

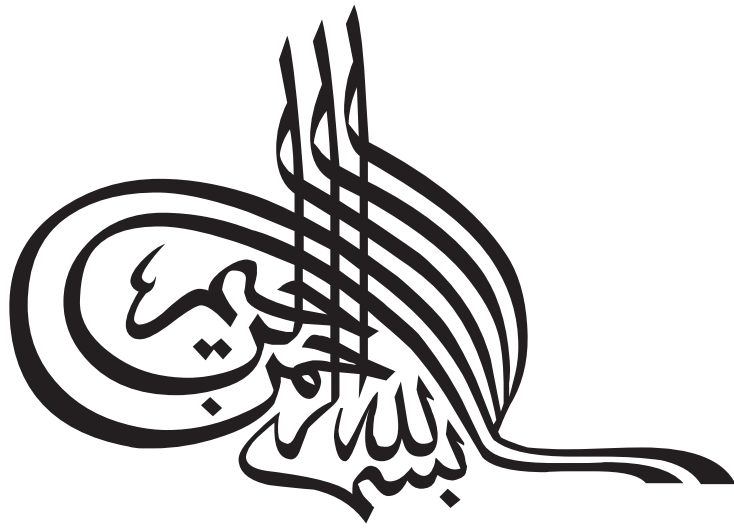
2023



ANNUAL REPORT



| The Crescent Textile Mills Limited



CONTENTS

Company Information	4
About Us	5
Vision and Core Values	6
Our Journey	7
Certifications	8
Calendar of Corporate and Notable Events	9
Management Structure / Organization Chart	10
Chairman's Review	11
Directors' Report	12
Directors' Report (Urdu)	19
Year at Glance	29
Dupont Analysis	30
Statement of Value Addition	31
Performance Indicators	32
Key Operating and Financial Data	34
Vertical Analysis	36
Horizontal Analysis	37
Independent Auditors' Review Report to the Members on Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	38
Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	39
Independent Auditors' Report to the Members	42
Statement of Financial Position	48
Statement of Profit or Loss	50
Statement of Comprehensive Income	51
Statement of Changes in Equity	52
Statement of Cash Flows	53
Notes to the Financial Statements	55
Pattern of Shareholding	113
Notice of Annual General Meeting	117
Proxy Form English	121
Proxy Form Urdu	123

COMPANY INFORMATION

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



ABOUT US

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

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

VISION AND CORE VALUES

VISION

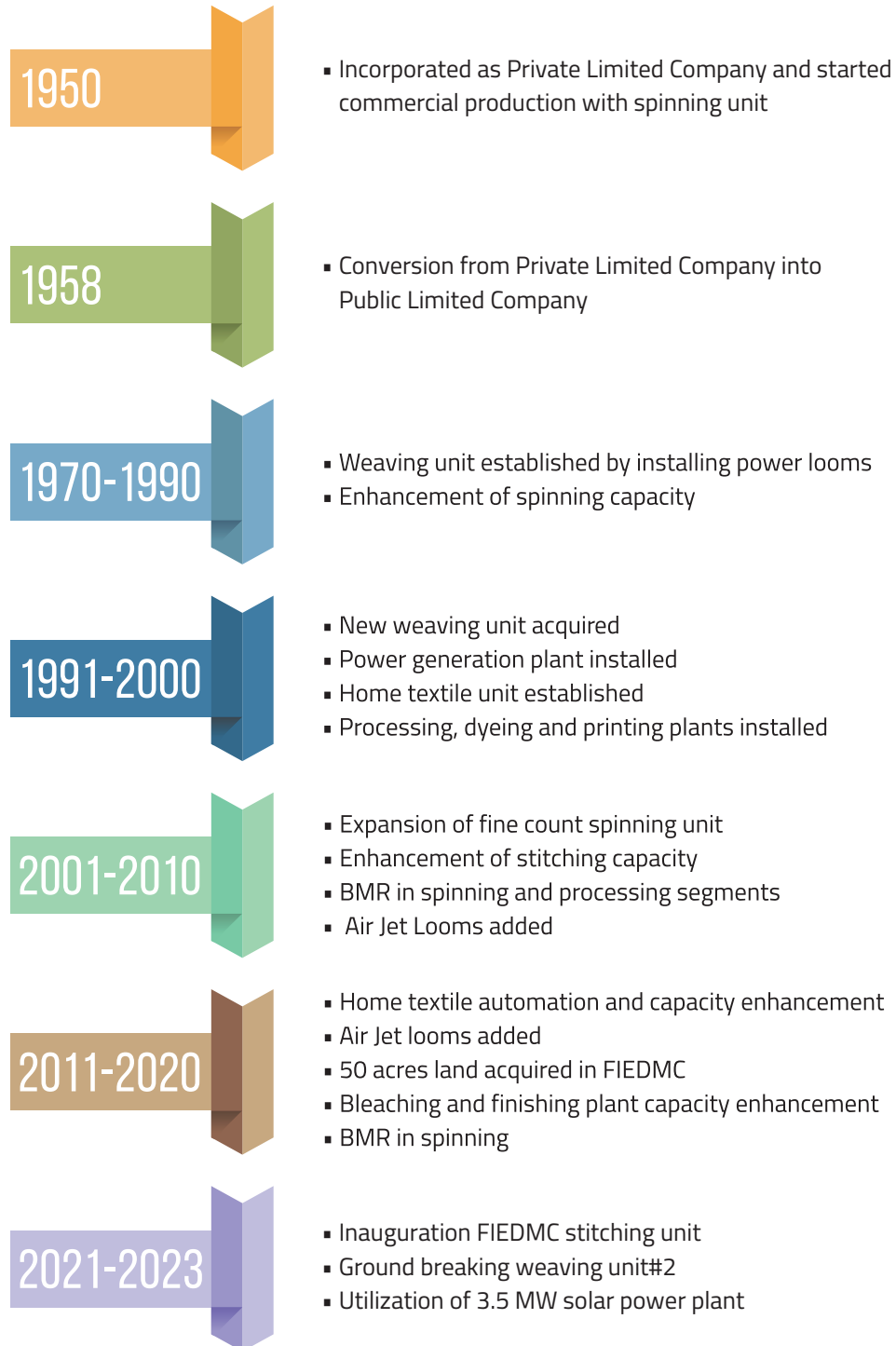
To be the preferred choice of customers through innovative products and solutions and be a leading contributor to the economy by enhancing value for stakeholders.

