062,729
Capital work-in-progress (Note 16.2)	315,011	2,608
	<u>5,511,066</u>	<u>5,065,337</u>

16.1 Operating Fixed Assets

	Freehold land	Buildings and Roads	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture & fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 June 2024											
	(RUPEES IN THOUSAND)										
Cost / revalued amount	286,360	98,300	637,423	176,127	29,420	13,201	13,546	19,439	11,379	1,058	1,286,253
Accumulated depreciation	-	(90,748)	(451,065)	(86,984)	(23,034)	(12,303)	(10,380)	(12,744)	(11,320)	(1,040)	(699,618)
Net book value	<u>286,360</u>	<u>7,552</u>	<u>186,358</u>	<u>89,143</u>	<u>6,386</u>	<u>898</u>	<u>3,166</u>	<u>6,695</u>	<u>59</u>	<u>18</u>	<u>586,635</u>
Year ended 30 June 2025											
Opening net book value	286,360	7,552	186,358	89,143	6,386	898	3,166	6,695	59	18	586,635
Additions	-	-	-	1,467	-	-	-	2,289	-	-	3,756
Transferred from non-current assets held for sale	4,501,907	893	-	-	-	-	-	1,083	-	-	4,503,883
Disposal:											
Cost	-	-	-	-	-	-	-	(1,963)	-	-	(1,963)
Accumulated depreciation	-	-	-	-	-	-	-	1,524	-	-	1,524
Depreciation charge for the year	-	(601)	(18,714)	(8,964)	(639)	(90)	(317)	(1,747)	(30)	(4)	(31,106)
Closing net book value	<u>4,788,267</u>	<u>7,844</u>	<u>167,644</u>	<u>81,646</u>	<u>5,747</u>	<u>808</u>	<u>2,849</u>	<u>7,881</u>	<u>29</u>	<u>14</u>	<u>5,062,729</u>
At 30 June 2025											
Cost / revalued amount	4,788,267	99,193	637,423	177,594	29,420	13,201	13,546	20,848	11,379	1,058	5,791,929
Accumulated depreciation	-	(91,349)	(469,779)	(95,948)	(23,673)	(12,393)	(10,697)	(12,967)	(11,350)	(1,044)	(729,200)
Net book value	<u>4,788,267</u>	<u>7,844</u>	<u>167,644</u>	<u>81,646</u>	<u>5,747</u>	<u>808</u>	<u>2,849</u>	<u>7,881</u>	<u>29</u>	<u>14</u>	<u>5,062,729</u>
Year ended 30 June 2026											
Opening net book value	4,788,267	7,844	167,644	81,646	5,747	808	2,849	7,881	29	14	5,062,729
Additions / transferred from capital work-in-progress	-	2,608	6,621	117,052	-	-	-	77,171	272	-	203,724
Disposals:											
Cost	-	-	-	(95,914)	-	-	-	(3,994)	-	-	(99,908)
Accumulated depreciation	-	-	-	62,252	-	-	-	2,443	-	-	64,695
Depreciation charge for the year	-	(845)	(17,161)	(9,542)	(575)	(81)	(285)	(6,542)	(151)	(3)	(35,185)
Closing net book value	<u>4,788,267</u>	<u>9,607</u>	<u>157,104</u>	<u>155,494</u>	<u>5,172</u>	<u>727</u>	<u>2,564</u>	<u>76,959</u>	<u>150</u>	<u>11</u>	<u>5,196,055</u>
At 30 June 2026											
Cost / revalued amount	4,788,267	101,801	644,044	198,732	29,420	13,201	13,546	94,025	11,651	1,058	5,895,745
Accumulated depreciation	-	(92,194)	(486,940)	(43,238)	(24,248)	(12,474)	(10,982)	(17,066)	(11,501)	(1,047)	(699,690)
Net book value	<u>4,788,267</u>	<u>9,607</u>	<u>157,104</u>	<u>155,494</u>	<u>5,172</u>	<u>727</u>	<u>2,564</u>	<u>76,959</u>	<u>150</u>	<u>11</u>	<u>5,196,055</u>
Depreciation rate per annum (%)	-	5, 10	10, 15	10	10	10, 12	10	20	50	10, 25, 50	

16.1.1 The book value of freehold land on cost basis is Rupees 5.304 million (2025: Rupees 5.304 million).

16.1.2 Forced sale value of freehold land as per last revaluation was Rupees 4,070.027 million.

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
Stand-by equipment							
(RUPEES IN THOUSAND)							
Power house generator	71,550	58,704	12,846	19,177	6,331	Negotiation	Nurtuure Goods Wholesalers L.L.C, United Arab Emirates
Power house generator	24,364	3,548	20,816	31,076	10,260	Negotiation	Nurtuure Goods Wholesalers L.L.C, United Arab Emirates
Vehicle							
Suzuki Cultus ABQ-593	1,083	29	1,054	1,107	53	Negotiation	Muhammad Younas, Faisalabad
Sub Total	<u>96,997</u>	<u>62,281</u>	<u>34,716</u>	<u>51,360</u>	<u>16,644</u>		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000							
	<u>2,911</u>	<u>2,414</u>	<u>497</u>	<u>1,410</u>	<u>913</u>		
Total	<u>99,908</u>	<u>64,695</u>	<u>35,213</u>	<u>52,770</u>	<u>17,557</u>		

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

2026 2025
(RUPEES IN THOUSAND)

Cost of sales (Note 29)	27,760	29,012
Administrative expenses (Note 31)	7,425	2,094
	<u>35,185</u>	<u>31,106</u>

16.1.5 Particulars of immovable properties in the name of the Company are as follows:

Particulars	Location	Area of land	Covered Area of Building
		Acers	Sq. Ft.
Head Office	'New Lahore Road, Nishatabad, Faisalabad, Punjab	86.58	80 214
Manufacturing facility of Spinning and Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab	<u>44.74</u>	<u>381 863</u>

16.2 Capital work-in-progress

	Buildings and Roads	Plant and Machinery	Tools and Equipment	Advance Against Vehicle	Total
	(RUPEES IN THOUSAND)				
Balance as at 30 June 2024	-	-	-	-	-
Additions	2,608	-	-	-	2,608
Balance as at 30 June 2025	2,608	-	-	-	2,608
Additions	54,210	251,553	47	9,201	315,011
Transferred to operating fixed assets	(2,608)	-	-	-	(2,608)
Balance as at 30 June 2026	<u>54,210</u>	<u>251,553</u>	<u>47</u>	<u>9,201</u>	<u>315,011</u>

17. INVESTMENT PROPERTIES

2026 2025
(RUPEES IN THOUSAND)

Balance as on 01 July	307,687	-
Add: Transferred from non-current assets held for sale	-	292,263
Add: Fair value gain during the year (Note 33)	23,549	15,424
Balance as on 30 June	<u>331,236</u>	<u>307,687</u>

17.1 The fair value of investment properties comprising freehold land and buildings thereon at Nishatabad, Faisalabad has been determined on 30 June 2026 by Messrs Empire Enterprises (Private) Limited, an independent valuer.

17.2 Forced sale value of investment properties as on the reporting date is Rupees 281.551 million.

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

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

2026 2025
(RUPEES IN THOUSAND)

18. LONG TERM INVESTMENTS

These represent the long term investments in:

- Subsidiary company (Note 18.1)	-	-
- Associated company (Note 18.2)	2,767	2,035
- Others (Note 18.3)	6,927	3,881

<u>9,694</u>	<u>5,916</u>
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18.1 Subsidiary company - unquoted

Crescot Mills Limited

1 932 187 (2025: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held 66.15% (2025: 66.15%)

<u>-</u>	<u>-</u>
----------	----------

18.2 Associated company - quoted

At fair value through other comprehensive income

Premier Insurance Limited*

Nil (2025: 303 384) ordinary shares of Rupees 10 each fully paid. Equity held Nil (2025: 0.60%)

-	75
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Add: Fair value adjustment

<u>2,722</u>	<u>1,960</u>
<u>2,722</u>	<u>2,035</u>

*It ceased to be associated company with effect from 19 May 2026 due to change of common director.

18.3 Others

At fair value through other comprehensive income

Quoted

Crescent Fibres Limited

71 820 (2025: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2025: 0.58%)

615	615
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Premier Insurance Limited

303 384 (2025: Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.60% (2025: Nil)

75	-
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Security Papers Limited

522 (2025: 522) ordinary shares of Rupees 10 each fully paid.

1	1
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Unquoted
2026 2025
(RUPEES IN THOUSAND)
Premier Financial Services (Private) Limited
 2 500 (2025: 2 500) ordinary shares of Rupees 1,000
 each fully paid. Equity held 11.11% (2025: 11.11%)

2,500 2,500
Crescent Modaraba Management Company Limited
 119 480 (2025: 119 480) ordinary shares of Rupees 10
 each fully paid. Equity held 6.52% (2025: 6.52%)

284 284
Crescent Bahuman Limited
 1 043 988 (2025: 1 043 988) ordinary shares of Rupees
 10 each fully paid. Equity held 0.77% (2025: 0.77%)

- -
Crescent Spinning Mills Limited
 696 000 (2025: 696 000) ordinary shares of Rupees 10
 each fully paid. Equity held 4.59% (2025: 4.59%)

- -
3,475 3,400

Add: Fair value adjustment

3,497 481
6,927 3,881
19. DEFERRED INCOME TAX ASSET

The deferred income tax asset originated due to timing differences relating to:

Taxable temporary differences

Accelerated tax depreciation

(63,289) (45,310)

Unrealized gain on investments

(253) (173)
(63,542) (45,483)
Deductible temporary differences

Staff retirement gratuity

36,193 44,603

Workers' profit participation fund

2,059 2,335

Workers' welfare fund

806 6,489

Provision for doubtful receivables

5,629 6,273

Available unused tax loss - unabsorbed tax depreciation

14,641 27,833

Minimum tax carry forward

55,597 30,541
114,925 118,074
51,383 72,591

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

2026				
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as on 30 June
(RUPEES IN THOUSAND)				
Accelerated tax depreciation	(45,310)	(17,979)	-	(63,289)
Unrealized gain on investments	(173)	(80)	-	(253)
Staff retirement gratuity	44,603	(1,241)	(7,169)	36,193
Workers' profit participation fund	2,335	(276)	-	2,059
Workers' welfare fund	6,489	(5,683)	-	806
Provision for doubtful receivables	6,273	(644)	-	5,629
Available unused tax loss - unabsorbed tax depreciation	27,833	(13,192)	-	14,641
Minimum tax carry forward:				
Available	198,649	(27,148)	-	171,501
Movement in deferred income tax not recognized	(168,108)	52,204	-	(115,904)
Deferred income tax recognized	30,541	25,056	-	55,597
	72,591	(14,039)	(7,169)	51,383

2025				
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as on 30 June
(RUPEES IN THOUSAND)				
Accelerated tax depreciation	(104,042)	58,732	-	(45,310)
Unrealized gain on investments	-	(173)	-	(173)
Staff retirement gratuity	40,742	5,535	(1,674)	44,603
Workers' profit participation fund	-	2,335	-	2,335
Workers' welfare fund	-	6,489	-	6,489
Provision for doubtful receivables	5,581	692	-	6,273
Available unused tax loss - unabsorbed tax depreciation	44,894	(17,061)	-	27,833
Minimum tax carry forward:				
Available	273,913	(75,264)	-	198,649
Movement in deferred income tax not recognized	(203,947)	35,839	-	(168,108)
Deferred income tax recognized	69,966	(39,425)	-	30,541
	57,141	17,124	(1,674)	72,591

19.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognized deferred income tax asset. Unabsorbed tax depreciation as at 30 June 2026 is Rupees 50.485 million (2025: Rupees 95.975 million). Detail of minimum tax carried forward is given as follows:

Accounting year to which the minimum tax relates	Amount	Amount	Accounting year in which minimum tax expires
	2026	2025	
	(RUPEES IN THOUSAND)		
2026	56,550	-	2028
2025	52,646	52,646	2028
2024	62,305	62,305	2027
2023	-	63,215	2026
2021	-	20,483	2026
	<u>171,501</u>	<u>198,649</u>	

2026 2025
(RUPEES IN THOUSAND)

20. STORES, SPARE PARTS AND LOOSE TOOLS

Stores	10,540	17,894
Spare parts	35,846	32,293
Loose tools	24	9
	<u>46,410</u>	<u>50,196</u>

20.1 Stores and spare parts include items which may result in fixed capital expenditure but are not distinguishable.

21. STOCK-IN-TRADE

Raw materials (Note 21.1)	302,728	148,386
Work-in-process (Note 21.2)	142,297	95,684
Finished goods	181,433	401,254
Waste	2,032	1,817
	<u>628,490</u>	<u>647,141</u>

21.1 These include stock of Rupees 8.271 million (2025: Rupees 24.335 million) sent to outside parties for conversion.

21.2 These include stock of Rupees 63.050 million (2025: Rupees 19.506 million) sent to outside parties for processing.

22. TRADE DEBTS

Considered good:

Unsecured	459,007	466,939
Less: Allowance for expected credit losses (Note 22.3)	2,329	2,103
	<u>456,678</u>	<u>464,836</u>

2026 2025
(RUPEES IN THOUSAND)

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

Czech Republic	66,924	96,573
Ghana	18,340	18,489
Italy	22,076	25,683
Netherlands	-	26,801
Pakistan	351,667	248,357
Romania	-	8,222
United Kingdom	-	6,147
United States of America	-	36,667
	<u>459,007</u>	<u>466,939</u>

22.2 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 15 to 30 days from delivery in case of local sales and 30 to 120 days in case of export sales.

22.3 Allowance for expected credit losses

Balance as at 01 July	2,103	2,732
Add: Recognized during the year (Note 32)	226	-
	<u>2,329</u>	<u>2,732</u>
Less: Reversal during the year (Note 33)	-	629
As at 30 June	<u>2,329</u>	<u>2,103</u>

23. LOANS, ADVANCES AND REPAYMENTS

Considered good:

Employees - interest free:

Against expenses	1,085	1,215
Against salary	524	1,149
	<u>1,609</u>	<u>2,364</u>

Current portion of long term advances

Advances to suppliers / service providers	30,299	37,190
Letters of credit	442	874
Prepayments	3,942	3,213
	<u>36,292</u>	<u>43,641</u>

Considered doubtful:

Advances to suppliers / service providers
 Less: Provision for doubtful loans and advances (Note 23.1)

5,115	4,937
5,115	4,937
-	-
<u>36,292</u>	<u>43,641</u>

2026 2025
(RUPEES IN THOUSAND)

23.1 Provision for doubtful loans and advances

Balance as at 01 July	4,937	4,544
Add: Recognized during the year (Note 32)	178	393
As at 30 June	<u>5,115</u>	<u>4,937</u>

24. OTHER RECEIVABLES
Considered good:

Sales tax and excise duty refundable	327,695	828,464
Export rebate	10,046	12,431
Others (Note 24.1 and Note 24.2)	<u>40,432</u>	<u>54,180</u>
	378,173	895,075

Considered doubtful:

Others	11,968	11,968
Less: Allowance for expected credit losses	<u>11,968</u>	<u>11,968</u>
	-	-
	<u>378,173</u>	<u>895,075</u>

24.1 These include Rupees 0.495 million (2025: Rupees 0.495 million) due from Riaz and Company (1962, Private) Limited, a related party, which is past due but not impaired. The ageing analysis is as follows:

Within 1 to 6 months	-	132
More than 6 months	495	363
	<u>495</u>	<u>495</u>

24.2 The maximum aggregate amount receivable from the related party at the end of any month during the year was Rupees 0.495 million (2025: Rupees 0.495 million).