CORE VALUES

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

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

OUR JOURNEY



CERTIFICATIONS

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



GOTS
Global Organic
Textile Standard



OCS
Organic Content
Standard



EGYPTIAN
Cotton Trade Mark



NORDIC
Eco Label



NORDIC
Eco Label /Swan



Green Button
Alliance



SUSTAINABLE
COTTON



Guarantees
a better deal for third
world Producers



COTTON
Made in Africa



SEDEX
SMETA/SEDEX
4 Pillars



GRS
Global Recycled
Standard



LEEDs



ISO 9001
Quality Management
system



ISO 14001
Environment Management
system



SA 8000
Social
Accountability



ISO 50001



COTTON USA COTTON
THE WORLD TRUSTS



HIGG INDEX



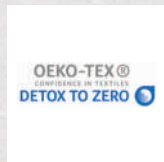
SUPIMA COTTON



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



MADE IN GREEN
Oeko-Tex Step



DETOX



LENZING



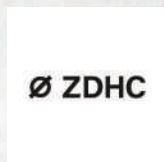
BRC



US COTTON TRUST
PROTOCOL



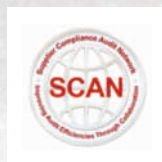
BCI
Better Cotton
Initiative



ZDHC



GSV



SCAN



RCS



FDA USA



SLCP



CleanChain



Supplier to zero

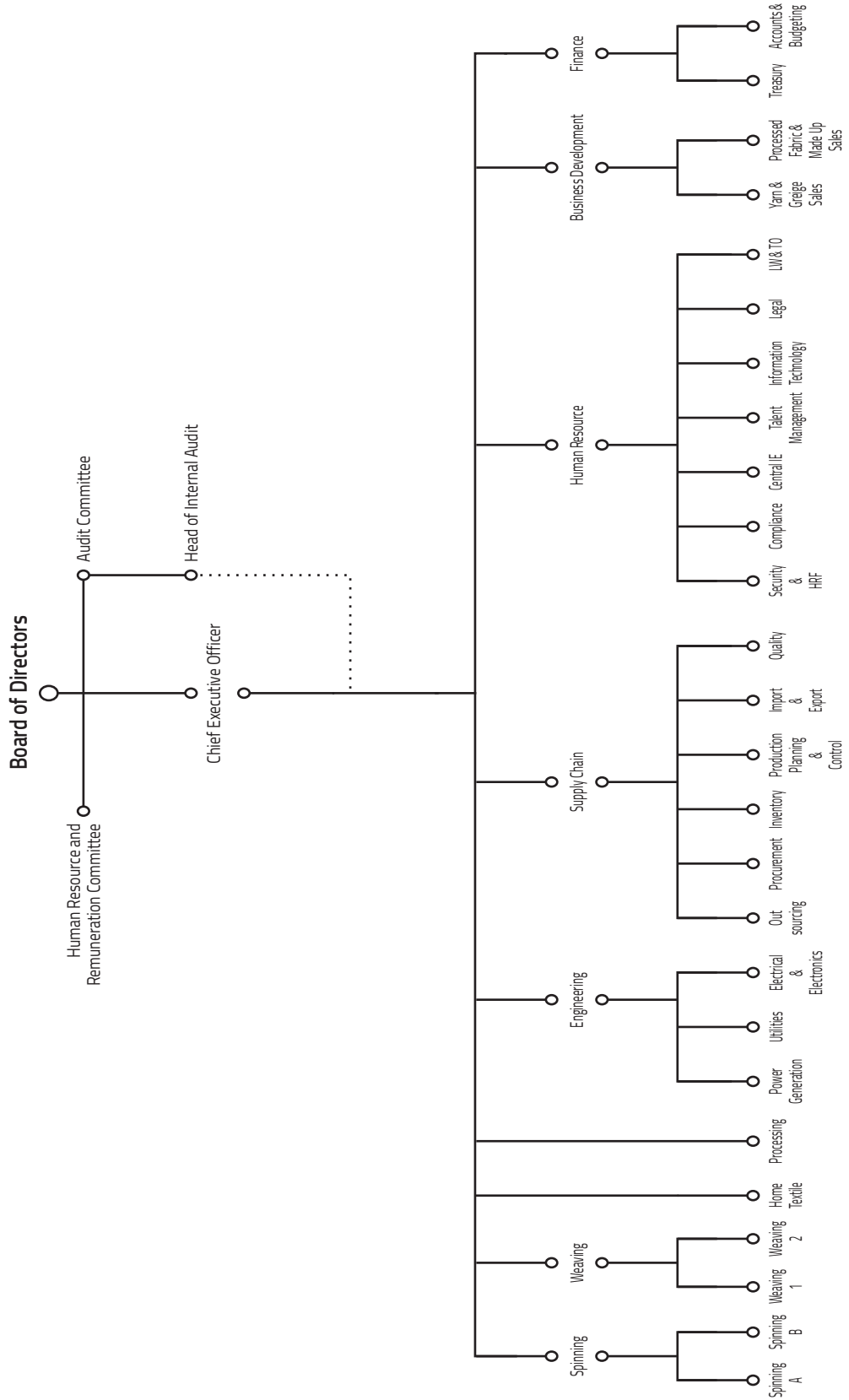


CALENDAR

of Corporate and Notable Events July 2022 to June 2023

▪ Plantation drive for kids	September 16, 2022
▪ BOD meeting for approval of annual accounts	September 28, 2022
▪ Breast cancer awareness session	October 11, 2022
▪ Annual general meeting	October 27, 2022
▪ BOD meeting for approval of 1st quarter accounts	October 28, 2022
▪ TCF Rahbar program	October 31, 2022
▪ Corporate briefing session	November 24, 2022
▪ Movember celebration	November 30, 2022
▪ Attendance reward	January 14, 2023
▪ Lets talk with CEO session	January 30, 2023
▪ Females healthcare session	February 20, 2023
▪ BOD meeting for approval of half yearly accounts	February 27, 2023
▪ Women's day celebration	March 08, 2023
▪ Pakistan day celebration	March 23, 2023
▪ BOD meeting for approval of 3rd quarter accounts	April 28, 2023
▪ EOGM for election of Board of Directors	May 16, 2023
▪ Session on road safety	May 17, 2023
▪ BOD meeting for appointment of Chairman, CEO and Committees of the Board	May 25, 2023
▪ Cultural festival celebration	May 30, 2023
▪ Hepatitis C awareness session	Jun 14, 2023

MANAGEMENT STRUCTURE / ORGANIZATION CHART



CHAIRMAN'S REVIEW

for the year ended June 30, 2023

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

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

For the financial year ended June 30, 2023, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

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

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



Khalid Bashir
Chairman

DIRECTORS' REPORT

for the year ended June 30, 2023

Directors of your Company are pleased to present the Annual Report along with audited Financial Statements of the Company and Auditors' Report thereon for the year ended 30 June, 2023.

Industry Overview

The Financial Year 2023 (FY 2023) remained a difficult year for Pakistan as it faced multiple macroeconomic challenges. Monsoon floods during the year 2022, global commodity prices and currency devaluation escorted a wave of inflation with average Consumer Price Index (CPI) reading of 29%, the highest since 1974. In addition, the interest rates were hiked to a record high of 22%. The International Monetary Fund (IMF) program remained elusive throughout the latter half of fiscal year as political uncertainty remained at an elevated level, paralyzing economic decision making. As a result, the rupee depreciated by 40% against the USD. The Country's GDP growth clocked at 0.29% in FY 2023 with the Agricultural and Services sector increased by 1.6% and 0.9%, respectively. Whereas Industrial segment witnessed a drop of 3.9% for the year, as high interest rates and import restrictions took their toll on the industrial output.

Textile industry export performance during FY 2023 proved that the export boom witnessed over the preceding two years (FY 2021 & FY 2022) was an outcome of several enabling internal and external factors including availability of subsidized loans, competitive energy tariffs and post pandemic rise in product demand. Most of these enabling factors are now a thing of the past, at least for the foreseeable future. The extraordinary era of cheap debt bonanza is now over, especially since interest rates have

climbed up to decade-high levels globally. Domestic supply of raw material adversely affected by monsoon floods of year 2022 that resulted in high production costs in FY 2023. The shocking depreciation of currency over the last year have made imported cotton more expensive. Pakistan's textile export during FY 2023 decreased by 14.3% to \$16.5 billion. Bed wear export decreased by 18% in USD value and 21% in quantitative terms. Knitwear export decreased by 13% in USD value while increased by 10% in quantitative terms. Garment export decreased by 11% in USD value while increased by 39% in quantitative terms. These numbers reflect country shift toward export of low value-added products.

The new fiscal year has opened on a positive note as IMF and Pakistan have struck a staff-level agreement for the provision of USD 3 billion in bailout funds under a Stand by Arrangement (SBA) for nine months. Going forward updates on the IMF program and flows from bilateral and multilateral sources will provide a road map for fiscal and monetary actions in the medium term.

Company's Performance

Despite the challenges owed, your Company managed uninterrupted business operations and was able to add value to shareholders. The Management continued to focus on profitable avenues, maximizing efficiency in production activities and cost rationalization through various means.

The operating results of the Company are summarized as follows:

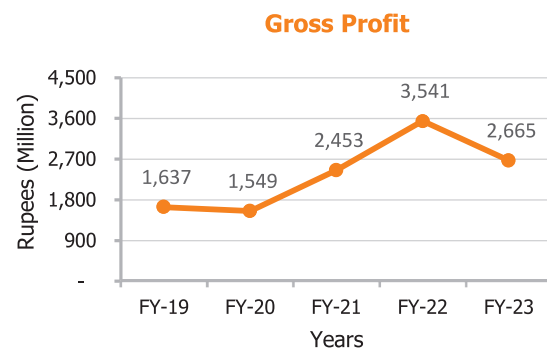
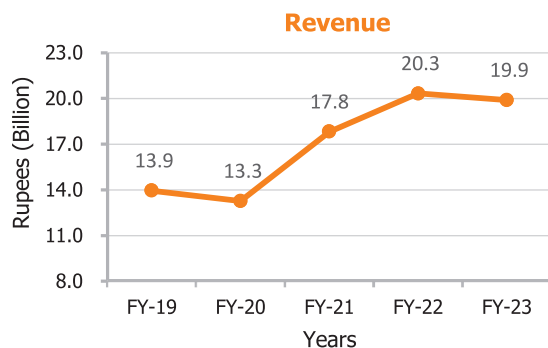
(Rupees in million)	FY 2023	FY 2022	Variance	%
Revenue	19,891	20,331	(440)	(2)
Gross Profit	2,665	3,541	(876)	(25)
Operating cost	1,477	1,659	(181)	(11)
Finance cost	1,025	498	527	106
Other income	623	377	246	65
Taxation	226	415	(189)	(46)
Net profit after tax	561	1,347	(786)	(58)
EPS Basic (Rs. per share)	5.61	13.68	(8.07)	(59)
EPS Diluted (Rs. per share)	5.61	13.64	(8.03)	(59)

DIRECTORS' REPORT

for the year ended June 30, 2023

Overall sales marginally decreased by 2%. Sale demand remained depressed throughout the year due multiple factors including high inflation, global recession and in ordinary accumulation of stocks by retailers. Export sales

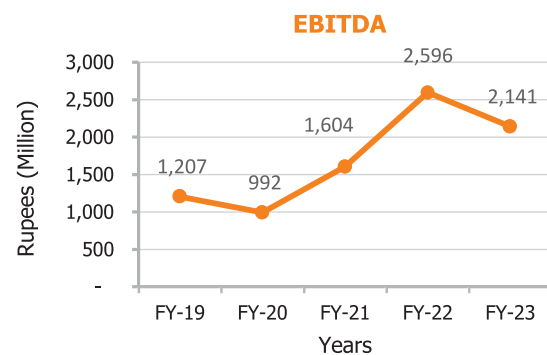
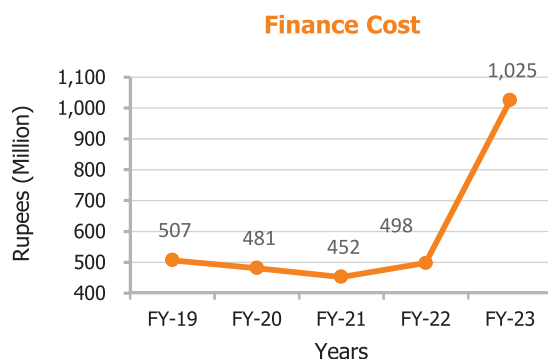
increased by 14% mainly due rupee devaluation impact. Domestic sale reduced by 19% due quantitative decrease. Last five years' review of sale and gross profit reflect continuous growth over the period.



Operating cost decreased by 11% due reduced sales volume. Other Income increased by Rs. 246 million mainly due exchange gain on foreign currency receivables. This remarkable gain was achieved by close monitoring of foreign currency exposure throughout the year.

caused by multiple upward revision in policy rate by SBP and withdrawal of subsidies from Export Refinance Facilities (ERF) by SBP. ERF rate is heading fast to match the KIBOR based borrowing rate. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) of the Company impressively improved over the last five years however it is slightly decreased in FY2023 due reduced net profits.

Finance cost increased by 106% in comparison to last year due increase in average borrowing rates. This increase is



Business Segments

Spinning segment performance remained depressed throughout the year. Spinning division faced multiple challenges including low product demand, drastic increase in raw material and energy prices. Raw material availability also remained a big concern due import

restrictions and historically low domestic cotton crop production. Spinning division produced 14.5 million Kgs of Yarn in comparison to last year production of 16.6 million Kgs of Yarn. Financial performance of spinning segment summarized as under:

DIRECTORS' REPORT

for the year ended June 30, 2023

	FY 2023 Rs million	FY 2022 Rs million	Change %
Sales	11,539	10,668	8
Cost of sales	11,712	9,232	27
(Loss) / gross profit	(172)	1,436	(112)
Distribution and Administrative expenses	264	236	12
(Loss) / profit before unallocated expenses and income	(437)	1,200	(136)

Weaving segment mainly caters in-house requirement for Processing and Home Textile divisions. The Company's inhouse weaving facility produced 10.9 million linear

meters of fabric in comparison to last year production of 10.5 million linear meters of fabric. Financial performance of weaving segment summarized as under:

	FY 2023 Rs million	FY 2022 Rs million	Change %
Sales	8,513	9,080	(6)
Cost of sales	8,438	8,917	(5)
Gross profit	75	162	(54)
Distribution and administrative expenses	79	69	15
(Loss) / profit before unallocated expenses and income	(4)	93	(105)

Installation and operation of new weaving unit delayed due supply chain issues. This new unit of 80 wider width Air Jet Looms will be commissioned into production by the end of this calendar year. This addition will enable us to produce a wide range of greige cloth and fulfill increased demand of home textile sector.

Processing and Home Textile segment topline recorded 14% growth in financial numbers whereas quantitative numbers reduced by 3%. Export sale volume decreased to

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

	FY 2023 Rs million	FY 2022 Rs million	Change %
Sales	12,206	10,692	14
Cost of sales	9,486	8,783	8
Gross profit	2,721	1,909	43
Distribution and administrative expenses	1,036	1,085	(4)
Profit before unallocated expenses and income	1,685	824	104

Financial Statements

As required under regulation 25 of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG Regulations, 2019"), the Chief Executive Officer and the Chief Financial Officer present the financial statements,

duly endorsed under their respective signatures, for consideration and approval of the Board of Directors (Board), after consideration and approval, the Board authorize the signing of financial statements for issuance and circulation. The financial statements of the Company

DIRECTORS' REPORT

for the year ended June 30, 2023

have been duly audited by the Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. They have issued an unqualified report to the members. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of the Directors' Report.

Appropriations

The Board of Directors of the Company in their meeting held on September 28, 2023 proposed a final cash dividend for the year ended June 30, 2023 at Rs. 1.00 per share (i.e. 10%). The proposed final cash dividend was subject to the approval of the members at the Annual General Meeting to be held on October 26, 2023.

Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the FY 2024. The Audit Committee has recommended their re-appointment which has been endorsed by the Board for shareholders consideration and approval at the forthcoming annual general meeting.

Related Party Transactions

All the related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017, CCG Regulations, 2019 and other applicable laws and regulations. There are no materially significant related party transactions made by the Company with Directors or Key Managerial Personnel, which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

All related party transactions during the FY 2023 were placed before the Board Audit Committee (BAC) and the Board for their review and approval. These transactions were reviewed by the BAC and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Composition of Board

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

Total number of Directors:

Male directors	6
Female director	1

Composition:

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

Changes in the Board and Committees

The Board of Directors, fixed the number of Directors, at seven (7) for the fresh election at the EOGM of the Company for a term of three (3) years commencing from May 17, 2023. Five (5) retiring directors namely Mr. Ahmad Shafi, Mr. Amin Anjum Saleem, Mr. Khalid Bashir, Mr. Muhammad Anwar and Mrs. Nazia Maqbool were re-elected. Two new directors namely Mr. Aurangzeb Shafi and Mr. Imran Maqbool were elected. The Board unanimously appointed Mr. Ahmad Shafi as the Chief Executive and Mr. Khalid Bashir as chairman of Board.

Audit Committee re-constituted for the three years term commencing from May 17, 2023 comprising of Mr. Khalid Bashir, Mr. Imran Maqbool, and Mr. Amin Anjum Saleem as members of the Committee.

Human Resource and Remuneration Committee re constituted for the three years term commencing from May 17, 2023 comprising of Mrs. Nazia Maqbool, Mr. Ahmad Shafi and Mr. Imran Maqbool as members of the Committee.

Detail of number of the Board and Committees' meetings held during the year and attendance by each director is as under:

DIRECTORS' REPORT

for the year ended June 30, 2023

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

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

Directors' Remuneration

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

Principal Risks and Uncertainties

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

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

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

Performance Evaluation of Board of Directors

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

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation and planning for sustainable operation;
- The Board's independence and effectiveness

Individual feedback was obtained and on the basis of that

feedback, the average rating of the performance of the Board and role of the Chairman regarding governing the Board was found up to the mark.

Internal Financial Controls

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

Statement on Corporate and Financial Reporting Framework:

- a. Financial statements prepared by Company's management present fairly its state of affairs, results of its operations, changes in equity and cash flows;
- b. Proper books of accounts have been maintained;
- c. Appropriate accounting policies have been consistently applied, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards (IFRSs) and Islamic Financial Accounting Standards (IFASs), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;

DIRECTORS' REPORT

for the year ended June 30, 2023

- e. The Company has sound potentials to continue as going concern;
- f. There has been no material departure from best practices of corporate governance;
- g. Financial data of the last six years is attached;
- h. Pattern of Shareholding is attached;
- i. Outstanding taxes and levies are given in the Notes to the Financial Statements;
- j. All the Board members have either got Directors Training Program (DTP) certification or have prescribed qualifications and experience required for exemption from DTP. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Corporate Social Responsibility (CSR)

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

Education

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

Health and Medical Care

We truly care for the well-being and the wellness of our employees and community. The Company has donated Rs. 21.6 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society. To ensure health and safety at the workplace, employees are trained to protect themselves by occupational safety rules and procedures while performing jobs.

Trees Plantation

Trees are a gift of nature they are essential for the environment and to combat climate change. Pakistan is the seventh most vulnerable country to climate change. We always remained at the forefront of taking collective action and thinking innovatively to combat climate change. We have planted 27,000 trees which are saving approximately 540 tons of CO2 per year. By planting trees, we are reducing CO2 emissions and contributing towards a healthy, natural living environment for all our employees and the society at large.

Environment Protection

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

Renewable Energy

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

Contribution to National Exchequer

During the year, the Company contributed Rs. 493 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of USD 48.29 million through the export of its products.

Employees' Retirement Benefits

Company established an 'Employees' Provident Fund Trust' to manage and control its financial affairs independently. Trust is recognized under Income Tax Laws and its income and contributions are exempt from tax. It receives subscription from employees with equal contribution from the Company. The value of investments of fund as per their financial statement was Rs. 665 million.

DIRECTORS' REPORT

for the year ended June 30, 2023

Future Outlook

The economic distress on account of policy tightening, flood impacts, import curtailment, coupled with political uncertainty has hampered the wheel of the Pakistan economy. A significant development for the Pakistan Textile Industry is the early cotton arrivals this year with better quality. The global economy is predicted to pick up some momentum as inflationary pressures, supply chain constraints are gradually easing. Although challenges are high but we are committed to perform in best possible manner by making strong efforts to sustain our cost through maximum capacity utilization, cost rationalization and effective procurement strategy.