25. TAXATION AND LEVY - NET
Advance income tax - net

Advance tax and prepaid Levy	252,017	312,422
Provision for taxation	(79,131)	(87,707)
Levy payable	<u>(56,748)</u>	<u>(65,456)</u>
	116,138	159,259

2026 2025
(RUPEES IN THOUSAND)

26. SHORT TERM INVESTMENTS

Equity investments at fair value through other comprehensive income (FVTOCI) (Note 26.1)	335,396	138,089
At fair value through profit or loss (FVTPL) (Note 26.2)	260,598	542,171
	<u>595,994</u>	<u>680,260</u>

26.1 Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI)

Others - quoted

Crescent Steel and Allied Products Limited 76 (2025: 76) ordinary shares of Rupees 10 each fully paid.	1	1
Samba Bank Limited 2 579 313 (2025: 2 579 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.26% (2025: 0.26%)	7,091	7,091
The Crescent Textile Mills Limited 4 606 863 (2025: 4 734 863) ordinary shares of Rupees 10 each fully paid. Equity held 4.61% (2025: 4.73%)	55,618	57,163
	<u>62,710</u>	<u>64,255</u>
Add: Fair value adjustment	272,686	73,834
	<u>335,396</u>	<u>138,089</u>

26.2 At Fair Value Through Profit or Loss (FVTPL)

Alfalah Money Market Fund 2 621 897.7013 Units (2025: 1 511 674.2246 Units)	259,586	149,251
Alfalah Cash Fund Nil (2025: 777 980.7692 Units)	-	392,324
	<u>259,586</u>	<u>541,575</u>
Add: Fair value adjustment	1,012	596
	<u>260,598</u>	<u>542,171</u>

2026 2025
(RUPEES IN THOUSAND)

27. CASH AND BANK BALANCES**With banks:**

On current accounts

143,245 14,870

Cash in hand

759 611

144,004 15,481
28. REVENUE

Revenue from contracts with customers:

Local sales (Note 28.1)

4,975,424 4,424,205

Export sales (Note 28.2)

598,111 1,142,963

5,573,535 5,567,168

Export rebate

4,319 6,333

5,577,854 5,573,501
28.1 Local sales

Yarn

5,501,377 5,058,534

Hosiery

- 11,365

Home textiles

24,854 3,729

Raw materials

302,293 106,504

Waste

42,476 40,430

5,871,000 5,220,562

Less: Sales tax

895,576 796,357

4,975,424 4,424,205
28.2 Export sales

Hosiery

53,518 207,749

Home textiles

544,593 856,630

Fabric

- 78,584

598,111 1,142,963
28.3 Sales in respect of foreign and local jurisdictions is as follows:

20,636 -

Algeria

14,816 -

Australia

325,795 572,476

Czech Republic

62,152 196,028

Ghana

24,095 -

Greece

36,086 47,064

Italy

1,230 -

Ivory Coast

4,975,424 4,424,205

Pakistan

- 18,150

Romania

14,815 8,147

Spain

19,635 21,024

United Kingdom

54,670 208,550

United States of America

2,740 11,976

Canada

- 65,881

Netherlands

19,818 -

United Arab Emirates

5,942 -

Poland

5,577,854 5,573,501

- 28.4** Revenue is recognized at the point in time as per the terms and conditions of underlying contracts with customers.

	2026	2025
	(RUPEES IN THOUSAND)	
29. COST OF SALES		
Raw materials consumed (Note 29.1)	3,100,946	3,087,540
Salaries, wages and other benefits (Note 29.2)	294,461	365,442
Stores, spare parts and loose tools consumed	160,302	192,231
Fuel and power	977,743	1,209,173
Outside weaving / processing / stitching charges	175,147	250,290
Other manufacturing overheads	22,764	38,150
Insurance	4,818	7,151
Repair and maintenance	1,624	3,383
Depreciation (Note 16.1.4)	27,760	29,012
	4,765,565	5,182,372
Work-in-process		
Opening stock	95,684	112,487
Closing stock	(142,297)	(95,684)
	(46,613)	16,803
Cost of goods manufactured	4,718,952	5,199,175
Finished goods		
Opening stock	403,071	219,676
Closing stock	(183,465)	(403,071)
	219,606	(183,395)
	4,938,558	5,015,780
Cost of goods purchased for resale	242,665	125,800
	5,181,223	5,141,580
29.1 Raw materials consumed		
Opening stock	148,386	214,999
Add: Purchased during the year	3,255,288	3,020,927
	3,403,674	3,235,926
Less: Closing stock	302,728	148,386
	3,100,946	3,087,540

29.2 Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 17.729 million (2025: Rupees 25.605 million).

30. DISTRIBUTION COST

2026 2025
(RUPEES IN THOUSAND)

Freight and forwarding	30,943	59,780
Commission to selling agents	3,580	5,771
Insurance	551	624
Loading and handling	3,154	14,197
Others	1,753	2,905

39,981	83,277
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31. ADMINISTRATIVE EXPENSES

Salaries and other benefits (Note 31.1)	178,316	186,572
Workers' welfare	4,117	2,536
Traveling and conveyance	6,184	5,697
Insurance	4,203	2,698
Rent, rates and taxes (Note 31.2)	8,439	6,657
Entertainment	3,294	2,900
Fee and subscription	3,305	2,872
Communication	3,155	2,666
Vehicles' running	10,536	10,536
Repair and maintenance	15,156	11,478
Utilities	5,861	7,491
Printing and stationery	2,246	2,315
Books and periodicals	8	15
Advertisement	367	136
Auditor's remuneration (Note 31.3)	3,168	2,747
Legal and professional	2,384	2,050
Miscellaneous	6,438	6,962
Depreciation (Note 16.1.4)	7,425	2,094

264,602	258,422
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31.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 28.991 million (2025: Rupees 22.833 million).

31.2 These include Rupees 3.705 million (2025: Rupees 3.442 million) in respect of short term lease.

31.3 Auditor's remuneration

Statutory audit - standalone	1,775	1,675
Statutory audit - consolidation	300	300
Other certifications including half yearly review	640	565
Sales Tax	198	127
Out of pocket expenses	255	80

3,168	2,747
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32. OTHER EXPENSES

2026 2025
(RUPEES IN THOUSAND)

Workers' profit participation fund (Note 11.5)	7,099	6,743
Exchange loss - net	8,842	7,039
Allowance for expected credit losses (Note 22.3)	226	-
Provision for doubtful loans and advances (Note 23.1)	178	393
Workers' welfare fund (Note 11.6)	2,778	2,672
Impairment loss on non-current assets classified as held for sale	-	326
	<u>19,123</u>	<u>17,173</u>

33. OTHER INCOME**Income from financial assets**

Dividend income (Note 33.1)	23,262	887
Unrealized gain on investment at FVTPL	1,012	596
Gain on sale of investments at FVTPL - net	23,870	20,927
Reversal of allowance for expected credit losses (Note 22.3)	-	629
	<u>48,144</u>	<u>23,039</u>

Income from non-financial assets

Rental income	53,576	44,272
Scrap sales	1,526	3,078
Gain on sale of property, plant and equipment	17,557	275
Credit balances written back	615	2,841
Gain on remeasurement of fair value of investment properties (Note 17)	23,549	15,424
	<u>96,823</u>	<u>65,890</u>
	<u>144,967</u>	<u>88,929</u>

33.1 Dividend income

Crescent Steel and Allied Products Limited	1	1
Security Papers Limited	4	6
Alfalsh Money Market Fund	23,257	765
Alfalsh Cash Fund	-	115
	<u>23,262</u>	<u>887</u>

34. FINANCE COST

Mark-up / interest on:

Long term financing	2,429	1,497
Short term borrowings	73,625	75,851
Workers' profit participation fund (Note 11.5)	308	855
Bank charges and commission	5,410	7,069
	<u>81,772</u>	<u>85,272</u>

35. LEVY

Levy for the year	69,263	65,456
Prior year	(12,515)	117
	<u>56,748</u>	<u>65,573</u>

- 35.1** Levy represents minimum tax on turnover and final taxes under relevant provision of Income Tax Ordinance, 2001.

2026 2025
(RUPEES IN THOUSAND)

36. TAXATION

Current	13,192	21,768
- For the year	(3,128)	-
- Prior year	14,039	(17,124)
Deferred (Note 19.1)	<u>24,103</u>	<u>4,644</u>

- 36.1** Taxation for the year represents tax on taxable income and super tax under relevant provisions of Income Tax Ordinance, 2001.

36.2 Reconciliation between tax expense and accounting profit

Profit before levy and taxation	<u>136,120</u>	<u>130,927</u>
Applicable tax rate	<u>29%</u>	<u>29%</u>
Tax on accounting profit	39,475	37,969
Prior year adjustment	(15,643)	117
Effect of super tax	-	12,063
Effect of minimum tax	69,742	69,707
Effect of final tax regime income taxed at lower rate	(956)	(873)
Effect of rental income taxed at lower rate	(4,677)	(4,034)
Effect of deferred income tax	14,039	(17,124)
Effect of expenses / income that are not considered in determining taxable liability	<u>(21,129)</u>	<u>(27,608)</u>
Current levy and taxation as per applicable law	80,851	70,217
Levy (Note 35)	(56,748)	(65,573)
Taxation (Note 36)	<u>(24,103)</u>	<u>(4,644)</u>
	<u>-</u>	<u>-</u>

37. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

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

		2026	2025
Profit attributable to ordinary shareholders	(Rupees in thousand)	<u>55,269</u>	<u>60,710</u>
Weighted average number of ordinary shares	(Numbers)	<u>22 660 126</u>	<u>22 660 126</u>
Earnings per share	(Rupees)	<u>2.44</u>	<u>2.68</u>

Continuing operations

		2026	2025
Profit attributable to ordinary shareholders	(Rupees in thousand)	<u>55,269</u>	<u>6,489</u>
Weighted average number of ordinary shares	(Numbers)	<u>22 660 126</u>	<u>22 660 126</u>
Earnings per share	(Rupees)	<u>2.44</u>	<u>0.29</u>

Discontinued operation

Profit for the year after taxation	(Rupees in thousand)	-	54,221
Weighted average number of ordinary shares	(Numbers)	<u>22 660 126</u>	<u>22 660 126</u>
Earnings per share	(Rupees)	<u>-</u>	<u>2.39</u>

2026 2025
(RUPEES IN THOUSAND)

38. CASH GENERATED FROM OPERATIONS

Profit before taxation and levy	136,120	130,927
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Adjustments for non cash charges and other items:

Depreciation (Note 16.1.4)	35,185	31,106
Provision for staff retirement gratuity (Note 10.3)	46,720	48,438
Gain on sale of property, plant and equipment (Note 33)	(17,557)	(275)
Gain on sale of assets held for sale	-	(58,056)
Provision for workers' profit participation fund (Note 32)	7,099	6,743
Provision for workers' welfare fund (Note 32)	2,778	2,672
Unrealized gain on investments at FVTPL (Note 33)	(1,012)	(596)
Gain on remeasurement of fair value of investment properties (Note 33)	(23,549)	(15,424)
Allowance / (reversal of allowance) for expected credit losses	226	(629)
Unrealized exchange loss / (gain)	378	(2,931)
Gain on sale of investment at FVTPL - net (Note 33)	(23,870)	(20,927)
Provision for doubtful loans and advances (Note 32)	178	393
Finance cost (Note 34)	81,772	89,107
Credit balances written back (Note 33)	(615)	(2,841)
Impairment loss on non-current assets classified as held for sale	-	326
Working capital changes (Note 38.1)	145,538	(191,527)
	389,391	16,506

38.1 Working capital changes**Decrease / (increase) in current assets**

Stores, spare parts and loose tools	3,786	27,672
Stock-in-trade	18,651	(90,558)
Trade debts	7,554	29,035
Loans, advances and prepayments	7,171	21,301
Other receivables	516,902	(39,529)
	554,064	(52,079)

Decrease in trade and other payables	(231,389)	(153,304)
(Decrease) / increase in contract liabilities	(177,137)	13,856
	145,538	(191,527)

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

	2026		
	Long term Financing	Short term borrowings	Unclaimed dividend
(RUPEES IN THOUSAND)			
Balance as at 01 July	19,191	902,542	2,909
Short term borrowings - net	-	40,838	-
Proceeds from long term financing	31,172	-	-
Repayment of long term financing	(13,381)	-	-
Dividend Paid	-	-	(460)
Balance as at 30 June	<u>36,982</u>	<u>943,380</u>	<u>2,449</u>
	2025		
	Long term Financing	Short term borrowings	Unclaimed dividend
(RUPEES IN THOUSAND)			
Balance as at 01 July	58,764	698,287	4,177
Short term borrowings - net	-	204,255	-
Repayment of long term financing	(39,573)	-	-
Dividend Paid	-	-	(1,268)
Balance as at 30 June	<u>19,191</u>	<u>902,542</u>	<u>2,909</u>

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, 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, except for remuneration to Chief Executive Officer, directors and key management personnel as discussed in Note 40, is as follows:

		2026	2025
Name	Nature of transaction	(RUPEES IN THOUSAND)	
Subsidiary company			
Crescot Mills Limited	Raw materials purchased	-	68,054
	Sale of goods	-	2,940
	Expenses paid on behalf of subsidiary company	-	692
	Expenses paid by subsidiary compay	500	-
Associated companies			
Premier Insurance Limited**	Insurance premium	-	3,590
Riaz and Company (1962, Private) Limited	Expenses paid on behalf of associated company	-	132
Other related parties			
Directors and executives	Loan received - net	758	17,061

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related Party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Crescot Mills Limited	Common directorship and subsidiary company	Yes	Yes	None
Riaz and Company (1962, Private) Limited	Common directorship	No	Yes	None
Bridgeline Global Logistics (Private) Limited	Common directorship	No	No	None
Jubilee Spinning & Weaving Mills Limited	Common directorship	No	No	None
Zhoosh (Private) Limited	Common directorship of subsidiary company	No	No	None
HCA Consulting (Private) Limited	Common directorship of subsidiary company	No	No	None
North Star Logistics (Private) Limited	Common directorship of subsidiary company	No	No	None
C.R. Weaving Mills (Private) Limited	Common directorship of subsidiary company	No	No	None
Bridgeline Global Logistics (Private) Limited	Common directorship of subsidiary company	No	No	None
Shams Textile Mills Limited*	Common directorship of subsidiary company	No	No	None
Premier Insurance Limited**	Common directorship	No	Yes	None
Mr. Abid Mehmood	Chief Executive Officer	Yes	Yes	-
Mr. Naveed Gulzar	Director	Yes	Yes	-
Mr. Adnan Amjad	Director	Yes	Yes	-
Mr. Taimur Amjad	Director	Yes	Yes	-
Ms. Shameen Azfar	Director	Yes	Yes	-
Ms. Nazish Arshad	Director	Yes	Yes	-
Mr. Salman Saif	Director	No	No	-
Mr. Salman Rafi	EX-Director	No	No	-

* It ceased to be related party with effect from 29 May 2026 due to change of common director.

** It ceased to be related party with effect from 19 May 2026 due to change of common director.

40. 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:

	Chief Executive Officer		Directors		Executives	
	2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)						
Managerial remuneration	9,065	9,018	6,018	6,002	44,057	41,375
Allowances:						
Housing	4,079	4,058	2,708	2,701	19,826	18,198
Utilities	907	902	602	600	4,406	4,138
Group insurance	-	-	6	6	39	33
Reimbursable expenses	907	902	602	600	4,063	4,006
	14,958	14,880	9,936	9,909	72,391	67,750
Number of persons	1	1	1	1	14	14

- 40.1** Aggregate amount charged in the financial statements for meeting fee to four directors (2025: four directors) was Rupees 460,000 (2025: Rupees 460,000).
- 40.2** The Chief Executive Officer, directors and executives of the Company are provided with Company maintained vehicles.
- 40.3** Apart from the meeting fee as disclosed in Note 40.1, no remuneration was paid to non-executive directors of the Company.