Acknowledgement

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

For and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کے آڈٹ کردہ مالی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ 30 جون 2023ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

مالی سال 2023 پاکستان کے لیے ایک مشکل سال رہا کیونکہ اسے متعدد معاشی چیلنجز کا سامنا تھا۔ سال 2022 کے دوران مون سون کے سیلاب، عالمی اجناس کی قیمتوں اور کرنسی کی قدر میں کمی کے ساتھ مہنگائی کی شرح 29 فیصد کے اوسط کنٹریو میٹر پرائس انڈیکس (سی پی آئی) تک جا پہنچی، جو 1974 کے بعد سب سے زیادہ ہے۔ اس کے علاوہ شرح سود کو 22 فیصد کی بلند ترین سطح تک بڑھا دیا گیا۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کا رپورٹ گرام مالی سال کی آخری ششماہی کے دوران مبہم رہا کیونکہ سیاسی غیر یقینی صورتحال بلند سطح پر رہی، جس سے معاشی فیصلہ سازی مفلوج ہو گئی۔ نتیجے کے طور پر، روپے کی قدر امریکی ڈالر کے مقابلے میں 40 فیصد تک گر گئی۔ مالی سال 2023 میں ملک کی جی ڈی پی کی شرح نمو 0.29 فیصد رہی جس میں زرعی اور خدمات کے شعبے میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا۔ جبکہ صنعتی طبقہ میں سال کے لیے 3.9 فیصد کمی دیکھی گئی، کیونکہ بلند شرح سود اور درآمدی پابندیوں نے صنعتی پیداوار پر اثر ڈالا۔

مالی سال 2023 کے دوران نیکسٹائل انڈسٹری کی برآمدی کارکردگی نے ثابت کیا کہ گزشتہ دو سالوں (مالی سال 2021 اور مالی سال 2022) کے دوران برآمدات میں جو تیزی دیکھنے میں آئی وہ کئی مخصوص اندرونی اور بیرونی عوامل کا نتیجہ تھا جن میں رعایتی قرضوں کی دستیابی، توانائی کے مسابقتی ٹیرف اور وہابی امراض کے بعد مصنوعات کی طلب میں اضافہ شامل ہے۔ ان میں سے زیادہ تر مخصوص عوامل اب کم از کم مستقبل قریب کے لیے ماضی کی بات ہیں۔ سستے قرضوں کی خوش قسمتی کا غیر معمولی دور اب ختم ہو چکا ہے، خاص طور پر چونکہ عالمی سطح پر شرح سود ہائی کی بلند ترین سطح پر پہنچ گئی ہے۔ سال 2022 کے مون سون سیلاب کی وجہ سے خام مال کی مقامی فراہمی بری طرح متاثر ہوئی جس کے نتیجے میں مالی سال 2023 میں پیداواری لاگت بڑھ گئی۔ گزشتہ برس کرنسی کی قدر میں حیران کن کمی نے درآمدی کپاس کو مزید مہنگا کر دیا ہے۔ مالی سال 2023 کے دوران پاکستان کی نیکسٹائل ایکسپورٹ 14.3 فیصد کم ہو کر 16.5 بلین ڈالر رہ گئی۔ بیڈوئیر کی برآمدات میں بلحاظ امریکی ڈالر قدر 18 فیصد اور بلحاظ مقدار 21 فیصد کمی واقع ہوئی۔ نٹ ویئر کی برآمدات میں بلحاظ امریکی ڈالر قدر 13 فیصد کمی واقع ہوئی جبکہ بلحاظ مقدار 10 فیصد اضافہ ہوا۔ گارمنٹس کی برآمدات میں بلحاظ امریکی ڈالر قدر 11 فیصد کمی اور بلحاظ مقدار 39 فیصد اضافہ ہوا۔ یہ اعداد و شمار کم ویلیو ایڈڈ مصنوعات کی برآمد کی طرف ملک کی تبدیلی کی عکاسی کرتے ہیں۔

نئے مالی سال کا آغاز ایک مثبت علامت پر ہوا ہے کیونکہ IMF اور پاکستان نے نومبر کے لیے اسٹینڈ بائی اریٹمنٹ (SBA) کے تحت 3 بلین امریکی ڈالر کے نیل آؤٹ فنڈز کی فراہمی کے لیے سٹاف لیول پر معاہدہ کیا ہے۔ مزید برآں آئی ایم ایف پروگرام کے بارے میں اپ ڈیٹس اور دو طرفہ وکثیر جہتی ذرائع سے آنے والی معلومات درمیانی مدت میں مالی اور مالیاتی اقدامات کے لیے روڈ میپ فراہم کریں گی۔

کمپنی کی کارکردگی:

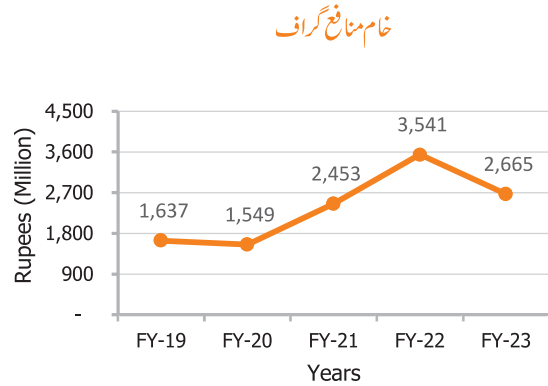
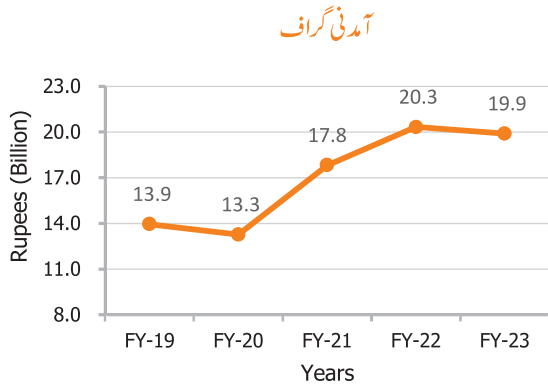
درپیش چیلنجوں کے باوجود، آپ کی کمپنی نے بلا تعطل کاروباری کارروائیوں کا انتظام کیا اور شیئر ہولڈرز کے لیے قدر میں اضافہ کرنے میں کامیاب رہی۔ انتظامیہ نے منافع بخش طریقوں، پیداواری سرگرمیوں میں زیادہ سے زیادہ کارکردگی اور مختلف ذرائع سے لاگت کو معقول بنانے پر توجہ مرکوز رکھی۔

ڈائریکٹران کی رپورٹ
مالی سال ختمہ 30 جون 2023ء

کمپنی کے عملی نتائج کا خلاصہ مندرجہ ذیل ہے:

فیصد فرق	فرق	مالی سال 2022ء	مالی سال 2023ء	ملین روپے
(2)	(440)	20,331	19,891	آمدنی
(25)	(876)	3,541	2,665	خام منافع
(11)	(181)	1,659	1,477	عملی اخراجات
106	527	498	1,025	مالیاتی اخراجات
65	246	377	623	دیگر آمدنی
(46)	(189)	415	226	محصولات
(58)	(786)	1,347	561	خالص منافع بعد از محصولات
(59)	(8.07)	13.68	5.61	فی حصص بنیادی آمدنی (روپے)
(59)	(8.03)	13.64	5.61	فی حصص خالص آمدنی (روپے)

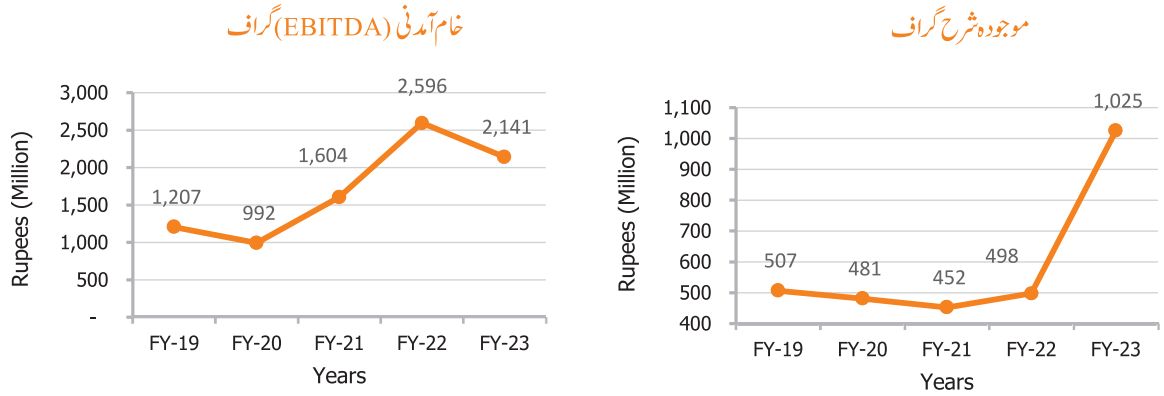
مجموعی طور پر فروخت میں 2 فیصد کمی معمولی کی واقع ہوئی۔ متعدد عوامل بشمول بلند افراط زر، عالمی کساد بازاری اور خوردہ فروشوں کی طرف سے اسٹاک کی ذخیرہ اندوزی کے باعث سال بھر فروخت کی طلب دباؤ کا شکار رہی۔ برآمدات کی فروخت میں 14 فیصد اضافہ ہوا جس کی بنیادی وجہ روپے کی قدر میں کمی ہے۔ مقداری کمی کی وجہ سے مقامی فروخت میں 19 فیصد کمی ہوئی۔ فروخت اور مجموعی منافع کا پچھلے پانچ سالوں کا جائزہ اس مدت کے دوران مسلسل ترقی کی عکاسی کرتا ہے۔