41. NUMBER OF EMPLOYEES

	2026	2025
Number of employees as on 30 June	686	773
Average number of employees during the year	724	793

42. ENTITY - WIDE INFORMATION

The Company constitutes a single reportable segment. All non-current assets of the Company as at reporting dates are located and operating in Pakistan. The Company's revenue is earned from two major customers (2025: three) of the Company representing revenue of Rupees 1,253.985 million (2025: Rupees 2,048.283 million).

43. PLANT CAPACITY AND ACTUAL PRODUCTION

		2026	2025
Spinning:			
100% plant capacity converted to 20s count	Kgs.	10 814 901	11 002 649
Actual production converted to 20s count	Kgs.	9 802 714	9 658 301
Hosiery and home textiles:			
Capacity of such units cannot be determined due to nature of their operations.			

43.1 Reason For Low Production

The variation in planned production of yarn counts changed the capacity. The reasons for low production include normal repair and maintenance and power shut down / jerks.

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 provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk**(i) Currency risk**

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

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

	2026	2025
Trade debts - USD	306,650	567,742
Trade debts - GBP	-	13,080
Trade debts - EURO	69,651	157,964

Following significant exchange rates were applied during the year:

Rupees per US Dollar

Average rate	280.34	279.47
Reporting date rate	278.05	283.60

Rupees per GBP

Average rate	377.80	360.49
Reporting date rate	-	388.97

Rupees per EURO

Average rate	327.06	313.71
Reporting date rate	316.95	332.25

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit before taxation for the year would have been Rupees 4.997 million (2025: Rupees 10.175 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

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

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2026 (RUPEES IN THOUSANDS)	2025
PSX 100 (5% increase)	17,126	7,191
PSX 100 (5% decrease)	(17,126)	(7,191)
Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as FVTOCI.		

Index	Impact on profit after taxation	
	2026	2025
MUFAP (5% increase)	12,131	25,238
MUFAP (5% decrease)	(12,131)	(25,238)
Profit before taxation would increase / decrease as a result of gains / losses on equity investments classified as FVTPL.		

(iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing and short term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2026	2025
(RUPEES IN THOUSAND)		
Fixed rate instruments		
Financial liabilities		
Long term financing	7,818	19,191
Floating rate instruments		
Financial liabilities		
Long term financing	29,164	-
Short term borrowings	615,163	575,083

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees 5.999 million (2025: Rupees 5.354 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2026	2025
	(RUPEES IN THOUSAND)	
Investments	605,688	686,176
Deposits	3,092	3,092
Trade debts	456,678	464,836
Loans and advances	524	1,149
Other receivables	40,432	54,180
Bank balances	143,245	14,870
	<u>1,249,659</u>	<u>1,224,303</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2026	2025
	Short Term	Long Term	Agency	Rupees in Thousands	
Banks					
Conventional accounts					
National Bank of Pakistan	A1+	AAA	PACRA	27,453	9,694
Allied Bank Limited	A1+	AAA	PACRA	5,152	288
Bank Alfalah Limited	A1+	AAA	PACRA	1,143	493
Habib Bank Limited	A1+	AAA	VIS	7,664	250
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	315	1,022
MCB Bank Limited	A1+	AAA	PACRA	78	66
United Bank Limited	A1+	AAA	VIS	8,739	783
Askari Bank Limited	A1+	AA+	PACRA	31	31
Bank AL Habib Limited	A1+	AAA	PACRA	37,153	553
Bank Makramah Limited	A2	A-	VIS	2,496	-
The Bank of Punjab	A1+	AAA+	PACRA	250	253
Sindh Bank Limited	A1+	AA	VIS	-	53
JS Bank Limited	A1+	AA	PACRA	32	63
				<u>90,506</u>	<u>13,549</u>

Shariah compliant accounts

	Rating			2026	2025
	Short Term	Long Term	Agency	Rupees in Thousands	
Meezan Bank Limited	A1+	AAA	VIS	49,311	888
Faysal Bank Limited	A1+	AA	PACRA	384	141
Bank Al-Habib Limited	A1+	AAA	PACRA	25	25
Askari Bank Limited	A1+	AA+	PACRA	81	121
Bank Islami Pakistan Limited	A1	AA-	PACRA	24	25
Bank Alfalah Limited	A1+	AAA	PACRA	2,914	121
				52,739	1,321
				143,245	14,870

Due to the Company's long standing business relationship with these counterparties, management does not expect non-performance by these counterparties on their obligations of the Company. Accordingly the credit risk is minimal.

To manage exposure of credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Majority of the Company's revenue is earned from customers where advance payment is received. Sales contracts and credit terms are approved by the senior management. The management has set a maximum credit period limit for each type of customer 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.

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is as follows:

	GROSS AMOUNT		EXPECTED CREDIT LOSSES	
	2026	2025	2026	2025
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Not past due	348,861	259,720	-	-
Upto 1 month	79,170	188,096	-	-
1 to 6 months	28,647	16,809	-	-
6 months to 1 year	-	211	-	-
More than 1 year	2,329	2,103	2,329	2,103
	459,007	466,939	2,329	2,103

The management believes that all unimpaired amounts are collectable in full, based on historical payment behaviour and extensive analysis of consumer credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity risk is by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 284.837 million (2025: Rupees 274.917 million) available borrowing limits from financial institutions and Rupees 144.004 million (2025: Rupees 15.481 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities: (RUPEES IN THOUSAND)						
Long term financing	36,982	42,998	12,436	8,741	13,195	8,626
Trade and other payables	483,552	483,552	483,552	-	-	-
Accrued mark-up	14,008	14,008	14,008	-	-	-
Short term borrowings	943,380	979,902	979,902	-	-	-
Unclaimed dividend	2,449	2,449	2,449	-	-	-
	<u>1,480,371</u>	<u>1,522,909</u>	<u>1,492,347</u>	<u>8,741</u>	<u>13,195</u>	<u>8,626</u>

Contractual maturities of financial liabilities as at 30 June 2025:**Non-derivative financial liabilities:**

Long term financing	19,191	20,002	5,857	5,857	8,288	-
Trade and other payables	676,371	676,371	676,371	-	-	-
Accrued mark-up	12,930	12,930	12,930	-	-	-
Short term borrowings	902,542	935,122	935,122	-	-	-
Unclaimed dividend	2,909	2,909	2,909	-	-	-
	<u>1,613,943</u>	<u>1,647,334</u>	<u>1,633,189</u>	<u>5,857</u>	<u>8,288</u>	<u>-</u>

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

44.2 Financial instruments by categories

2026				2025			
At amortized cost	At FVTOCI	At FVTPL	Total	At amortized cost	At FVTOCI	At FVTPL	Total
(RUPEES IN THOUSAND)							

Assets as per statement of financial position

Deposits	3,092	-	-	3,092	3,092	-	-	3,092
Trade debts	456,678	-	-	456,678	464,836	-	-	464,836
Loans and advances	524	-	-	524	1,149	-	-	1,149
Other receivables	40,432	-	-	40,432	54,180	-	-	54,180
Investments	-	345,090	260,598	605,688	-	144,005	542,171	686,176
Cash and bank balances	144,004	-	-	144,004	15,481	-	-	15,481
	<u>644,730</u>	<u>345,090</u>	<u>260,598</u>	<u>1,250,418</u>	<u>538,738</u>	<u>144,005</u>	<u>542,171</u>	<u>1,224,914</u>

2026	2025
Financial liabilities at amortized cost	

(RUPEES IN THOUSAND)

Liabilities as per statement of financial position

Long term financing	36,982	19,191
Trade and other payables	483,552	676,371
Accrued mark-up	14,008	12,930
Short term borrowings	943,380	902,542
Unclaimed dividend	2,449	2,909

<u>1,480,371</u>	<u>1,613,943</u>
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44.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

2026			2025		
Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position

(RUPEES IN THOUSAND)

Assets as per statement of financial position

Long term investments	9,694	-	9,694	5,916	-	5,916
Long term deposits	3,092	-	3,092	3,092	-	3,092
Trade debts	456,678	-	456,678	464,836	-	464,836
Loans, advances and prepayments	524	35,768	36,292	1,149	42,492	43,641
Other receivables	40,432	337,741	378,173	54,180	840,895	895,075
Short term investments	595,994	-	595,994	680,260	-	680,260
Cash and bank balances	144,004	-	144,004	15,481	-	15,481
	<u>1,250,418</u>	<u>373,509</u>	<u>1,623,927</u>	<u>1,224,914</u>	<u>883,387</u>	<u>2,108,301</u>

2026			2025		
Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position

(RUPEES IN THOUSAND)

Liabilities as per statement of financial position

Long term financing	36,982	-	36,982	19,191	-	19,191
Trade and other payables	483,552	85,501	569,053	676,371	141,549	817,920
Accrued mark-up	14,008	-	14,008	12,930	-	12,930
Short term borrowings	943,380	-	943,380	902,542	-	902,542
Unclaimed dividend	2,449	-	2,449	2,909	-	2,909
	<u>1,480,371</u>	<u>85,501</u>	<u>1,565,872</u>	<u>1,613,943</u>	<u>141,549</u>	<u>1,755,492</u>

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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in Note 9 and Note 14 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

	2026	2025
	(RUPEES IN THOUSAND)	
Borrowings	980,362	921,733
Total equity	6,550,878	6,267,117
Total capital employed	<u>7,531,240</u>	<u>7,188,850</u>
	(PERCENTAGE)	
Gearing ratio	<u>13.02</u>	<u>12.82</u>

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

45. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENT

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

Recurring fair value measurements At 30 June 2026	Level 1	Level 2	Level 3	Total
(RUPEES IN THOUSAND)				
Financial assets				
At fair value through other comprehensive income	342,529	-	2,561	345,090
At fair value through profit and loss	260,598	-	-	260,598
Total financial assets	<u>603,127</u>	<u>-</u>	<u>2,561</u>	<u>605,688</u>

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
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----- (RUPEES IN THOUSAND) -----

Financial assets

At fair value through other comprehensive income	143,817	-	188	144,005
At fair value through profit and loss	542,171	-	-	542,171
Total financial assets	685,988	-	188	686,176

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

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

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

Level 1: The fair value of financial instruments traded in active markets (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 technique used to value listed financial instruments include the use of quoted market prices.

46. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

Level 1	Level 2	Level 3	Total
(RUPEES IN THOUSAND)			

At 30 June 2026

Investment properties	-	331,236	-	331,236
Freehold land	-	4,788,267	-	4,788,267

Total non-financial assets	-	5,119,503	-	5,119,503
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Level 1	Level 2	Level 3	Total
(RUPEES IN THOUSAND)			

At 30 June 2025

Investment properties	-	307,687	-	307,687
Freehold land	-	4,788,267	-	4,788,267

Total non-financial assets	-	5,095,954	-	5,095,954
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The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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

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

The Company obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) annually. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new construction / replacement value of the same building.

Valuation process

The Company engages external, independent and qualified valuer, to determine the fair value of the Company's investment properties and freehold land. The fair value of freehold land and the investment properties have been determined by Messrs Evaluation Focused Consulting and Messrs Empire Enterprises (Private) Limited as at 21 June 2023 and 30 June 2026 respectively.

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

47. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	Note	2026	2025
		(RUPEES IN THOUSAND)	
Statement of Financial Position - Liability Side:			
Financing (long-term, short-term, or lease financing)			
obtained as per Islamic mode:			
Long term financing	9.2	29,164	-
Short term borrowings	14.3	328,217	327,459
Interest or mark-up accrued on any			
conventional loan or advance:		140	310
Long term financing	13	13,699	12,620
Short term borrowings			
Statement of Financial Position - Asset Side:			
Long term and short term shariah compliant investments		316,304	117,149
Shariah-compliant bank deposits, bank balances and TDRs	44.1 (b)	52,739	1,321
Statement of Profit or Loss:			
Revenue earned from shariah compliant business segment		5,577,854	5,573,501
Break - up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on shariah compliant investments			
or share of profit from shariah-compliant associate:			
Gain realized on disposal of equity investments at FVTOCI	6	8,311	44,882
Unrealized gain on remeasurement of equity investments at FVTOCI	6	210,941	49,901
Dividend income	33.1	5	7
Profit earned from Shariah-compliant bank deposits, bank balances or TDRs		-	-
Exchange gain earned from actual currency		-	-
Exchange gain earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		1,442	-
Total Interest earned on any conventional loan or advance		-	-
Source and detailed breakup of other income, including			
breakup of other or miscellaneous portions of other			
income into Shariah-compliant and non-compliant income			
Shariah compliant:			
Dividend income	33.1	5	7
Reversal of allowance for expected credit losses	33	-	629
Rental income	33	53,576	44,272
Scrap sales	33	1,526	3,078
Gain on sale of property, plant and equipment	33	17,557	275
Credit balances written back	33	615	2,841
Gain on remeasurement of fair value of investment properties	33	23,549	15,424
Non-Shariah compliant:			
Unrealized gain on investment at FVTPL	33	1,012	596
Gain on sale of investment at FVTPL - net	33	23,870	20,927
Dividend income	33.1	23,257	880

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Bank Name	Relationship
Meezan Bank Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Bank AL Habib Limited	Bank balance
Askari Bank Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Bank Alfalah Limited	Bank balance
First Habib Modaraba	Long term financing

48. DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 30, 2026 by the Board of Directors of the Company.

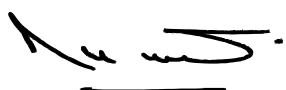
49. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / or reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification have been made except as detailed below for the purpose of better presentation and understanding:

Reclassified from	Reclassified to	2025 (Rupees in Thousand)
Trade and other payables	Contract liabilities	252,743
Other expenses- Allowance for expected credit losses	Other income- Reversal of allowance for expected credit losses	56

50. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CRESCENT COTTON MILLS LIMITED
AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION**

YEAR ENDED 30 JUNE 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Cotton Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Crescent Cotton Mills Limited and its Subsidiary Company (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	Inventory existence and valuation Inventories amounting to Rupees 700.612 million of the Group as at 30 June 2026 represented a material	Our procedures over existence and valuation of inventories included, but were not limited to:

Sr. No.	Key audit matters	How the matters were addressed in our audit
	portion in the consolidated statement of financial position, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 46.410 million - Stock-in-trade of Rupees 654.202 million Inventories are stated at lower of cost and net realizable value. We identified existence and valuation of inventories as a key audit matter due to their size, representing 7.86% of the total assets of the Group as at 30 June 2026, and the judgment involved in valuation. For further information on inventories, refer to the following: - Material accounting policy information, Inventories note 2.11 to the consolidated financial statements. - Stores, spare parts and loose tools note 22 and Stock-in-trade note 23 to the consolidated financial statements.	• 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. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the consolidated financial statements.
2.	Revenue recognition We identified recognition of revenue of the Group as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition	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;

Sr. No.	Key audit matters	How the matters were addressed in our audit
	note 2.13 to the consolidated financial statements. - Revenue note 30 to the consolidated financial statements.	• 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 consolidated financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

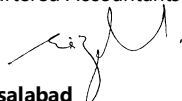
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