فروخت کے حجم میں کمی کی وجہ سے عملی لاگت میں 11 فیصد کمی واقع ہوئی۔ بنیادی طور پر غیر ملکی کرنسی کی وصولیوں پر زرمبادلہ کے فائدہ کی بدولت دیگر آمدنی میں 246 ملین روپے کا اضافہ ہوا۔ یہ قابل ذکر فائدہ پورے سال کے دوران غیر ملکی کرنسی ایکسپوزر کی قریبی مانیٹرنگ کے ذریعے حاصل کیا گیا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

قرض لینے کی اوسط شرح میں اضافے کی وجہ سے گزشتہ سال کے مقابلے میں مالیاتی لاگت میں 106 فیصد اضافہ ہوا۔ یہ اضافہ سٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں متعدد بالائی نظر ثانیوں اور SBP کی جانب سے ایکسپورٹ ری فننس فیسلٹیز (ERF) سے سبسڈی واپس لینے کی وجہ سے ہوا ہے۔ KIBOR پر مبنی قرض لینے کی شرح سے موافقت کے لیے ERF کی شرح تیزی سے بڑھ رہی ہے۔ گزشتہ پانچ سالوں کے دوران کمپنی کے خام منافع (EBITDA) میں متاثر کن طور پر بہتر ہوئی ہے تاہم خالص منافع میں کمی کی وجہ سے مالی سال 2023 میں اس میں قدرے کمی واقع ہوئی ہے۔



کاروباری شعبہ جات:

سپینگ:

اسپینگ کے شعبہ کی کارکردگی سال بھر دباؤ کا شکار رہی۔ اسپینگ ڈویژن کو متعدد چیلنجوں کا سامنا کرنا پڑا جن میں مصنوعات کی کم طلب، خام مال میں زبردست اضافہ اور توانائی کی قیمتیں شامل ہیں۔ درآمدی پابندیوں اور مقامی کپاس کی پیداوار میں تاریخی کمی کی وجہ سے خام مال کی دستیابی بھی تشویش ناک رہی۔ اسپینگ ڈویژن نے گزشتہ سال کی 16.6 ملین کلوگرام یارن کی پیداوار کے مقابلے میں 14.5 ملین کلوگرام یارن تیار کیا۔

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

تبدیلی (فیصد)	مالی سال 2022ء (ملین روپے)	مالی سال 2023ء (ملین روپے)	
8	10,668	11,539	فروخت
27	9,232	11,712	فروخت کی لاگت
(112)	1,436	(172)	مجموعی (نقصان) / منافع
12	236	264	انتظامی و تقسیم کی لاگت
(136)	1,200	(437)	(نقصان) / منافع قبل از غیر منقولہ اخراجات و آمدنی

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

ویونگ:

ویونگ کا شعبہ بنیادی طور پر پروسیسنگ اور ہوم ٹیکسٹائل کے شعبہ جات کے لیے مقامی ضروریات کو پورا کرتا ہے۔ کمپنی کی ذاتی ویونگ سہولت نے گزشتہ سال کے 10.5 ملین میٹر کپڑے کی پیداوار کے مقابلے میں 10.9 ملین میٹر کپڑا تیار کیا۔

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

تبدیلی (فیصد)	مالی سال 2022ء (ملین روپے)	مالی سال 2023ء (ملین روپے)	
(6)	9,080	8,513	فروخت
(5)	8,917	8,438	فروخت کی لاگت
(54)	162	75	مجموعی منافع
15	69	79	انتظامی و تقسیم کی لاگت
(105)	93	(4)	(نقصان)/ منافع قبل از غیر منقولہ اخراجات و آمدنی

سپلائی چین کے مسائل کی وجہ سے نئے ویونگ یونٹ کی تنصیب اور آپریشن میں تاخیر ہوئی۔ 80 اچھڑائی والے ایئر جیٹ لومز پر مشتمل یہ نیا یونٹ اس تقویمی سال کے آخر تک پیداوار کا آغاز کر دے گا۔ یہ اضافہ ہمیں گرے کلا تھ کی وسیع رینج تیار کرنے اور مقامی ٹیکسٹائل سیکٹر کی بڑھتی ہوئی ضرورت کو پورا کرنے کے قابل بنائے گا۔

پروسیسنگ اور ہوم ٹیکسٹائل:

پروسیسنگ اور ہوم ٹیکسٹائل شعبہ کی ٹاپ لائن میں بلحاظ تعداد 14 فیصد کا اضافہ ہوا جبکہ بلحاظ مقدار 3 فیصد کمی واقع ہوئی۔ برآمدی فروخت کا حجم زیرموازنہ سال کے 23.55 ملین میٹر سے کم ہو کر 22.75 ملین میٹر رہ گیا۔ تاہم، حجم میں خاطر خواہ کمی نے اس طبقہ کی باٹم لائن پر کوئی منفی اثر نہیں ڈالا بلکہ اس میں پچھلے سال کے مقابلے میں کافی بہتری آئی ہے۔ اچھی قیمت فروخت کے ساتھ بہتر برآمدی آرڈرز کا انتخاب اور پاکستانی روپے کی قدر میں مسلسل گراوٹ نے اس شعبہ میں نمایاں نتائج حاصل کرنے میں اہم کردار ادا کیا۔ آگے بڑھتے ہوئے، ہماری حکمت عملی کا کلیدی حصہ اعلیٰ قیمت کی مصنوعات کی برآمد میں ہمارا حصہ بڑھائے گا۔

اس شعبہ کی مالی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

تبدیلی (فیصد)	مالی سال 2022ء (ملین روپے)	مالی سال 2023ء (ملین روپے)	
14	10,692	12,206	فروخت
8	8,783	9,486	فروخت کی لاگت
43	1,909	2,721	مجموعی منافع
(4)	1,085	1,036	انتظامی و تقسیم کی لاگت
104	824	1,685	منافع قبل از غیر منقولہ اخراجات و آمدنی

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

مالیاتی اسٹیٹمنٹ:

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

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

تقسیم:

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 ستمبر 2023 کو اپنی میٹنگ میں 30 جون 2023 کو ختم ہونے والے سال کے لئے 1.00 روپیہ فی شیئر (یعنی 10%) حتمی نقد منافع کی تجویز پیش کی۔ مجوزہ حتمی نقد منافع 26 اکتوبر 2023 کو کمپنی کے ممبران کے سالانہ جنرل اجلاس کی منظوری سے مشروط ہے۔

آڈیٹران:

آڈیٹرز میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2024 کے لیے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا۔ آڈٹ کمیٹی نے ان کی دوبارہ تعیناتی کی منظوری دی اور پیش آمدہ سالانہ عمومی اجلاس پر شیئر ہولڈرز بورڈ نے بھی غور اور منظوری پر ان کی تعیناتی کی سفارش کی ہے۔

متعلقہ پارٹی کے معاملات:

عام کاروبار میں تمام متعلقہ پارٹیوں کے معاملات آزادانہ بنیادوں پر شامل کیے جاتے ہیں اور کمپنیز ایکٹ 2017ء، کوڈ آف کارپوریٹ گورننس 2019 (CCG Regulations, 2019) اور دیگر قابل اطلاق قوانین اور قواعد و دفعات کے مطابق ہیں۔ کمپنی نے مادی لحاظ سے اہم متعلقہ پارٹی کے معاملات ڈائریکٹرز یا کسی بڑی انتظامی شخصیت وغیرہ کے ساتھ نہیں کیے جن سے کمپنی کے مفاد سے بڑے پیمانے پر تصادم ہو یا جس کے لیے شیئر ہولڈرز کی منظوری کی قید ہو۔

مالی سال 2023 کے دوران کے تمام متعلقہ پارٹیوں کے معاملات جائزہ اور توثیق کے لیے بورڈ آڈٹ کمیٹی (BAC) اور بورڈ کے روبرو پیش کیے گئے۔ ان معاملات کا بورڈ آڈٹ کمیٹی کی طرف سے جائزہ لیا گیا اور بورڈ سے منظور ہوئے۔ یہ تمام معاملات قیمتوں کے تبادلہ کے طریقہ کار اور بورڈ سے منظور شدہ متعلقہ پارٹیوں کی پالیسی کے مطابق پائے گئے۔

بورڈ کی ساخت:

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

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

ممبران کی کل تعداد:

6	مرد ڈائریکٹران
1	خاتون ڈائریکٹر

ساخت:

2	خود مختار ڈائریکٹران
3	دیگر غیر فعال ڈائریکٹران
2	فعال ڈائریکٹران

بورڈ اور کمیٹی میں تبدیلیاں:

بورڈ آف ڈائریکٹرز نے کمپنی کے غیر معمولی اجلاس عام (EOGM) میں 17 مئی 2023 سے شروع ہونے والی تین سالہ مدت کے لیے نئے انتخابات کے لیے ڈائریکٹرز کی تعداد سات مقرر کی۔ سبکدوش ہونے والے پانچ ڈائریکٹرز یعنی جناب احمد شفیع، جناب امین انجم سلیم، جناب خالد بشیر، جناب محمد انور اور محترمہ نازیہ مقبول کو دوبارہ منتخب کیا گیا۔ جناب اورنگزیب شفیع اور جناب عمران مقبول نام کے دو نئے ڈائریکٹر منتخب ہوئے۔ بورڈ نے متفقہ طور پر جناب احمد شفیع کو چیف ایگزیکٹو اور جناب خالد بشیر کو بورڈ کا چیئرمین مقرر کیا۔

آڈٹ کمیٹی 17 مئی 2023 سے شروع ہونے والی تین سالہ مدت کے لیے دوبارہ تشکیل دی گئی جس میں جناب خالد بشیر، جناب عمران مقبول اور جناب امین انجم سلیم بطور کمیٹی ممبران کے شامل ہیں۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی 17 مئی 2023 سے شروع ہونے والی تین سالہ مدت کے لیے دوبارہ تشکیل دی گئی جس میں مسز نازیہ مقبول، جناب احمد شفیع اور جناب عمران مقبول کمیٹی ممبران کے طور پر شامل ہیں۔

ڈائریکٹران کی رپورٹ مالی سال محنتہ 30 جون 2023ء

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

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

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

ڈائریکٹرز کا مشاہرہ:

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

نمایاں خطرات اور عدم یقینی:

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

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

ڈائریکٹران کی رپورٹ مالی سال ختمہ 30 جون 2023ء

بورڈ آف ڈائریکٹرز کی کارکردگی کا اندازہ:

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

(1): کمپنی کے ویژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی قطار بندی

(2): پائیدار پریشن کے لیے حکمت عملی کی تشکیل اور منصوبہ بندی

(3): بورڈ کی خود مختاری اور موثرگی

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

اندرونی مالیاتی کنٹرولز:

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

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹ منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔

2- اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔

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

4- مالیاتی سٹیٹمنٹ کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs)، اسلامی مالیاتی اکاؤنٹنگ کے معیارات (IFASS) جیسے پاکستان میں لاگو ہیں اور کمپنیز

ایکٹ 2017 کے تحت جاری کردہ قواعد و ضوابط کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔

5- کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔

6- کارپوریٹ نظام کے بہترین تجربہ سے مادی طور پر وگردانی ممکن نہیں۔

7- پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔

8- شیئرز ہولڈنگ کا پیٹرن لف ہے۔

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

10- بورڈ ممبران کی اکثریت ڈائریکٹرز ریننگ پروگرام (DTP) سے استثنیٰ کے لیے مطلوبہ قابلیت اور تجربہ رکھتی ہے۔ تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر

اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

ادارہ جاتی سماجی ذمہ داری (CSR):

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

تحفظ شامل ہیں۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

تعلیم:

CSR ذمہ داری کے تحت کمپنی دیہاتی علاقوں میں تعلیم کے فروغ کے لیے رفائی تنظیم دی سٹیزن فاؤنڈیشن کے ساتھ شراکت کر رہی ہے۔ کمپنی فیصل آباد کے دورافتادہ علاقوں میں کمپنی کی طرف سے پہلے سے تعمیر شدہ TCF کے پرائمری سیکشن کے 3 یونٹس کے لیے فنڈنگ کر رہی ہے۔ سال کے دوران ہم نے سالانہ رواں اخراجات کی مد میں 78 لاکھ روپے عطیہ کیے ہیں۔

ہیلتھ اور میڈیکل کیئر:

اپنی بنیادی ادارگی کی پاسداری میں ہم حقیقت میں اپنے ملازمین کی فلاح و بہبود کا خیال رکھتے ہیں۔ کمپنی نے معاشرے کے غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معروف اداروں کو 2 کروڑ 16 لاکھ روپے عطیہ کیے ہیں۔ کام کی جگہ پر صحت اور حفاظت کو یقینی بنانے کے لیے ملازمین کو تربیت دی گئی ہے کہ وہ اپنی ذمہ داریاں ادا کرنے کے دوران کس طرح حفاظتی اصول و ضوابط کو اپنا کر خود کو محفوظ رکھ سکتے ہیں۔

شجر کاری:

درخت قدرت کا ایک تحفہ ہیں۔ یہ ماحول اور موسمیاتی تبدیلیوں سے مقابلہ کرنے کے لیے بہت ضروری ہیں۔ پاکستان موسمیاتی تبدیلیوں سے متاثرہ ممالک میں ساتویں نمبر پر ہے۔ ہم موسمیاتی تبدیلیوں سے مقابلہ کے لیے اختراع غور و فکر اور اجتماعی کارروائی کو عمل لانے کے لیے ہمیشہ سب سے آگے رہے ہیں۔ ہم نے 27 ہزار درخت لگائے ہیں جو کاربن ڈائی آکسائیڈ میں سالانہ 540 ٹن کمی کا باعث ہیں۔ شجر کاری سے ہم کاربن ڈائی آکسائیڈ میں کمی اور اپنے تمام ملازمین اور بڑے پیمانے پر معاشرے کے لیے صحت مند، قدرتی ماحول کی فراہمی میں حصہ ڈال رہے ہیں۔

ماحولیاتی تحفظ:

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

قابل تجدید توانائی:

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

قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 493 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 48.29 ملین ڈالر کا قابل قدر زرمبادلہ حاصل کیا۔

ڈائریکٹران کی رپورٹ مالی سال مختتمہ 30 جون 2023ء

ملازمین کے ریٹائرمنٹ کے فوائد:

کمپنی نے اپنے مالی معاملات آزادانہ طور پر انجام دینے کے لیے ایک "ایمپلائز پراویڈنٹ فنڈ ٹرسٹ" قائم کیا ہے۔ یہ ٹرسٹ انکم ٹیکس قوانین کے تحت منظور شدہ ہے اور اس کی آمدنی اور تعاون محصولات سے مستثنیٰ ہیں۔ یہ ملازمین کی طرف سے پیشگی رکنیت اور کمپنی سے اس کے برابر حصہ وصول کرتا ہے۔ ان کی مالیاتی سٹیٹمنٹ کے مطابق فنڈ کی سرمایہ کاری کی قدر 665 ملین روپے تھی۔

مستقبل کی منصوبہ بندی:

بے پلک پالیسیوں، سیلاب کے اثرات، درآمدات میں کمی اور سیاسی بے یقینی کی وجہ سے معاشی بد حالی نے پاکستان کی معیشت کا پہیہ روک دیا ہے۔ پاکستان ٹیکسٹائل انڈسٹری کے لیے ایک اہم پیش رفت اس سال بہتر معیار کے ساتھ کپاس کی ابتدائی آمد ہے۔ عالمی معیشت میں کچھ تیز رفتاری کی پیش گوئی کی گئی ہے کیونکہ افراط زر کے دباؤ، سپلائی چین کی رکاوٹیں، بتدریج کم ہو رہی ہیں۔ اگرچہ چیلنجز بہت زیادہ ہیں لیکن ہم زیادہ سے زیادہ صلاحیت کے استعمال، لاگت کو معقول بنانے اور خریداری کی موثر حکمت عملی کے ذریعے اپنی لاگت کو برقرار رکھنے کے لیے بھرپور کوششیں کرتے ہوئے بہترین کارکردگی کا مظاہرہ کرنے کے لیے پرعزم ہیں۔

خدمات کا اعتراف:

بورڈ آف ڈائریکٹرز سال کے دوران کمپنی کے تمام شراکت داروں بشمول خریداران، حصص یافتگان، فروخت کنندگان، حکومتی ایجنسیوں، بینکاروں اور تمام دیگر تجارتی رفقاء کے مسلسل تعاون پر ان کا مشکور ہے۔ بورڈ ایک بہت ہی مخلص ٹیم کی جانب سے دی گئی شراکت کو بھی تسلیم کرتا ہے جس نے جوش و خروش کے ساتھ کمپنی کی خدمت کی، اور امید ہے کہ خلوص کا یہی جذبہ مستقبل میں بھی برقرار رہے گا۔