RIAZ AHMAD & COMPANY

Chartered Accountants



Faisalabad

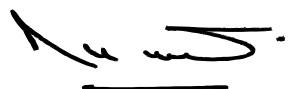
October 02, 2026

UDIN: AR202610158cepRDilSP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2025: 30 000 000) ordinary shares of Rupees 10 each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid up share capital	4	226,601	226,601
Reserves			
Capital reserves			
Premium on issue of shares	5	5,496	5,496
Plant modernization reserve		12,000	12,000
Share of equity accounted investees' reserve		-	7,033
Fair value reserve	6	245,303	42,532
Surplus on revaluation of freehold land and investment properties	7	4,896,102	4,896,102
		5,158,901	4,963,163
Revenue reserves	8	1,507,161	1,426,731
Total reserves		6,666,016	6,389,894
Equity attributable to equity holders of the Holding Company		6,892,617	6,616,495
Non-controlling interest		174,873	178,814
TOTAL EQUITY		7,067,490	6,795,309
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	9	19,426	7,818
Staff retirement gratuity	10	123,646	140,883
		143,072	148,701
CURRENT LIABILITIES			
Trade and other payables	11	618,604	851,054
Contract liabilities	12	102,528	312,458
Accrued mark-up	13	14,008	12,930
Short term borrowings	14	943,380	902,542
Current portion of long term financing	9	17,556	11,373
Unclaimed dividend		2,449	2,909
		1,698,525	2,093,266
TOTAL LIABILITIES		1,841,597	2,241,967
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		8,909,087	9,037,276

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



CHIEF EXECUTIVE OFFICER

	NOTE	2026 (RUPEES IN THOUSAND)	2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	5,548,002	5,083,352
Investment properties	17	710,038	686,159
Investment in equity accounted associate	18	-	2,062
Long term investments	19	9,694	3,881
Long term advance	20	240	-
Long term deposits		3,614	3,614
Deferred income tax asset	21	49,831	71,173
		6,321,419	5,850,241
CURRENT ASSETS			
Stores, spare parts and loose tools	22	46,410	50,196
Stock-in-trade	23	654,202	727,445
Trade debts	24	456,678	464,836
Loans, advances and prepayments	25	37,798	48,920
Short term deposits and other receivables	26	404,409	920,810
Taxation and levy - net	27	126,099	167,998
Short term investments	28	716,494	680,260
Cash and bank balances	29	145,578	126,570
		2,587,668	3,187,035
TOTAL ASSETS		8,909,087	9,037,276
			
DIRECTOR		CHIEF FINANCIAL OFFICER	



DIRECTOR

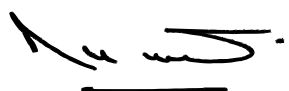


CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
CONTINUING OPERATIONS:			
REVENUE	30	6,132,227	5,988,665
COST OF SALES	31	(5,710,822)	(5,538,700)
GROSS PROFIT		421,405	449,965
DISTRIBUTION COST	32	(41,686)	(84,978)
ADMINISTRATIVE EXPENSES	33	(308,290)	(302,166)
OTHER EXPENSES	34	(19,123)	(17,173)
OTHER INCOME	35	161,534	115,383
PROFIT FROM CONTINUING OPERATIONS		213,840	161,031
FINANCE COST	36	(82,539)	(86,489)
		131,301	74,542
SHARE OF NET PROFIT IN EQUITY ACCOUNTED INVESTEEs - NET OF TAX	18.1	736	414
PROFIT BEFORE LEVY AND TAXATION		132,037	74,956
LEVY	37	(63,711)	(71,714)
PROFIT BEFORE TAXATION		68,326	3,242
TAXATION	38	(24,082)	(3,404)
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		44,244	(162)
DISCONTINUED OPERATION			
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION		-	54,221
PROFIT AFTER TAXATION		44,244	54,059
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		48,313	56,392
NON-CONTROLLING INTEREST		(4,069)	(2,333)
		44,244	54,059
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	39	2.13	2.49
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	39	2.13	0.10
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	39	-	2.39

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

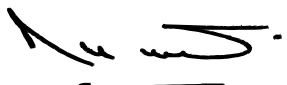


CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
PROFIT AFTER TAXATION		44,244	54,059
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Experience adjustment on defined benefit plan	10.1	25,254	6,084
Deferred income tax related to experience adjustment	21.1	(7,324)	(1,764)
		17,930	4,320
Fair value adjustment on remeasurement of investments at fair value through other comprehensive income	6	210,179	50,054
Share of other comprehensive income of equity accounted investees:			
Experience adjustment on defined benefit plan - net of tax		1	(4)
Fair value adjustment on remeasurement of investments at fair value through other comprehensive income		(71)	843
Share of other comprehensive income from associated company		(102)	257
		(172)	1,096
		227,937	55,470
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year - net of tax		227,937	55,470
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>272,181</u>	<u>109,529</u>
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: EQUITY HOLDERS OF HOLDING COMPANY		276,122	111,787
NON-CONTROLLING INTEREST		<u>(3,941)</u>	<u>(2,258)</u>
		<u>272,181</u>	<u>109,529</u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

SHARE CAPITAL	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										NON-CONTROLLING INTEREST	TOTAL EQUITY	
	CAPITAL RESERVES			REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY					
	Premium on issue of shares	Profit modernization on	Fair value surplus on liquidation of investments at IVDC	Share of equity accounted investee in freehold land and other properties	Sub total	General reserve			Unappropriated profit	Sub total			
	(RUPEES IN THOUSAND)												
226,601	5,496	12,000	3,953	4,926,217	5,937	4,953,603	48,975	1,275,529	1,324,504	6,278,107	6,504,708	181,072	6,685,780
-	-	-	(11,475)	-	-	(11,475)	-	11,475	11,475	-	-	-	-
-	-	-	-	(30,115)	-	(30,115)	-	30,115	30,115	-	-	-	-
-	-	-	-	-	-	-	-	56,392	56,392	56,392	56,392	(2,333)	54,059
-	-	-	50,054	-	1,096	51,150	-	4,245	4,245	55,395	55,395	75	55,470
-	-	-	50,054	-	1,096	51,150	-	60,637	60,637	111,787	111,787	(2,258)	109,529
226,601	5,496	12,000	42,532	4,896,102	7,033	4,963,163	48,975	1,377,756	1,426,731	6,389,894	6,616,495	178,814	6,795,309
-	-	-	(7,408)	-	-	(7,408)	-	7,408	7,408	-	-	-	-
-	-	-	-	-	-	(6,861)	-	6,861	6,861	-	-	-	-
-	-	-	-	-	-	-	-	48,313	48,313	48,313	48,313	(4,069)	44,244
-	-	-	210,179	-	(172)	210,007	-	17,802	17,802	227,809	227,809	128	227,937
-	-	-	210,179	-	(172)	210,007	-	66,115	66,115	276,122	276,122	(3,941)	272,181
226,601	5,496	12,000	245,303	4,896,102	-	5,158,901	48,975	1,458,140	1,507,115	6,666,016	6,892,617	174,873	7,067,490

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

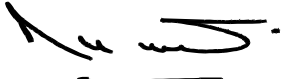

 CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

2026 2025
(RUPEES IN THOUSAND)

	NOTE		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	40	395,740	(7,013)
Finance cost paid		(81,153)	(97,095)
Income tax and levy paid		(31,876)	(116,022)
Workers' profit participation fund paid	11.4	(7,385)	(7,389)
Workers' welfare fund paid	11.5	(19,663)	-
Staff retirement gratuity paid		(41,114)	(48,221)
Decrease in long term deposits		-	291
Increase in long term advance		(240)	-
Net cash generated from / (used in) operating activities		214,309	(275,449)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(544,263)	(6,521)
Advance against purchase of investment property		(330)	(3,100)
Proceeds from sale of property, plant and equipment		61,770	714
Profit on saving account and TDRs received		10,159	17,919
Dividends received		23,262	950
Proceeds from sale of non current assets held for sale		-	550,205
Proceeds against disposal of FVTOCI investments		9,856	52,076
FVTPL investments redeemed / (acquired) - net		186,076	(517,690)
Net cash (used in) / from investing activities		(253,470)	94,553
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	40.2	31,172	-
Repayment of long term financing	40.2	(13,381)	(39,573)
Short term borrowings - net	40.2	40,838	204,255
Dividend paid	40.2	(460)	(1,268)
Net cash from financing activities		58,169	163,414
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		19,008	(17,482)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		126,570	144,052
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	29	145,578	126,570

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. THE GROUP AND ITS OPERATIONS

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

Crescent Cotton Mills Limited

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

1.1 Geographical location and addresses of all business units of the Company except for the registered office as mentioned above are as follows:

Manufacturing Unit and Offices	Address
Spinning Unit No. 1 and 2, Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib, Punjab
Liaison Office	408-Business Avenue, Shahrah-e-Faisal, Karachi, Sindh
Liaison Office	88-A, Broadway Commercial, Near Estate Building, D.H.A Phase 8, Lahore.

Crescot Mills Limited

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

'The material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, except otherwise stated.

2.1 Basis of preparation
a) Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment and investment properties are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future might affect the carrying amounts of the respective items of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales. Inventory write-down is made based on the current market conditions and historical experience. It could change significantly as a result of changes in market conditions.

Income Tax and levy

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

Recovery of deferred tax assets

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

Provisions

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

Contingencies

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

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of investments in equity accounted investees

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

Revenue from contracts with customers involving sale of goods

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

Staff retirement benefit

The actuarial valuation of staff retirement gratuity requires the use of certain assumptions related to future periods, including increase in future salary and the rate used to discount future cash flows to present value.

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

Following amendments to published approved accounting standard are mandatory for the Group's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Rates – Lack of Exchangeability.

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Group

Following standards, amendments and improvements to accounting standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2026 or later periods:

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 new 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'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Group will fall in Phase-II of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore, for mandatory disclosures, the effective date is for annual reporting periods beginning on or after 01 July 2026.

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

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature-dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable

Users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Group, as result of the IASB's annual improvements project:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The above standards, amendments and improvements are likely to have no significant impact on the consolidated financial statements apart from certain additional disclosures.

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Basis of Consolidation

a) Subsidiary Company

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

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

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

Intra-group balances and transactions are eliminated.

b) Associates

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

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

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

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

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

2.3 **Staff retirement gratuity**

The Group operates an unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme, calculated from the date of their joining with the Group. The Group obligation under the scheme is determined through actuarial valuation using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases and mortality rates. The latest actuarial valuation was conducted by an independent actuary. The obligation at the date of consolidated statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to the statement of profit or loss for the year. Remeasurement changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.4 **Taxation and levy**

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. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Group, 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 the consolidated statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Group is charged as current tax in the consolidated statement of profit or loss. The charge for current tax and levy also includes adjustments, where

Deferred

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

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

2.5 **Property, plant, equipment and depreciation**

Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the consolidated statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the consolidated statement of profit or loss.

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

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

b) Depreciation

Depreciation on property, plant and equipment is charged to consolidated statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 14.1. The Group charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

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

d) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.6 Investment properties

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

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

2.7 Financial Instruments

a) Classification

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

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

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

For assets measured at fair value, gains and losses will 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 Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

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

Debt instruments

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

Amortized cost

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

Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in consolidated profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2) or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair Value Through Other Comprehensive Income (FVTOCI)

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

Fair Value Through Profit or Loss (FVTPL)

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

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

2.8 Financial liabilities - Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.9 Impairment of financial assets

The Group recognizes loss allowances for ECLs on: B277:M305

- Financial assets measured at amortized cost;
 - Debt investments measured at FVTOCI; and
 - Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

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

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

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- 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.

2.10 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.11 Inventories

Inventories, except for 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

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

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

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

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.12 Cash and cash equivalents

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

2.13 Revenue recognition

i) 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.

ii) Rendering of Services

The Group provides textile related services to local customers. These services are sold separately and the Group's contract with the customers for services constitute a single performance obligation. Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Group's contracts with customers.

iii) 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.

iv) Rent

Rent is recognized when rent is accrued.

v) Dividend

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

vi) Other revenue

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

2.14 Contract assets

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

2.15 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.

2.16 Contract liabilities

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

2.17 Refund liabilities

Refund liabilities are recognized where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.18 Borrowings

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

2.19 Trade debts and other receivables

Trade debts are initially stated 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.

2.26 Contingent assets

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

2.27 Contingent liabilities

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

2.20 Share capital

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

2.21 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 method.

2.22 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 consolidated statement of profit or loss.

2.23 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 consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets 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 consolidated statement of profit or loss.

2.24 Provisions

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

2.25 Earnings per share

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

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3.2 Foreign currency transactions and translation

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

3.3 Offsetting of financial assets and liabilities

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

3.4 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of these assets are recognized as expense on straight-line basis over the lease term.

3.5 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which these are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.6 Dividend and other appropriations

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

3.7 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 the sale is considered highly probable. These are stated at the lower of carrying amount and fair value less cost to sell.

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (NUMBER OF SHARES)	2025		2026 (RUPEES IN THOUSAND)	2025
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid up in cash	55,098	55,098
16 992 345	16 992 345	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	169,923	169,923
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up, issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	1,580	1,580
<u>22 660 126</u>	<u>22 660 126</u>		<u>226,601</u>	<u>226,601</u>

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

	2026 (NUMBER OF SHARES)	2025
Premier Insurance Limited	-	212 000

4.1.1 It ceased to be associated company with effect from 19 May 2026 due to change of common director.

5. PREMIUM ON ISSUE OF SHARES RESERVE

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

6. FAIR VALUE RESERVE

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

2026 2025
(RUPEES IN THOUSAND)

Balance as on 01 July	42,532	3,953
Add: Fair value adjustment during the year	210,179	50,054
Less: Gain realized on disposal of equity investments	7,408	11,475
Balance as on 30 June	<u>245,303</u>	<u>42,532</u>

7. SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

Freehold land (Note 7.1)	4,782,963	4,782,963
Investment properties	113,139	113,139
	<u>4,896,102</u>	<u>4,896,102</u>

7.1 Surplus on revaluation of freehold land

Balance as on 01 July	4,782,963	4,813,078
Less: Surplus related to freehold land disposed of during the year	-	(30,115)
Balance as on 30 June	<u>4,782,963</u>	<u>4,782,963</u>

7.1.1 This represents surplus resulting from revaluation of freehold land carried out on 19 June 2023 by independent valuer Messrs Evaluation Focused Consulting. The valuation was determined with respect to the present market value of similar properties. Previously revaluation was carried out in June 2022, June 2019, June 2016, June 2015 and March 2010 by independent valuers.

8. REVENUE RESERVES

General	48,975	48,975
Unappropriated profit	1,458,186	1,377,756
	<u>1,507,161</u>	<u>1,426,731</u>

9. LONG TERM FINANCING

From banking company / financial institution - secured

Long term loans (Note 9.1)	7,818	19,191
Diminishing musharakah (Note 9.2)	29,164	-
	<u>36,982</u>	<u>19,191</u>
Less: Current portion shown under current liabilities		
Long term loans	7,818	11,373
Diminishing musharakah	9,738	-
	<u>17,556</u>	<u>11,373</u>
	<u>19,426</u>	<u>7,818</u>

LENDER	2026 (RUPEES IN THOUSAND)	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
9.1 Long term loans							
National Bank of Pakistan	7,818	19,191	6%	These are different loans repayable in twenty seven to twenty eight equal quarterly installments starting from 30 June 2020 and ending on 21 April 2027	-	Quarterly	First charge of Rupees 107 million over entire fixed assets of the Company at Spinning Unit No. 1 and 2 and personal guarantee of Chief Executive Officer, Director and Executive of the Holding Company
9.2 Diminishing musharakah							
First Habib Modaraba	29,164	-	3 Months KIBOR + 2.50%	These are different musharakas repayable in thirty three to thirty six equal monthly installments starting from 15 March 2026 and ending on 15 April 2029	Quarterly	Monthly	Title of the specific vehicles

10. STAFF RETIREMENT BENEFIT

The latest actuarial valuation of the staff retirement gratuity was conducted on 30 June 2026 using Projected Unit Credit Actuarial Cost Method.