منجانب: بورڈ آف ڈائریکٹرز



خالد شیر

ڈائریکٹر

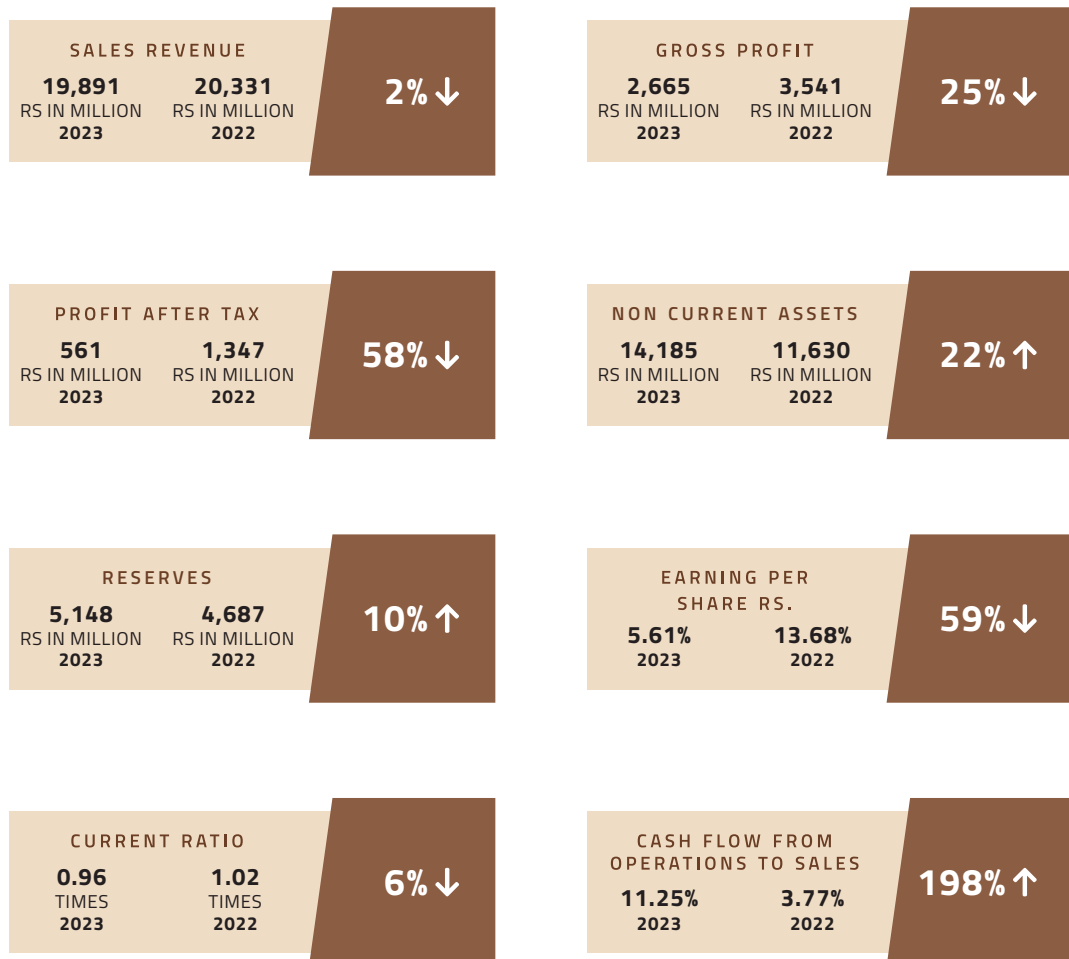


احمد شفیع

چیف ایگزیکٹو آفیسر



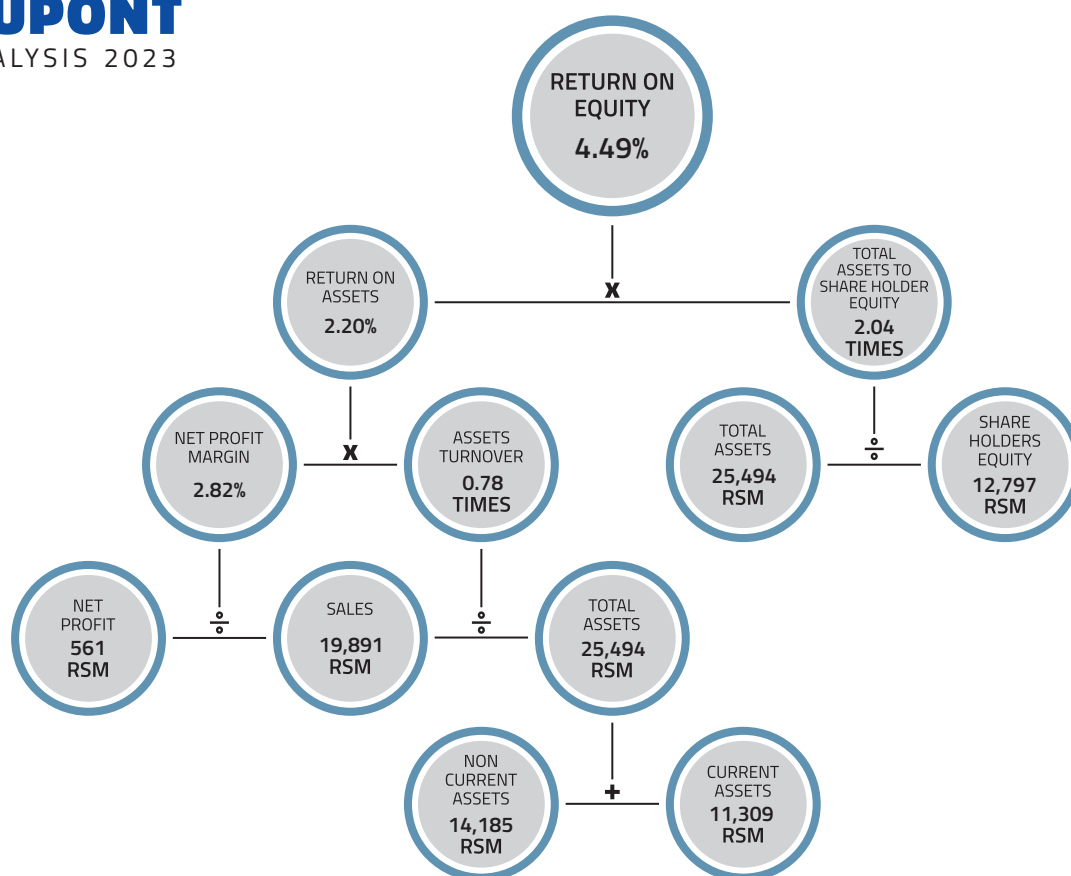
2023 YEAR AT GLANCE





DUPONT

ANALYSIS 2023



Summary of Dupont Analysis	FY 2023	FY 2022
Return on equity (%)	4.49	12.43
Net profit margin (%)	2.82	6.63
Return on assets (%)	2.20	6.04
Assets turnover (times)	0.78	0.91
Total assets to shareholders' equity (times)	2.04	2.06

Comments:

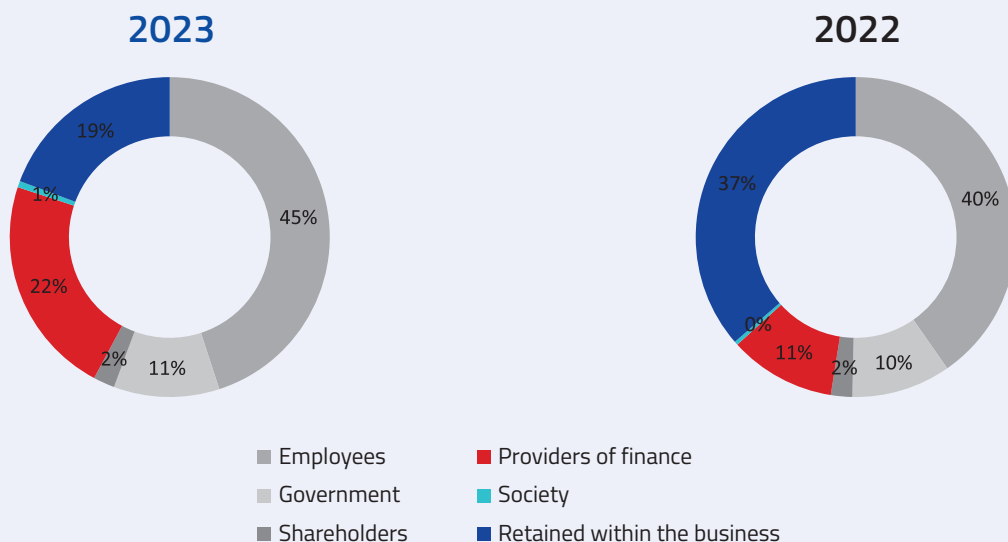
Sales have been decreased by 2% mainly due to decrease in local sales volume and finance cost increased by 106% due to increase in average borrowings rate, which consequently decreased the net profit margin, return on equity and return on assets.

STATEMENT OF VALUE ADDITION

(Rupees in million)	2023	%	2022	%
WEALTH GENERATED				
Revenue	19,891	100%	20,331	100%
Bought-in-material and services	15,277	77%	15,704	78%
	4,614	23%	4,627	22%
WEALTH DISTRIBUTED				
TO EMPLOYEES				
Salaries, wages and other benefits	2,076	45%	1,865	40%
TO GOVERNMENT				
Taxes and duties	493	11%	464	10%
TO SHAREHOLDERS				
Dividend *	100	2%	100	2%
TO PROVIDERS OF FINANCE				
Finance cost	1,025	22%	498	11%
TO SOCIETY				
Donation toward health and education	29	0.6%	17	0.4%
RETAINED WITHIN THE BUSINESS FOR FUTURE GROWTH				
Retained earning and depreciation	891	19%	1,683	36%
	4,614	100%	4,627	100%