2026 2025
(RUPEES IN THOUSAND)

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

Balance as on 01 July	140,883	141,507
Add:		
Provision for the year (Note 10.3)	49,131	50,554
Experience adjustment recognized in other comprehensive income	(25,254)	(6,084)
	164,760	185,977
Less: Paid during the year	41,114	45,094
Balance as on 30 June	123,646	140,883

10.2 Movements in the present value of staff retirement gratuity

Balance as on 01 July	140,883	141,507
Current service cost	33,951	31,552
Interest expense	15,180	19,002
Payments made during the year	(41,114)	(45,094)
Experience adjustment recognized in other comprehensive income	(25,254)	(6,084)
Balance as on 30 June	123,646	140,883

2026 2025
(RUPEES IN THOUSAND)

10.3 Provision for the year

Current service cost	33,951	31,552
Interest expense	15,180	19,002
	49,131	50,554

Charge for the year has been allocated as follows:

Cost of sales (Note 29.1)	17,729	25,605
Administrative expenses (Note 31.1)	31,402	24,949
	49,131	50,554

10.4 Significant actuarial assumptions used

	2026	2025
Discount rate to determine defined benefit cost (per annum)	11.75% - 12.50%	14.00% - 14.75%
Expected rate of increase in salary to determine defined benefit cost (per annum)	10.75% - 11.50%	13.00% - 13.75%
Discount rate to determine defined benefit obligation (per annum)	11.75%	11.75% - 12.50%
Expected rate of increase in salary to determine defined benefit obligation (per annum)	10.75%	10.75% - 11.50%
Average duration of the benefit (years)	4-9	5-10
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

10.5 The estimated expenses to be charged to the consolidated statement of profit or loss for the year ending on 30 June 2027 is Rupees 38.392 million.

10.6 Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement gratuity as at reporting date to changes in the weighted principal assumption is:

	2026	2025
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(5,239)	(7,050)
Decrease in assumption (Rupees in thousand)	6,546	8,749
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	6,643	8,880
Decrease in assumption (Rupees in thousand)	(5,458)	(7,335)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 10.4.

10.7 Risks associated with defined benefit plan

Discount rate risk

The risk of changes in discount rate may have an impact on the actuarial liability. Any increase in discount rate will reduce the liability and vice versa.

Salary increase / inflation risk

The increase in salary in future years being higher than assumed will increase the liability.

Mortality risk

Any increase in the mortality rates being assumed will increase the liability.

Withdraw risk

Any difference in the assumed withdrawal rates will have a corresponding impact on the liability depending on the benefits payable on withdrawal.

11. TRADE AND OTHER PAYABLES

	2026	2025
	(RUPEES IN THOUSAND)	
Creditors	203,500	408,433
Gas Infrastructure Development Cess (GIDC) payable (Note 11.1)	59,017	59,017
Accrued liabilities and other payables (Notes 11.2)	287,164	290,015
Income tax deducted at source	6,107	12,981
Letters of credit	12,538	-
Sales tax payable	12,285	53,868
Sindh Infrastructure Development Cess (SIDC) payable (Note 11.3)	28,116	-
Workers' profit participation fund (Note 11.4)	7,099	7,077
Workers' welfare fund (Note 11.5)	2,778	19,663
	<u>618,604</u>	<u>851,054</u>

11.1 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. On 13 August 2020, Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Holding Company along with other industrial gas consumers has obtained interim relief from Lahore High Court, Lahore against the charge of GIDC at the rate of captive power consumer instead of industrial consumer.

11.1.1 This amount is exclusive of GIDC amounting to Rupees 70.869 million, related to Spinning Unit No. 3 of the Holding Company which was sold during the year ended 30 June 2021 and as per the agreement, its liabilities were taken over by the new owner of the property. However, the provision of this amount has been included in 'accrued and other liabilities' which will be written back after the confirmation of Sui Northern Gas Pipelines Limited (SNGPL) regarding transfer of liability of GIDC.

11.2 These include gratuity payable due but not paid to employees amounting to Rupees 8.510 million (2025: Rupees 8.510 million).

11.3 This represents the provision for infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Subsidiary Company filed a writ petition before the Sindh High Court, (the Court) which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 4 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Subsidiary Company, along with others, filed petition for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

The Sindh Government through the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (Sindh Act No. X of 2026) promulgated on 19 February 2026, introduced a statutory mechanism for settlement of outstanding and disputed SIDC liabilities by inserting Sections 10A to 10F in the principal Act. Subsequent to the reporting period dated July 09, 2026 the Subsidiary Company filed a letter to Excise, Taxation and Narcotics Control Department to withdraw the litigation and pay the amount as per Amendment Act, 2026 settlement agreement framework. The Subsidiary Company is in process of finalizing the settlement agreement.

	2026	2025
	(RUPEES IN THOUSAND)	
11.4 Workers' profit participation fund		
Balance as on 01 July	7,077	6,868
Add:		
Provision for the year (Note 34)	7,099	6,743
Interest for the year (Note 36)	308	855
	<u>14,484</u>	<u>14,466</u>
Less: Payments made during the year	7,385	7,389
Balance as on 30 June	<u>7,099</u>	<u>7,077</u>
11.5 Workers' welfare fund		
Balance as on 01 July	19,663	16,991
Provision for the year (Note 34)	2,778	2,672
Less: Payments during the year	19,663	-
Balance as on 30 June	<u>2,778</u>	<u>19,663</u>

12. CONTRACT LIABILITIES

These represent unsecured contract liabilities of the Group towards various parties. The amount of Rupees 250.899 million included in contract liabilities at 30 June 2025 has been recognised as revenue (Note 30) during the year (2025: Rupees 215.102 million).

13. ACCRUED MARK-UP

2026 2025
(RUPEES IN THOUSAND)

Long term financing	309	310
Short term borrowings	13,699	12,620
	<u>14,008</u>	<u>12,930</u>

14. SHORT TERM BORROWINGS**Holding Company**

From banking company - secured:

Short term finances (Note 14.1) **615,163** 575,083

Others - unsecured: **328,217** 327,459

Other related parties (Note 14.3) **943,380** 902,542

14.1 These form part of total credit facility of Rupees 959 million (2025: Rupees 850 million) and carry mark-up at the rates of 1 month KIBOR plus 2.5 percent and 3 month KIBOR plus 1.5 percent (2025: 1 month KIBOR plus 2.5 percent and 3 month KIBOR plus 1.5 percent) per annum. These are secured against charge, pledge, lien and hypothecation over fixed and current assets of the Group and personal guarantee of Chief Executive Officer, Director and certain executives of the Holding Company. The rate of mark-up ranges from 12.08 percent to 25.00 percent (2025: 13.82 percent to 25.00 percent) per annum during the year on the balances outstanding.

14.2 The main facilities of letters of credits and guarantees of the Group aggregate to Rupees 575 million (2025: Rupees 350 million). The amounts utilized at 30 June 2026 were Rupees 265.152 million (2025: Rupees 284.844 million). Securities of these facilities are the same as mentioned in Note 14.1.

14.3 These represent interest free loans obtained from Chief Executive Officer, Directors and certain executives of the Holding Company to meet the Group's working capital requirements. These are repayable on demand.

15. CONTINGENCIES AND COMMITMENTS**a) Contingencies****Holding Company**

i) Certain additions have been made by the assessing officers in tax years 2006 and 2010 on various grounds and have created demand of Rupees 3.700 million. The Holding Company, being aggrieved, has filed appeals with Lahore High Court, Lahore, which are still pending. Dates of the institution of above mentioned appeals were 05 September 2016 and 29 November 2014 respectively. No provision has been made in these consolidated financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Holding Company.

ii) Crescent Fibres Limited (CFL) filed civil petition for the recovery of Rupees 23.000 million along with mark-up in Lahore High Court, Lahore, after rejection of its application in Civil Court, Lahore. Lahore High Court, Lahore stayed the proceedings before Civil Court, Lahore on the same date. No provision against this receivable has been made in these consolidated financial statements as the management is hopeful that the

case will be decided in favour of the Holding Company and all the outstanding dues will be recovered.

iii) Commissioner Inland Revenue filed a sales tax reference No. 56623 dated 11 September 2023 in Lahore High Court, Lahore against the Holding Company for an amount of Rupees 6.700 million. However, no provision is created due to possible favourable outcome of the reference for the Holding Company.

iv) The Holding Company filed petition before Honourable Lahore High Court, Lahore (the Court) on 11 September 2025, against the imposition of captive levy. The Honourable Lahore High Court, Lahore vide its judgment held that the mandatory mechanism prescribed under Section 4 of the Off the Grid (Captive Power Plants) Levy Act, 2025 for determination of the levy had not been followed and that the levy could not be imposed retrospectively in the absence of an express statutory provision. Accordingly, the Court set aside/annulled the impugned notifications and bills issued for retrospective recovery of the levy. Further, the Court also ordered that any amount collected from petitioners in this regard shall be credited in the bill(s) for the upcoming months and the post dated cheques furnished by the Holding Company, in compliance of the orders passed by the Court for grant of interim relief, shall be returned by Sui Northern Gas Pipeline Limited to the Holding Company. Against the order of the Court, Federation of Pakistan has filed appeal in Federal Constitutional Court of Pakistan which is pending adjudication. Based on the advice of legal counsel, the management of the Holding Company expects favourable outcome of the matter. Hence, provision of Rupees 5.917 million has not been recognised in these consolidated financial statements.

v) Guarantees of Rupees 91.195 million (2025: Rupees 106.888 million) are given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited (SNGPL) and Lahore Electric Supply Company Limited against gas and electricity connections respectively.

vi) Holding Company's share in contingencies of associates accounted for under equity method is Rupees Nil (2025: Rupees 2.883 million).

Subsidiary Company

There was no contingency as at 30 June 2026.

b)

Commitments

i) Contracts and letter of credit for capital expenditure of the Group are of Rupees 7.246 million (2025: Rupees Nil).

ii) Letters of credit other than for capital expenditure of the Group are of Rupees 158.839 million (2025: Rupees 268.217 million).

iii) Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Group with respect to IFRS 16 are of Rupees 3.947 million (2025: Rupees 3.692 million) which are to be paid within one year (2025: within one year).

16. PROPERTY, PLANT AND EQUIPMENT

	2026	2025
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 16.1)	5,232,991	5,080,744
Capital work-in-progress (Note 16.2)	315,011	2,608
	<u>5,548,002</u>	<u>5,083,352</u>

16.1 Operating fixed assets

	Land - Freehold	Buildings and roads	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 June 2024											
(RUPEES IN THOUSAND)											
Cost / revalued amount	286,360	98,300	637,423	176,354	32,020	13,200	13,773	46,845	11,723	1,058	1,317,056
Accumulated depreciation	-	(90,748)	(451,065)	(87,075)	(23,754)	(12,303)	(10,386)	(20,400)	(11,520)	(1,040)	(708,291)
Net book value	<u>286,360</u>	<u>7,552</u>	<u>186,358</u>	<u>89,279</u>	<u>8,266</u>	<u>897</u>	<u>3,387</u>	<u>26,445</u>	<u>203</u>	<u>18</u>	<u>608,765</u>
Year ended 30 June 2025											
Opening net book value	286,360	7,552	186,358	89,279	8,266	897	3,387	26,445	203	18	608,765
Additions	-	-	-	1,467	-	-	157	2,289	-	-	3,913
Transferred from non-current assets held for sale	4,501,907	893	-	-	-	-	-	1,083	-	-	4,503,883
Disposals:											
Cost	-	-	-	-	-	-	-	(1,963)	-	-	(1,963)
Accumulated depreciation	-	-	-	-	-	-	-	1,524	-	-	1,524
	-	-	-	-	-	-	-	(439)	-	-	(439)
Depreciation charge	-	(601)	(18,714)	(8,991)	(827)	(90)	(352)	(5,697)	(102)	(4)	(35,378)
Closing net book value	<u>4,788,267</u>	<u>7,844</u>	<u>167,644</u>	<u>81,755</u>	<u>7,439</u>	<u>807</u>	<u>3,192</u>	<u>23,681</u>	<u>101</u>	<u>14</u>	<u>5,080,744</u>
At 30 June 2025											
Cost / revalued amount	4,788,267	99,193	637,423	177,821	32,020	13,200	13,930	48,254	11,723	1,058	5,822,889
Accumulated depreciation	-	(91,349)	(469,779)	(96,066)	(24,581)	(12,393)	(10,738)	(24,573)	(11,622)	(1,044)	(742,145)
Net book value	<u>4,788,267</u>	<u>7,844</u>	<u>167,644</u>	<u>81,755</u>	<u>7,439</u>	<u>807</u>	<u>3,192</u>	<u>23,681</u>	<u>101</u>	<u>14</u>	<u>5,080,744</u>
Year ended 30 June 2026											
Opening net book value	4,788,267	7,844	167,644	81,755	7,439	807	3,192	23,681	101	14	5,080,744
Additions	-	2,608	6,621	117,052	1,000	-	-	104,307	272	-	231,860
Disposals:											
Cost	-	-	-	(95,914)	-	-	-	(11,168)	-	-	(107,082)
Accumulated depreciation	-	-	-	62,252	-	-	-	6,219	-	-	68,471
	-	-	-	(33,662)	-	-	-	(4,949)	-	-	(38,611)
Depreciation charge for the year	-	(845)	(17,161)	(9,564)	(823)	(81)	(319)	(12,019)	(187)	(3)	(41,002)
Closing net book value	<u>4,788,267</u>	<u>9,607</u>	<u>157,104</u>	<u>155,581</u>	<u>7,616</u>	<u>726</u>	<u>2,873</u>	<u>111,020</u>	<u>186</u>	<u>11</u>	<u>5,232,991</u>
At 30 June 2026											
Cost / revalued amount	4,788,267	101,801	644,044	198,959	33,020	13,200	13,930	141,393	11,995	1,058	5,947,667
Accumulated depreciation	-	(92,194)	(486,940)	(43,378)	(25,404)	(12,474)	(11,057)	(30,373)	(11,809)	(1,047)	(714,676)
Net book value	<u>4,788,267</u>	<u>9,607</u>	<u>157,104</u>	<u>155,581</u>	<u>7,616</u>	<u>726</u>	<u>2,873</u>	<u>111,020</u>	<u>186</u>	<u>11</u>	<u>5,232,991</u>
Annual rate of depreciation (%)	-	5, 10	10, 15	10, 20	10	10, 12	10	20	50	10, 25, 50	

16.1.1 The book value of freehold land on cost basis is Rupees 5.304 million (2025: Rupees 5.304 million).

16.1.2 Forced sale value of freehold land as per last revaluation was Rupees 4,070.027 million.

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
(RUPEES IN THOUSAND)							
Stand-by equipment							
Power house generator	71,550	58,704	12,846	19,177	6,331	Negotiation	Nurtuure Goods Wholesalers L.L.C, United Arab Emirates
Power house generator	24,364	3,548	20,816	31,076	10,260	Negotiation	Nurtuure Goods Wholesalers L.L.C, United Arab Emirates
Vehicle							
Suzuki Cultus ABQ-593	1,083	29	1,054	1,107	53	Negotiation	Muhammad Younas, Faisalabad
Sonata BWQ-700	7,174	3,776	3,398	9,000	5,602	Insurance claim	Askari General Insurance company Limited, Karachi
Sub Total	<u>104,171</u>	<u>66,057</u>	<u>38,114</u>	<u>60,360</u>	<u>22,246</u>		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	<u>2,911</u>	<u>2,414</u>	<u>497</u>	<u>1,410</u>	<u>913</u>		
Total	<u>107,082</u>	<u>68,471</u>	<u>38,611</u>	<u>61,770</u>	<u>23,159</u>		

2026 2025
(RUPEES IN THOUSAND)

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

Cost of sales (Note 31)	27,760	29,012
Administrative expenses (Note 33)	13,242	6,366
	41,002	35,378

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

Particulars	Location	Area of land	Covered Area of building
		Acers	Sq.ft.
Head Office	New Lahore Road, Nishatabad, Faisalabad, Punjab	86.58	80 214
Manufacturing facility of Spinning and Hosiery	Chak No. 44 R.B., Kotla Kahlawan, Tehsil Shahkot, District Nankana Sahib,	44.74	381 863

16.2 Capital work-in-progress

	Buildings and Roads	Plant and Machinery	Tools and Equipment	Advance Against Vehicle	Total
(RUPEES IN THOUSAND)					
Balance as at 30 June 2024	-	-	-	-	-
Additions	2,608	-	-	-	2,608
Balance as at 30 June 2025	2,608	-	-	-	2,608
Additions	54,210	251,553	47	9,201	315,011
Transferred to operating fixed assets	(2,608)	-	-	-	(2,608)
Balance as at 30 June 2026	54,210	251,553	47	9,201	315,011

2026 2025
(RUPEES IN THOUSAND)

17. INVESTMENT PROPERTIES

Freehold land and buildings (Note 17.1)	593,436	569,887
Advance against purchase of investment property (Note 17.2)	116,602	116,272
	710,038	686,159

17.1 Freehold land and buildings

Balance as on 01 July	569,887	253,000
Add: Transferred from non-current assets held for sale	-	292,263
Add: Fair value gain during the year (Note 35)	23,549	24,624
Balance as on 30 June	593,436	569,887

- 17.1.1** The fair value of investment property of Subsidiary Company comprising freehold land of 46 Kanals at Moaza Hadiyara, Tehsil Lahore Cantt, District Lahore, Punjab and Holding Company comprising freehold land and buildings thereon at Nishatabad, Faisalabad has been determined on 30 June 2026 by Messrs Sadruddin Associates (Private) Limited and on 30 June 2026 by Messrs Empire Enterprises (Private) Limited by independent valuers. Forced sale value of investment properties as on the reporting date is Rupees 491.311 million.

17.2 Advance against purchase of investment property

Previously as per the resolution by circulation of the Subsidiary Company's Board of Directors on 14 January 2022, it was decided to invest in 66 666 shares of a Company, Paymentsfusion (Private) Limited (PPL) for undertaking a country club / farm house project. Full amount against these shares of Rupees 80 million was paid to PPL. However, due to delay in the issuance of shares, the Subsidiary Company in consent with PPL decided to acquire 33% of the land already purchased by PPL at Deh Bhanero, Tapo Babra, Tehsil Mirpur Sakro, District Thatta, Sindh. Out of total area, the share of the Subsidiary Company is almost 40 Acres. Sale deed has been signed between the Subsidiary Company and PPL on 05 May 2023 and Rupees 35.711 million have been transferred to PPL uptill 30 June 2026. However the transaction is yet to be finalized and will be completed in the next financial year.

- 17.3** Particulars of investment properties of Holding Company (i.e. land and buildings) are as follows:

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

18. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES

18.1 Reconciliation of investments in associates under equity method:

Cost

Share of post acquisition reserves:

As at 01 July

Share of profit after income tax

Share of other comprehensive income

As at 30 June

Less: Investment disposed off during the year

Premier Insurance Limited - quoted	
2026	2025
(RUPEES IN THOUSAND)	
75	75
1,987	477
736	414
(172)	1,096
564	1,510
2,551	1,987
(2,626)	-
-	2,062

18.2 Summarized statement of financial position

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net assets**Reconciliation to carrying amounts:**

Opening balance

Profit after income tax

Other comprehensive income

Closing balance

Group's share (%)

Carrying amount

Number of shares held

**Premier Insurance
Limited**
2026 2025
(RUPEES IN THOUSAND)
1,348,144 1,453,330**2,006,740** 1,858,598**3,354,884** 3,311,928**2,045,125** 2,095,205**16,711** 17,672**2,061,836** 2,112,877**1,293,048** 1,199,051**1,199,051** 947,396**122,666** 69,059**(28,669)** 182,596**1,293,048** 1,199,051**-** 0.60%**-** 2,062**303,384** 303,384
**Premier Insurance
Limited**
As at 31 As at 31
December December
2025 2024
274,223 269,732**122,666** 69,059**(28,669)** 182,596**93,997** 251,655

18.3 Summarized statement of comprehensive income

Revenue

Profit for the year

Other comprehensive (loss) / income for the year

Total comprehensive income

18.4 It ceased to be associated company with effect from 21 June 2026 due to change of common director.

18.5 Interests in equity accounted associates

Name of associated company	Country of incorporation	% of ownership interest		Measurement method	Quoted fair value		Carrying amount	
		2026	2025		2026	2025	2026	2025
(RUPEES IN THOUSAND)								
Premier Insurance Limited (Note 18.5.1)	Pakistan	-	0.60%	Equity method	-	2,036	-	2,062

18.5.1 Premier Insurance Limited is engaged in general insurance business. The registered office of Premier Insurance Limited is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Off. I.I. Chundrigar Road, Karachi.

2026 2025
(RUPEES IN THOUSAND)

19. LONG TERM INVESTMENTS

At fair value through other comprehensive income

Holding Company

Quoted

Crescent Fibers Limited		
71 820 (2025: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2025: 0.58%)	615	615
Premier Insurance Limited		
303 384 (2025: Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.60% (2025: Nil)	2,797	-
Security Papers Limited		
522 (2025: 522) ordinary shares of Rupees 10 each fully paid.	1	1

Unquoted

Crescent Modaraba Management Company Limited		
119 480 (2025: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2025: 6.52%)	285	285
Crescent Bahuman Limited		
1 043 988 (2025: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 0.77% (2025: 0.77%)	-	-
Crescent Spinning Mills Limited		
696 000 (2025: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2025: 4.59%)	-	-
Premier Financial Services (Private) Limited		
2 500 (2025: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held 11.11% (2025: 11.11%)	873	873
	4,571	1,774
Add: Fair value adjustment	5,123	2,107
	9,694	3,881

20. LONG TERM ADVANCE

Considered good - unsecured

Employee against salary	360	-
Less: Current portion shown under current assets (Note 25)	120	-
	240	-

20.1 This represents interest free advance given to an employee for meeting his personal expenditures.

21. DEFERRED INCOME TAX ASSET

2026 2025
(RUPEES IN THOUSAND)

The deferred income tax (liability) / asset originated due to timing differences relating to:

Taxable temporary differences

Accelerated tax depreciation	(68,433)	(48,323)
Unrealized gain on investment	(253)	(173)
Investments in associates	-	(65)
	(68,686)	(48,561)

Deductable temporary differences

Staff retirement gratuity	38,325	46,263
Workers' profit participation fund	2,059	2,335
Workers' welfare fund	806	6,489
Provision for doubtful receivables	5,629	6,273
Available unused tax loss - unabsorbed tax depreciation	16,101	27,833
Minimum tax carry forward	55,597	30,541
	118,517	119,734
	49,831	71,173

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

	2026		
	Balance as on 01 July	Recognized in consolidated statement of profit or loss	Recognized in consolidated statement of other comprehensive income
	Balance as on 30 June		
	(RUPEES IN THOUSAND)		
Accelerated tax depreciation	(48,323)	(20,110)	-
Unrealized gain on investment	(173)	(80)	-
Staff retirement gratuity	46,263	(614)	(7,324)
Workers' profit participation fund	2,335	(276)	-
Workers' welfare fund	6,489	(5,683)	-
Provision for doubtful receivables	6,273	(644)	-
Investments in associates	(65)	65	-
Unused tax losses:			
Available	30,606	(12,018)	-
Movement in deferred income tax not recognized	(2,773)	286	-
Deferred income tax recognized	27,833	(11,732)	-
Minimum tax carry forward:			
Available	206,821	(20,218)	-
Movement in deferred income tax not recognized	(176,280)	45,274	-
Deferred income tax recognized	30,541	25,056	-
	71,173	(14,018)	(7,324)
	49,831		

	2025			
	Balance as on 01 July	Recognized in consolidated statement of profit or loss	Recognized in consolidated statement of other comprehensive income	Balance as on 30 June
	(RUPEES IN THOUSAND)			
Accelerated tax depreciation	(107,895)	59,572	-	(48,323)
Unrealized gain on investment	-	(173)	-	(173)
Staff retirement gratuity	41,944	6,083	(1,764)	46,263
Workers' profit participation fund	-	2,335	-	2,335
Workers' welfare fund	-	6,489	-	6,489
Provision for doubtful receivables	5,581	692	-	6,273
Investments in associates	83	(148)	-	(65)
Unused tax losses:				
Available	45,437	(14,831)	-	30,606
Movement in deferred income tax not recognized	(543)	(2,230)	-	(2,773)
Deferred income tax recognized	44,894	(17,061)	-	27,833
Minimum tax carry forward:				
Available	273,913	(67,092)	-	206,821
Movement in deferred income tax not recognized	(203,947)	27,667	-	(176,280)
Deferred income tax recognized	69,966	(39,425)	-	30,541
	54,573	18,364	(1,764)	71,173

21.2 Deferred income tax asset has been recognized to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognized deferred income tax asset. The Group has unabsorbed tax depreciation as at 30 June 2026 is Rupees 55.520 million (2025: Rupees 97.351 million). Detail of minimum tax and tax losses carried forward are given as follows:

Accounting year to which the minimum tax carry forward relates	Amount	Amount	Accounting year in which minimum tax carry forward expires
	2026	2025	
	(RUPEES IN THOUSAND)		
2026	63,480	-	2028
2025	58,723	58,723	2028
2024	64,400	64,400	2027
2023	-	63,215	2026
2021	-	20,483	2026
	<u>186,603</u>	<u>206,821</u>	

Accounting year to which unused tax losses relates	Amount	Amount	Accounting year in which unused tax losses will expire
	2026	2025	
	(RUPEES IN THOUSAND)		
2026	386	-	2032
2025	6,316	6,316	2031
2021	1,872	1,872	2027
	<u>8,576</u>	<u>8,188</u>	

2026 2025
(RUPEES IN THOUSAND)

22. STORES, SPARE PARTS AND LOOSE TOOLS

Stores	10,540	17,894
Spare parts	35,846	32,293
Loose tools	24	9
	<u>46,410</u>	<u>50,196</u>

23. STOCK-IN-TRADE

Raw materials (Note 23.1 and Note 23.2)	328,440	228,714
Work-in-process (Note 23.3)	142,297	95,684
Finished goods	181,433	401,230
Waste	2,032	1,817
	<u>654,202</u>	<u>727,445</u>

23.1 These include stock in transit of Rupees 25.712 million (2025: Rupees 62.572 million).

23.2 These include stock of Rupees 8.271 million (2025: Rupees 24.335 million) sent to outside parties for conversion.

23.3 These include stock of Rupees 63.050 million (2025: Rupees 19.506 million) sent to outside parties for processing.

24. TRADE DEBTS

Considered good:

Unsecured	459,007	466,939
Less: Allowance for expected credit lossess (Note 24.3)	2,329	2,103
	<u>456,678</u>	<u>464,836</u>

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

Czech Republic	66,924	96,573
Ghana	18,340	18,489
Italy	22,076	25,683
Netherlands	-	26,801
Pakistan	351,667	248,357
Romania	-	8,222
United Kingdom	-	6,147
United States of America	-	36,667
	<u>459,007</u>	<u>466,939</u>

24.2 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 15 to 60 days from delivery in case of local sales and 30 to 120 days in case of export sales.

2026 2025
(RUPEES IN THOUSAND)

24.3 Allowance for expected credit losses

Balance as at 01 July	2,103	2,732
Add: Recognized during the year (Note 34)	226	-
	2,329	2,732
Reversal during the year (Note 35)	-	(629)
As at 30 June	2,329	2,103

25. LOANS, ADVANCES AND PREPAYMENTS

Considered good:

Employees - interest free:		
Against expenses	1,085	1,215
Against salary	524	1,149
	1,609	2,364
Advances to suppliers / service providers	30,502	41,490
Letters of credit	707	1,285
Prepayments	4,860	3,781
Current portion of long term advance (Note 20)	120	-
	37,798	48,920

Considered doubtful:

Advances to suppliers / service providers	5,115	4,937
Less: Provision for doubtful loans and advances (Note 25.1)	5,115	4,937
	-	-
	37,798	48,920

25.1 Provision for doubtful loans and advances

Balance as at 01 July	4,937	4,544
Add: Recognized during the year (Note 34)	178	393
As at 30 June	5,115	4,937

2026

2025

(RUPEES IN THOUSAND)

26. SHORT TERM DEPOSITS AND OTHER RECEIVABLES**Considered good:**

Deposits	12,026	3,842
Sales tax and excise duty refundable	340,340	849,306
Profit on deposits with banks receivable	1,565	1,051
Export rebate	10,046	12,431
Others (Note 26.1 and Note 26.2)	40,432	54,180
	404,409	920,810

Considered doubtful:

Others	11,968	11,968
Less: Allowance for expected credit losses	11,968	11,968
	-	-
	404,409	920,810

- 26.1** These include Rupees 0.495 million (2025: Rupees 0.495 million) due from Riaz and Company (1962, Private) Limited, a related party, which is past due but not impaired. The ageing analysis is as follows:

Within 1 to 6 months	-	132
More than 6 months	495	363
	495	495

- 26.2** The maximum aggregate amount receivable from the related party at the end of any month during the year was Rupees 0.495 million (2025: Rupees 0.495 million).

27. TAXATION AND LEVY - NET

Advance tax and prepaid levy	281,453	327,523
Provision for taxation	(79,131)	(87,707)
Levy payable	(76,223)	(71,818)
	126,099	167,998

28. SHORT TERM INVESTMENTS

At fair value through other comprehensive income (Note 28.1)	335,396	138,089
At fair value through profit or loss (Note 28.2)	260,598	542,171
At amortized cost (Note 28.3)	120,500	-
	716,494	680,260

2026 2025
(RUPEES IN THOUSAND)

28.1 At fair value through other comprehensive income
Quoted

Samba Bank Limited

2 579 313 (2025: 2 579 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.26% (2025: 0.26%)

7,091 7,091

Crescent Steel and Allied Products Limited

76 (2025: 76) ordinary shares of Rupees 10 each fully paid.

1 1

The Crescent Textile Mills Limited

4 606 863 (2025: 4 734 863) ordinary shares of Rupees 10 each fully paid. Equity held 4.61% (2025: 4.73%)

88,102 90,550

95,194 97,642

Add: Fair value adjustment

240,202 40,447

335,396 138,089

28.2 At fair value through profit or loss

Alfalah Money Market Fund

2 621 897.7013 Units (2025: 1 511 674.2246 Units)

259,586 149,251

Alfalah Cash Fund

Nil (2025: 777 980.7692 Units)

- 392,324

259,586 541,575

Add: Fair value adjustment

1,012 596

260,598 542,171

28.3 At amortized cost

Term deposit receipts (TDRs)

120,500 -

28.3.1 These represent term deposit receipts with maturity period of 3 months to 1 year and carry profit at the rate of 7.96% to 15.55% per annum.

29. CASH AND BANK BALANCES
With banks:

On current accounts

144,682 23,698

On saving account (Note 29.1)

92 230

Term Deposit Receipts (TDRs) (Note 29.2)

- 102,000

144,774 125,928

Cash in hand

804 642

145,578 126,570

29.1 Rate of profit on saving account ranged from 7.50% to 8.50% (2025: 9.50% to 19.75%) per annum.

29.2 These represented term deposit receipts with maturity period of 3 months and carried profit at the rate of 8.06% to 19.55% per annum.

2026 2025
(RUPEES IN THOUSAND)

30. REVENUE

Revenue from contracts with customers:

Local sales (Note 30.1)	5,529,797	4,839,369
Export sales (Note 30.2)	598,111	1,142,963
Export rebate	4,319	6,333
	<u>6,132,227</u>	<u>5,988,665</u>

30.1 Local sales

Yarn	5,501,377	5,058,534
Hosiery	-	11,365
Home textiles	60,929	3,729
Raw materials	920,378	609,176
Waste	42,476	40,430
	<u>6,525,160</u>	<u>5,723,234</u>
Less: Sales tax	995,363	883,865
	<u>5,529,797</u>	<u>4,839,369</u>

30.2 Export sales

Hosiery	53,518	207,749
Home textiles	544,593	856,630
Fabric	-	78,584
	<u>598,111</u>	<u>1,142,963</u>

30.3 Sales in respect of foreign and local jurisdictions is as follows:

Algeria	20,636	-
Australia	14,816	-
Czech Republic	325,795	572,476
Ghana	62,152	196,028
Greece	24,095	-
Italy	36,086	47,064
Ivory Coast	1,230	-
Pakistan	5,529,797	4,839,369
Romania	-	18,150
Spain	14,815	8,147
United Kingdom	19,635	21,024
United States of America	54,670	208,550
Canada	2,740	11,976
Netherlands	-	65,881
United Arab Emirates	19,818	-
Poland	5,942	-
	<u>6,132,227</u>	<u>5,988,665</u>

- 30.4** The revenue is recognized at the point in time as per the terms and conditions of underlying contracts with customers.

	2026	2025
	(RUPEES IN THOUSAND)	
31. COST OF SALES		
Raw materials consumed	3,100,946	3,016,546
Salaries, wages and other benefits (Note 31.1)	294,461	365,442
Stores, spare parts and loose tools consumed	160,302	192,231
Fuel and power	977,743	1,209,173
Outside weaving / processing / stitching charges	175,147	250,290
Other manufacturing overheads	22,764	38,150
Insurance	4,818	7,151
Repair and maintenance	1,624	3,383
Depreciation (Note 16.1.4)	27,760	29,012
	4,765,565	5,111,378
Work-in-process		
Opening stock	95,684	112,487
Closing stock	(142,297)	(95,684)
	(46,613)	16,803
Cost of goods manufactured	4,718,952	5,128,181
Finished goods		
Opening stock	403,047	219,676
Closing stock	(183,465)	(403,047)
	219,582	(183,371)
	4,938,534	4,944,810
Cost of goods purchased for resale	772,288	593,890
	5,710,822	5,538,700

- 31.1** Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 17.729 million (2025: Rupees 25.605 million).

32. DISTRIBUTION COST		
Freight and forwarding	30,943	59,780
Commission to selling agents	4,212	7,104
Insurance	734	802
Loading and handling	4,044	14,387
Others	1,753	2,905
	41,686	84,978

2026 2025
(RUPEES IN THOUSAND)

33. ADMINISTRATIVE EXPENSES

Salaries and other benefits (Note 33.1)	205,473	213,222
Workers' welfare	4,117	2,536
Traveling and conveyance	7,107	8,795
Insurance	4,652	3,417
Rent, rates and taxes (Note 33.2)	9,581	7,853
Entertainment	3,750	3,206
Fee and subscription	3,443	2,877
Communication	3,713	3,190
Vehicles' running	13,683	14,429
Repair and maintenance	17,603	13,092
Utilities	6,449	8,123
Printing and stationery	2,402	2,520
Books and periodicals	8	15
Advertisement	367	136
Auditor's remuneration (Note 33.3)	3,611	3,155
Legal and professional	2,617	2,199
Miscellaneous	6,472	7,035
Depreciation (Note 16.1.4)	13,242	6,366
	<u>308,290</u>	<u>302,166</u>

33.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 31.402 million (2025: Rupees 24.949 million).

33.2 These include Rupees 4.847 million (2025: Rupees 3.535 million) in respect of short term leases.

33.3 Auditor's remuneration

Statutory audit - standalone	2,125	2,025
Statutory audit - consolidation	300	300
Other certifications including half yearly review	640	565
Sales tax	226	145
Out of pocket expenses	320	120
	<u>3,611</u>	<u>3,155</u>

34. OTHER EXPENSES

Workers' profit participation fund (Note 11.4)	7,099	6,743
Exchange loss - net	8,842	7,039
Allowance for expected credit losses (Note 24.3)	226	-
Provision for doubtful loans and advances (Note 25.1)	178	393
Workers' welfare fund (Note 11.5)	2,778	2,672
Impairment loss on non-current assets classified as held for sale	-	326
	<u>19,123</u>	<u>17,173</u>

2026 2025
(RUPEES IN THOUSAND)

35. OTHER INCOME

Income from financial assets

Dividend income	23,262	950
Unrealized gain on investment at FVTPL	1,012	596
Gain on sale of investments at FVTPL - net	23,991	22,003
Profit on saving account and TDRs	10,673	16,115
Reversal of allowance for expected credit losses (Note 24.3)	-	629
	58,938	40,293

Income from non-financial assets

Rental income	53,576	44,272
Scrap sales	1,526	3,078
Gain on sale of property, plant and equipment	23,159	275
Credit balances added back	615	2,841
Gain on derecognition of investment in equity accounted associate	171	-
Gain on remeasurement of fair value of investment properties (Note 17)	23,549	24,624
	102,596	75,090
	161,534	115,383

36. FINANCE COST

Mark-up / interest on:

Long term financing	2,429	1,497
Short term borrowings	73,625	75,851
Workers' profit participation fund (Note 11.4)	308	855
Bank charges and commission	6,177	8,286
	82,539	86,489

37. LEVY

- Levy for the year (Note 37.1)	76,223	71,818
- Prior year	(12,512)	(104)
	63,711	71,714

37.1 Levy represents minimum tax on turnover and final taxes under relevant provision of Income Tax Ordinance, 2001.

2026 2025
(RUPEES IN THOUSAND)

38. TAXATION

Current:

For the year	13,192	21,768
Prior year (Note 38.1)	(3,128)	-
	10,064	21,768
Deferred (Note 21)	14,018	(18,364)
	24,082	3,404

38.1 Taxation for the year represents tax on taxable income under relevant provisions of Income Tax Ordinance, 2001.

39. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2026	2025
Profit attributable to ordinary shareholders	(Rupees in thousand)	48,313	56,392
Weighted average number of ordinary shares	(Numbers)	22 660 126	22 660 126
Earnings per share	(Rupees)	2.13	2.49

Continuing operations

Profit attributable to ordinary shareholders of the Holding Company	(Rupees in thousand)	48,313	2,171
Weighted average number of ordinary shares of the Holding Company	(Numbers)	22 660 126	22 660 126
Earnings per share	(Rupees)	2.13	0.10

Discontinued operation

Profit for the year after taxation	(Rupees in thousand)	-	54,221
Weighted average number of ordinary shares	(Numbers)	22 660 126	22 660 126
Loss per share	(Rupees)	-	2.39

40. CASH GENERATED FROM / (USED IN) OPERATIONS

2026 2025
(RUPEES IN THOUSAND)

Profit before taxation from continuing operations	132,037	74,956
Profit before taxation from discontinued operations	-	54,221
	132,037	129,177

Adjustments for non cash charges and other items:

Depreciation (Note 16.1.4)	41,002	35,378
Provision for staff retirement gratuity (Note 10.3)	49,131	50,554
Gain on sale of property, plant and equipment (Note 35)	(23,159)	(275)
Dividend income (Note 35)	(23,262)	(950)
Provision for workers' profit participation fund (Note 34)	7,099	6,743
Provision for workers' welfare fund (Note 34)	2,778	2,672
Unrealized gain on investment at FVTPL (Note 35)	(1,012)	(596)
Gain on remeasurement of fair value of investment properties (Note 35)	(23,549)	(24,624)
Profit on saving account and TDRs (Note 35)	(10,673)	(16,115)
Gain on sale of investment at fair value through profit or loss (Note 35)	(23,991)	(22,003)
Gain on sale of assets held for sale	-	(58,056)
Share of net profit from equity accounted associates (Note 18.1)	(736)	(414)
Unrealized exchange loss / (gain) - net	378	(2,931)
Gain on derecognition of investment in equity accounted associate (Note 35)	(171)	-
Allowance / (reversal of allowance) for expected credit losses	226	(629)
Provision for doubtful loans and advances (Note 34)	178	393
Impairment loss on non-current assets classified as held for sale	-	326
Credit balances added back (Note 35)	(615)	(2,841)
Finance cost (Note 36)	82,539	86,489
Working capital changes (Note 40.1)	187,540	(189,311)
	395,740	(7,013)

40.1 Working capital changes**Decrease / (increase) in current assets**

Stores, spare parts and loose tools	3,786	27,672
Stock-in-trade	73,243	(160,760)
Trade debts	7,554	29,035
Loans, advances and prepayments	10,944	23,217
Short term deposits and other receivables	516,915	(55,504)
	612,442	(136,340)
Decrease in trade and other payables	(214,972)	(125,153)
(Decrease) / increase in contract liabilities	(209,930)	72,182
	187,540	(189,311)

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

	2026		
	Long term Financing	Short term borrowings	Unclaimed dividend
(RUPEES IN THOUSAND)			
Balance as at 01 July	19,191	902,542	2,909
Short term borrowings - net	-	40,838	-
Proceeds from long term financing	31,172	-	-
Repayment of long term financing	(13,381)	-	-
Dividend Paid	-	-	(460)
Balance as at 30 June	<u>36,982</u>	<u>943,380</u>	<u>2,449</u>
	2025		
	Long term Financing	Short term borrowings	Unclaimed dividend
(RUPEES IN THOUSAND)			
Balance as at 01 July	58,764	698,287	4,177
Short term borrowings - net	-	204,255	-
Repayment of long term financing	(39,573)	-	-
Dividend Paid	-	-	(1,268)
Balance as at 30 June	<u>19,191</u>	<u>902,542</u>	<u>2,909</u>

41. TRANSACTIONS WITH RELATED PARTIES

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

Name of Company	Basis of relationship	Nature of transaction	2026	2025
			(RUPEES IN THOUSAND)	
Associated companies				
Premier Insurance Limited		Insurance premium	-	3,590
Riaz and Company (1962, Private) Limited		Expenses paid on behalf of associated company	-	132
Shams Textile Mills Limited		Sale of goods	26,691	23,335
Other related parties				
Directors and executives		Loan received - net	758	17,061

41.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is given in Note 42.

41.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

Name of the related Party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Riaz and Company (1962, Private) Limited	Common directorship	No	Yes	None
Bridgeline Global Logistics (Private) Limited	Common directorship	No	No	None
Jubilee Spinning & Weaving Mills Limited	Common directorship	No	No	None
Zhoosh (Private) Limited	Common directorship	No	No	None
HCA Consulting (Private) Limited	Common directorship	No	No	None
North Star Logistics (Private) Limited	Common directorship	No	No	None
C.R. Weaving Mills (Private) Limited	Common directorship	No	No	None
Bridgeline Global Logistics (Private) Limited	Common directorship	No	No	None
Shams Textile Mills Limited*	Common directorship	No	No	None
Premier Insurance Limited**	Common directorship	No	Yes	None
Mr. Abid Mehmood	Chief Executive Officer of the Holding company	Yes	Yes	-
Mr. Naveed Gulzar	Director of the Holding company	Yes	Yes	-
Mr. Adnan Amjad	Director of the Holding company	Yes	Yes	-
Mr. Taimur Amjad	Director of the Holding company	Yes	Yes	-
Ms. Shameen Azfar	Director of the Holding company	Yes	Yes	-
Ms. Nazish Arshad	Director of the Holding company	Yes	Yes	-
Mr. Salman Saif	Director of the Holding company	No	No	-
Mr. Salman Rafi	EX-Director of the Holding company	No	No	-

* It ceased to be related party with effect from 29 May 2026 due to change of common director.

** It ceased to be related party with effect from 19 May 2026 due to change of common director.

42. 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 Holding Company is as follows:

	Chief Executive Officer		Directors		Executives	
	2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)						
Managerial remuneration	9,065	9,018	6,018	6,002	44,057	41,375
Allowances:						
Housing	4,079	4,058	2,708	2,701	19,826	18,198
Utilities	907	902	602	600	4,406	4,138
Group insurance	-	-	6	6	39	33
Reimbursable expenses	907	902	602	600	4,063	4,006
	14,958	14,880	9,936	9,909	72,391	67,750
Number of persons	1	1	1	1	14	14

- 42.1** Aggregate amount charged in the consolidated financial statements for meeting fee to four directors (2025: four directors) of the Holding Company was Rupees 460,000 (2025: Rupees 480,000).
- 42.2** The Chief Executive Officer, director and executives of the Holding Company are provided with Holding Company maintained vehicles.
- 42.3** Apart from the meeting fee as disclosed in Note 42.1, no remuneration was paid to non-executive directors of the Holding Company.

43. NUMBER OF EMPLOYEES	2026	2025
Number of employees as on 30 June	693	780
Average number of employees during the year	780	800

44. ENTITY - WIDE INFORMATION

The Group constitutes a single reportable segment. All non-current assets of the Group as at reporting dates are located and operating in Pakistan. The Group's revenue is earned from four major customers (2025: six) of the Group representing revenue of Rupees 1,383.642 million (2025: Rupees 2,179.351 million).

45. INTERESTS IN OTHER ENTITIES

Non-Controlling Interest (NCI)

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

	2026	2025
	(RUPEES IN THOUSAND)	
Summarized statement of financial position		
Current assets	186,222	231,547
Current liabilities	(77,206)	(93,226)
Net current assets	109,016	138,321
Non-current assets	416,500	397,009
Non-current liabilities	(8,904)	(7,076)
Net non-current assets	407,596	389,933
Net assets	516,612	528,254
Accumulated non-controlling interest	174,873	178,814
Summarized statement of comprehensive income		
Revenue	554,373	486,158
Loss for the year	(12,021)	(6,893)
Other comprehensive income	379	222
Total comprehensive loss	(11,642)	(6,671)
Loss allocated to non-controlling interest	(4,069)	(2,333)
Total comprehensive loss allocated to non-controlling interest	(3,941)	(2,258)
Summarized cash flows		
Cash flows generated / (used in) operating activities	20,171	(30,154)
Cash flows (used in) / from investing activities	(129,686)	17,620
Cash flows from financing activities	-	-
Net decrease in cash and cash equivalents	(109,515)	(12,534)

46. PLANT CAPACITY AND ACTUAL PRODUCTION

Holding Company - Crescent Cotton Mills Limited

Spinning:

		2026	2025
100% plant capacity converted to 20s count	Kgs.	10 814 901	11 002 649
Actual production converted to 20s count	Kgs.	9 802 714	9 658 301

Hosiery and Home Textiles:

Capacity of such units cannot be determined due to nature of their operations.

46.1 Reason For Low Production

The variation in planned production of yarn counts changed the capacity. The reasons for low production include normal repair and maintenance and power shut down / jerks.

47. FINANCIAL RISK MANAGEMENT

47.1 Financial risk factors

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

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

a) Market risk

(i) Currency risk

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

The Group's exposure to currency risk was as follows:

	2026	2025
Trade debts - USD	306,650	567,742
Trade debts - GBP	-	13,080
Trade debts - EURO	69,651	157,964

Following significant exchange rates were applied during the year:

Rupees per US Dollar

Average rate	280.34	279.47
Reporting date rate	278.05	283.60

Rupees per GBP

Average rate	377.80	360.49
Reporting date rate	-	388.97

Rupees per EURO

Average rate	327.06	313.71
Reporting date rate	316.95	332.25

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and EURO with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 4.997 million (2025: Rupees 10.175 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

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

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2026 (RUPEES IN THOUSANDS)	2025
PSX 100 (5% increase)	17,126	7,089
PSX 100 (5% decrease)	(17,126)	(7,089)

Equity (fair value reserve) would increase / (decrease) as a result of gain / losses on equity instruments classified as fair value through other comprehensive income.

Index	Impact on profit after taxation	
	2026	2025
MUFAP (5% increase)	12,131	25,238
MUFAP (5% decrease)	(12,131)	(25,238)

Profit before levy and taxation would increase / decrease as a result of gains / losses on equity investments classified as FVTPL.

(iii) Interest rate risk

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

The Group's interest rate risk mainly arises from long term financing, short term borrowings, PLS account in bank and TDRs. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

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

2026 2025
(RUPEES IN THOUSAND)

Fixed rate instruments

Financial assets

Term deposit receipts	120,500	102,000
-----------------------	---------	---------

Financial liabilities

Long term financing	7,818	19,191
---------------------	-------	--------

Floating rate instruments

Financial assets

Bank balance - saving account	92	230
-------------------------------	----	-----

Financial liabilities

Long term financing	29,164	-
Short term borrowings	615,163	575,083

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

"If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been Rupees 5.998 million (2025: Rupees 5.352 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

b) Credit risk

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

	2026	2025
	(RUPEES IN THOUSAND)	
Investments	726,188	684,141
Loans and advances	884	1,149
Deposits	15,640	7,456
Trade debts	456,678	464,836
Other receivables	41,997	55,231
Bank balances	144,774	125,928
	<u>1,386,161</u>	<u>1,338,741</u>

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

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

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:

				2026	2025
Rating				(RUPEES IN THOUSAND)	
Short Term	Long Term	Agency			
Banks					
Conventional accounts					
National Bank of Pakistan	A1+	AAA	PACRA	27,800	10,041
Allied Bank Limited	A1+	AAA	PACRA	5,152	288
Bank Alfalah Limited	A1+	AAA	PACRA	1,144	499
Habib Bank Limited	A1+	AAA	VIS	7,664	250
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	477	1,375
MCB Bank Limited	A1+	AAA	PACRA	78	66
United Bank Limited	A1+	AAA	VIS	9,224	1,268
Askari Bank Limited	A1+	AA+	PACRA	31	31
Bank AL Habib Limited	A1+	AAA	PACRA	37,153	553
Bank Makramah Limited	A2	A-	VIS	2,496	-
The Bank of Punjab	A1+	AAA+	PACRA	250	253
Sindh Bank Limited	A1+	AA	VIS	-	53
JS Bank Limited	A1+	AA	PACRA	113	102,709
				91,582	117,386
Shariah compliant accounts					
Meezan Bank Limited	A1+	AAA	VIS	49,521	7,578
Faysal Bank Limited	A1+	AA	PACRA	627	672
Bank AL Habib Limited	A1+	AAA	PACRA	25	25
Askari Bank Limited	A1+	AA+	PACRA	81	121
BankIslami Pakistan Limited	A1	AA-	PACRA	24	25
Bank Alfalah Limited	A1+	AAA	PACRA	2,914	121
				53,192	8,542
Short term investments					
Term deposit receipts					
JS Bank Limited	A1+	AA	PACRA	120,500	-
				265,274	125,928

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

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

The Group's exposure to credit risk and allowance for expected credit losses related to trade debts is as follows:

	GROSS AMOUNT		EXPECTED CREDIT LOSSES	
	2026	2025	2026	2025
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Not past due	348,861	259,720	-	-
Upto 1 month	79,170	188,096	-	-
1 to 6 months	28,647	16,809	-	-
6 months to 1 year	-	211	-	-
More than 1 year	2,329	2,103	2,329	2,103
	<u>459,007</u>	<u>466,939</u>	<u>2,329</u>	<u>2,103</u>

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Group had Rupees 343.837 million (2025: Rupees 274.917 million) available borrowing limits from financial institutions and Rupees 145.578 million (2025: Rupees 126.570 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	RUPEES IN THOUSAND					

Contractual maturities of financial liabilities as at 30 June 2026:

Non-derivative financial liabilities:

Long term financing	36,982	42,998	12,436	8,741	13,195	8,626
Trade and other payables	503,202	503,202	503,202	-	-	-
Accrued mark-up	14,008	14,008	14,008	-	-	-
Short term borrowings	943,380	979,902	979,902	-	-	-
Unclaimed dividend	2,449	2,449	2,449	-	-	-
	<u>1,500,021</u>	<u>1,542,559</u>	<u>1,511,997</u>	<u>8,741</u>	<u>13,195</u>	<u>8,626</u>

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	RUPEES IN THOUSAND					

Contractual maturities of financial liabilities as at 30 June 2025:

Non-derivative financial liabilities:

Long term financing	19,191	20,002	5,857	5,857	8,288	-
Trade and other payables	698,448	698,448	698,448	-	-	-
Accrued mark-up	12,930	12,930	12,930	-	-	-
Short term borrowings	902,542	935,122	935,122	-	-	-
Unclaimed dividend	2,909	2,909	2,909	-	-	-
	<u>1,636,020</u>	<u>1,669,411</u>	<u>1,655,266</u>	<u>5,857</u>	<u>8,288</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective at the year end. The rates of interest / mark-up have been disclosed in Note 9 and Note 14 to these consolidated financial statements.

47.2 Financial instruments by categories

	2026				2025			
	At amortized cost	At FVTPL	At FVTOCI	Total	At amortized cost	At FVTPL	At FVTOCI	Total
RUPEES IN THOUSAND								
Investments	120,500	260,598	345,090	726,188	-	542,171	141,970	684,141
Loans and advances	884	-	-	884	1,149	-	-	1,149
Deposits	15,640	-	-	15,640	7,456	-	-	7,456
Trade debts	456,678	-	-	456,678	464,836	-	-	464,836
Other receivables	41,997	-	-	41,997	55,231	-	-	55,231
Cash and bank balances	145,578	-	-	145,578	126,570	-	-	126,570
	<u>781,277</u>	<u>260,598</u>	<u>345,090</u>	<u>1,386,965</u>	<u>655,242</u>	<u>542,171</u>	<u>141,970</u>	<u>1,339,383</u>

2026	2025
Financial liabilities at amortized cost	
(RUPEES IN THOUSAND)	

Liabilities as per consolidated statement of financial position

Long term financing	36,982	19,191
Trade and other payables	503,202	698,448
Accrued mark-up	14,008	12,930
Short term borrowings	943,380	902,542
Unclaimed dividend	2,449	2,909
	<u>1,500,021</u>	<u>1,636,020</u>

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

	2026			2025		
	Financial assets	Other than financial assets	Total as per consolidated statement of financial position	Financial assets	Other than financial assets	Total as per consolidated statement of financial position
RUPEES IN THOUSAND						
Assets as per consolidated statement of financial position						
Long term advance	240	-	240	-	-	-
Long term deposits	3,614	-	3,614	3,614	-	3,614
Long term investments	9,694	-	9,694	3,881	-	3,881
Trade debts	456,678	-	456,678	464,836	-	464,836
Loans, advances and prepayments	644	37,154	37,798	1,149	47,771	48,920
Short term deposits and other receivables	54,023	350,386	404,409	59,073	861,737	920,810
Short term investments	716,494	-	716,494	680,260	-	680,260
Cash and bank balances	145,578	-	145,578	126,570	-	126,570
	<u>1,386,965</u>	<u>387,540</u>	<u>1,774,505</u>	<u>1,339,383</u>	<u>909,508</u>	<u>2,248,891</u>

2026			2025		
Financial liabilities	Other than financial liabilities	Total as per consolidated statement of financial position	Financial liabilities	Other than financial liabilities	Total as per consolidated statement of financial position

----- RUPEES IN THOUSAND -----

Liabilities as per statement of financial position

Long term financing	36,982	-	36,982	19,191	-	19,191
Trade and other payables	503,202	115,402	618,604	698,448	152,606	851,054
Accrued mark-up	14,008	-	14,008	12,930	-	12,930
Short term borrowings	943,380	-	943,380	902,542	-	902,542
Unclaimed dividend	2,449	-	2,449	2,909	-	2,909
	<u>1,500,021</u>	<u>115,402</u>	<u>1,615,423</u>	<u>1,636,020</u>	<u>152,606</u>	<u>1,788,626</u>

47.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in Note 9 and Note 14 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees in thousand	980,362	921,733
Total equity	Rupees in thousand	7,067,490	6,795,309
Total capital employed	Rupees in thousand	<u>8,047,852</u>	<u>7,717,042</u>
Gearing ratio	Percentage	<u>12.18</u>	<u>11.94</u>

Increase in gearing ratio resulted primarily from increase in long term financing and short term borrowings of the Group.

48. FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements At 30 June 2026	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Financial assets				
At fair value through other comprehensive income	342,529	-	2,561	345,090
At fair value through profit or loss	260,598	-	-	260,598
Total financial assets	603,127	-	2,561	605,688

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Financial assets				
At fair value through other comprehensive income	141,782	-	188	141,970
At fair value through profit or loss	542,171	-	-	542,171
Total financial assets	683,953	-	188	684,141

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

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

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

Level 1: The fair value of financial instruments traded in active markets (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 technique used to value listed financial instruments was the use of quoted market prices.

49. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

At 30 June 2026	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Investment properties	-	593,436	-	593,436
Freehold land	-	4,788,267	-	4,788,267
Total non-financial assets	-	5,381,703	-	5,381,703

At 30 June 2025	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Investment properties	-	569,887	-	569,887
Freehold land	-	4,788,267	-	4,788,267
Total non-financial assets	-	5,358,154	-	5,358,154

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

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

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

The Group obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) annually. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new construction / replacement value of the same building.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's assets. Changes in fair values are analyzed in discussion between the management and the valuer. As part of this discussion the team presents report which explains the reason for the fair value movements.

50. DISCLOSURE REQUIREMENT FOR GROUP NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	Note	2026	2025
		(RUPEES IN THOUSAND)	
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode:			
Long term financing	9.2	29,164	-
Short term borrowings	14.3	328,217	327,459
Interest or mark-up accrued on any conventional loan or advance:			
Long term financing		140	310
Short term borrowings	13	13,699	12,620
Long term and short term shariah compliant investments		316,304	117,149
Shariah-compliant bank deposits, bank balances and TDRs	47.1 (b)	53,192	8,542
Revenue earned from shariah compliant business segment		6,132,227	5,988,665
Break - up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on shariah compliant investments or share of profit from shariah-compliant associate:			
Gain realized on disposal of equity investments at FVTOCI	6	7,408	11,475
Unrealized gain on remeasurement of equity investments at FVTOCI	6	210,133	50,054
Dividend income		5	7
Profit earned from Shariah-compliant bank deposits, bank balances or TDRs		-	-
Exchange gain earned from actual currency		-	-
Exchange gain earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		1,442	-
Total Interest earned on any conventional loan or advance		-	-
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income			
Shariah compliant:			
Dividend income		5	7
Reversal of allowance for expected credit losses		-	629
Rental income	35	53,576	44,272
Scrap sales	35	1,526	3,078
Gain on sale of property, plant and equipment	35	23,159	275
Credit balances written back	35	615	2,841
Gain on remeasurement of fair value of investment properties	35	23,549	24,624
Non-Shariah compliant:			
Unrealized gain on investment at FVTPL	35	1,012	596
Gain on sale of investments at FVTPL - net	35	23,991	22,003
Dividend income		23,257	943
Gain on derecognition of investment in equity accounted associate	35	217	-
Profit on saving account and TDRs	35	10,673	16,115

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Bank Name	Relationship
Meezan Bank Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Bank AL Habib Limited	Bank balance
Askari Bank Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance
Bank Alfalah Limited	Bank balance
First Habib Modaraba	Long term financing

51. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 30, 2026 by the Board of Directors of the Holding Company.

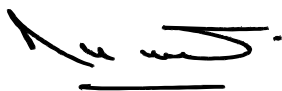
52. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / or reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification have been made except as detailed below for the purpose of better presentation and understanding:

Reclassified from	Reclassified to	2025 (Rupees in Thousand)
Trade and other payables	Contract liabilities	312,458
Short term deposits and other receivables: Others	Investment properties: Advance against purchase of freehold land	891
Other expenses- Allowance for expected credit losses	Other income- Reversal of allowance for expected credit losses	56

53. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FORM OF PROXY

Annual General Meeting

I/We _____ of _____ being a member/members of **Crescent Cotton Mills Limited** and holder of _____ ordinary shares as per Folio # _____ /CDC Participant's ID # _____ and Sub Account # _____ /CDC Investor Account ID # _____ do hereby appoint Mr./Mrs./Miss _____ of _____ or failing him _____ of _____ who is also member of the Company, as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 09:30 a.m. on Wednesday the October 28, 2026 at the Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad and at any adjournment thereof.

As witness my hand this _____ day of _____ 2026.

Member's Signature

**Affix revenue stamps
of Rs. 50/-**

Witnesses:

Signature: _____

Name: _____

 Address: _____

Signature: _____

Name: _____

 Address: _____

Note:

1. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, New Lahore Road, Nishatabad, Faisalabad, not less than 48 hours before the time of holding the Meeting.
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.
3. **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, at least 48 hours before the time of EOGM at the email info@crescentcotton.com
 - (iii) The video link of meeting shall be sent to the members on their registered email addresses.

کریسٹنٹ کائن ملز لمیٹڈ

پراکسی فارم (مختار نامہ) برائے سالانہ اجلاس عام

میں / ہم

بحیثیت رکن کریسٹنٹ کائن ملز لمیٹڈ اور حامل عام حصص بمطابق فولیو نمبر

اسی ڈی سی پارٹیسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر اسی ڈی سی انویسٹر اکاؤنٹ آئی ڈی نمبر

محترم / محترمہ

یا ان کی غیر موجودگی میں محترم / محترمہ

جو کہ کمپنی کا ممبر بھی ہے، کو میرا / ہمارا پراکسی مقرر کرتا / کرتے ہوں کہ وہ میری / ہماری جانب سے کمپنی کے سالانہ جنرل اجلاس میں جو بدھ، 28 اکتوبر 2026 کو صبح 09:30 بجے کمپنی کے رجسٹرڈ آفس، نیولاہور روڈ، نشاط آباد، فیصل آباد میں منعقد ہوگا اور اس کے کسی بھی ملتوی شدہ اجلاس میں شرکت کرے، اظہار خیال کرے اور ووٹ دے۔

آج بروز _____ بتاریخ _____ 2026ء کو میرے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

دستخط رکن
کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں۔

50/- روپے کارسیدی ٹکٹ یہاں چسپاں کریں۔

دستخط: _____
نام: _____
پتہ: _____

دستخط: _____
نام: _____
پتہ: _____

گواہان

نوٹ:

- 1- پراکسی مقرر کرنے والی دستاویز اس کے ساتھ پورا آف اٹارنی، اگر کوئی ہو جس کے تحت اس پر دستخط کیے گئے ہوں یا اس کی فولیو سے تصدیق شدہ کاپی، اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس، نیولاہور روڈ، نشاط آباد، فیصل آباد میں پیش کرانی چاہیے۔
- 2- اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس ایک ممبر کی طرف سے پراکسی کے ایک سے زیادہ دستاویزات پیش کرانے جاتے ہیں، تو پراکسی کے ایسے تمام دستاویزات کو عدم تصور ہوں گے۔
- 3- سی ڈی سی اکاؤنٹ ہولڈرز کا رجسٹرڈ اداروں کے لیے مندرجہ بالا کے علاوہ ورژن ذیل تقاضوں کو بھی پورا کرنا ہوگا:
 - (i) توثیق شدہ کاپی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل پراکسی فارم کے ساتھ فراہم کی جائے گی۔
 - (ii) وید پوائنٹ وغیرہ کے ذریعے اجلاس میں شرکت کے لیے، پراکسی کمپنی کو مطلع کر سکتا ہے اور EOGM کے وقت سے کم از کم 48 گھنٹے قبل اپنی تصدیقات بشمول نام، شناختی کارڈ کا (تسکین دہنوں اطراف) فوٹو، نمبر، سٹیل فون نمبر اور ای میل ایڈریس، ای میل info@crescentcotton.com پر فراہم کرے۔
 - (iii) اجلاس کا وید پوائنٹ نمبر ان کو ان کے رجسٹرڈ ای میل ایڈریس پر بھیجا جائے گا۔