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

Distribution of Wealth



PERFORMANCE INDICATORS

		2023	2022	2021	2020	2019	2018
A. PROFITABILITY RATIOS							
Gross profit ratio	%	13.40	17.42	13.77	11.68	11.74	9.72
Net profit to sales	%	2.82	6.63	2.89	0.25	1.71	0.07
EBITDA margin to sales *	%	10.76	12.77	9.00	7.48	8.65	8.40
Return on equity	%	4.49	12.43	5.22	0.39	3.02	0.10
Return on capital employed	%	2.78	7.40	3.08	0.21	1.53	0.05
B. LIQUIDITY RATIOS							
Current ratio	Times	0.96	1.02	0.97	0.83	0.80	0.88
Quick ratio	Times	0.50	0.55	0.55	0.46	0.50	0.55
Cash to current liabilities	%	1.53	1.39	3.60	0.43	0.05	0.04
Cash flow from operations to sales	%	11.25	3.74	4.33	7.45	11.08	3.97
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	4	4	4	4	5	4
Number of days in inventory	Days	101	90	82	85	72	83
Debtors turnover	Times	5	6	7	5	6	5
Number of days in receivables	Days	70	58	52	70	65	74
Creditors turnover	Times	7	8	8	6	8	8
Number of days in payables	Days	52	44	46	64	47	44
Total assets turnover	Times	0.78	0.91	0.88	0.71	0.80	0.64
Property, plant and equipment turnover	Times	1.83	2.58	2.42	1.79	2.07	1.79
Operating cycle	Days	119	104	89	97	91	112
D. INVESTMENT / MARKET RATIO							
Basic and diluted earning per share	Rs	5.61	13.68	6.12	0.42	2.98	0.11
Price earning ratio	Times	2	1	4	50	7	238
Dividend Yield ratio **	%	7.75	5.56	-	-	2.76	-
Dividend Payout ratio **	%	17.83	7.42	-	-	20.12	-
Dividend Cover ratio **	Times	5.61	13.68	-	-	4.97	-
Cash dividend **	%	10.00	10	-	-	6.00	-
Market value per share							
- At the end of the period	Rs	12.90	17.99	27.29	20.82	21.76	25.20
- Highest during the period	Rs	18.79	29.81	39.96	26.30	38.53	43.93
- Lowest during the period	Rs	11.42	17.10	18.54	17.25	20.51	24.48
Break up value	Rs	124.97	110.04	117.24	108.00	98.83	104.63
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	0.71	0.75	0.77	0.86	0.93	0.90
Weighted average cost of debt	%	12.08	6.34	6.04	6.53	6.82	8.76
Long term debt to equity ratio	%	9.14	7.79	9.77	12.97	14.17	10.10
Interest cover ratio	Times	1.77	4.54	2.79	1.37	1.78	1.02

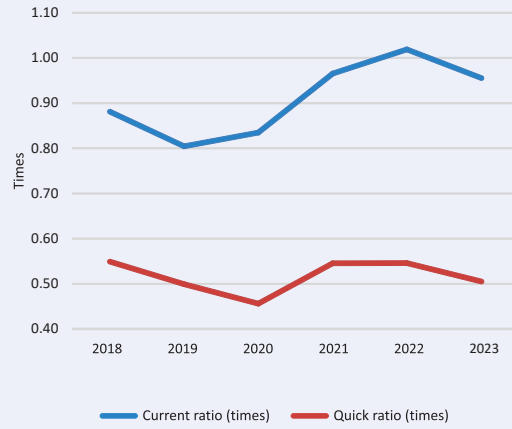
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

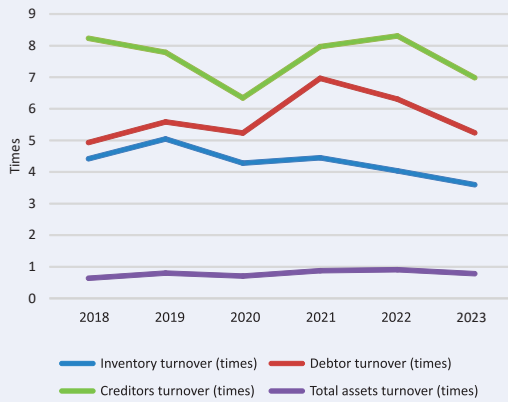
RETURN ON CAPITAL AND EQUITY



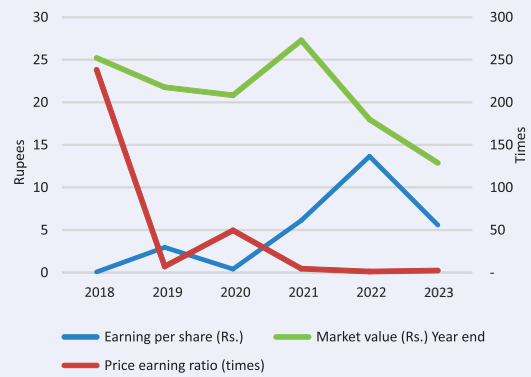
LIQUIDITY



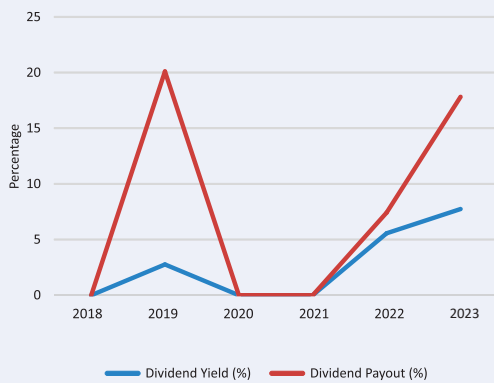
ASSET MANAGEMENT



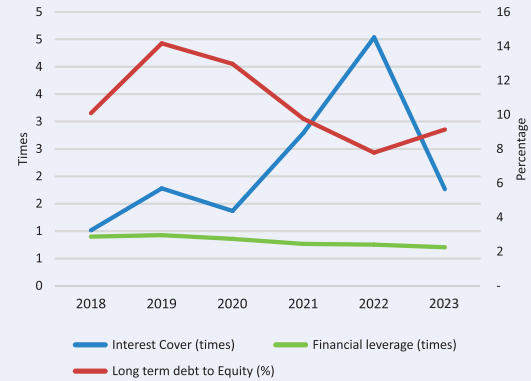
PER SHARE RESULT



DIVIDEND AND RETURNS



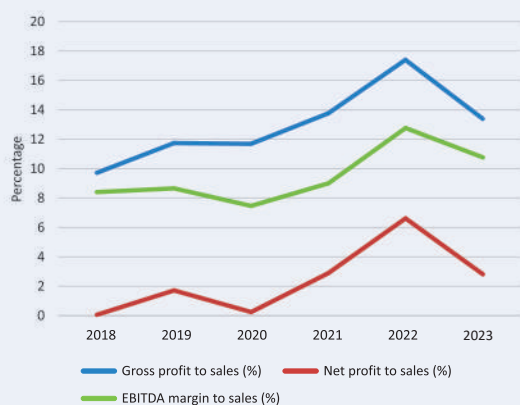
DEBT MANAGEMENT



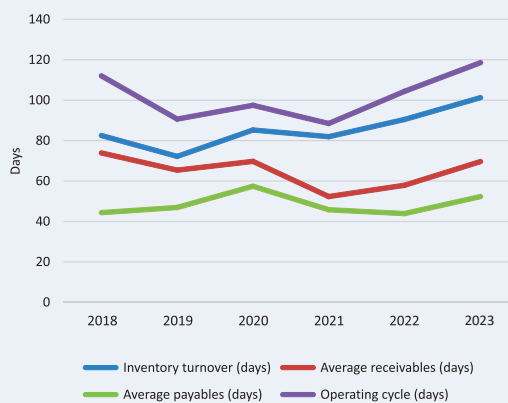
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2023	2022	2020	2019	2018	2017
SUMMARY OF STATEMENT OF PROFIT OR LOSS						
Revenue	19,891	20,331	17,817	13,264	13,946	11,314
Gross profit	2,665	3,541	2,453	1,549	1,637	1,100
Profit from operations	1,811	2,260	1,262	657	903	648
Profit before taxation	787	1,762	810	177	396	10
Profit after taxation	561	1,347	516	34	239	8
SUMMARY OF STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	10,898	7,880	7,376	7,402	6,727	6,328
Long term investments	3,278	3,729	3,807	3,693	3,792	3,736
Stores, spare parts and loose tools	380	348	225	234	265	198
Stock-in-trade	4,953	4,610	3,711	3,187	2,285	2,589
Trade debts	3,835	3,755	2,695	2,419	2,648	2,346
Income tax	771	761	737	778	736	678
Other receivables	736	378	381	301	295	1,420
Short term investments	255	446	792	477	390	94
Total current assets	11,240	10,670	9,051	7,541	6,713	7,398
Total assets	25,494	22,301	20,264	18,795	17,371	17,614
Total Equity	12,497	10,835	9,875	8,640	7,907	8,370
Long term financing	1,142	844	964	1,120	1,120	845
Trade and other payables	3,088	2,342	2,060	2,027	1,866	1,488
Unclaimed Dividend	12	11	11	11	9	10
Short term borrowings	7,248	6,892	6,128	6,240	5,936	6,417
Current liabilities	11,840	10,473	9,379	9,035	8,344	8,399
Total equity and liabilities	25,494	22,301	20,264	18,795	17,371	17,614
SUMMARY OF STATEMENT OF CASH FLOWS						
Cash and cash equivalents at the beginning of the year	146	338	39	5	3	4
Net cash from / (used in) operating activities	999	(60)	98	257	864	(312)
Net cash used in investing activities	(1,630)	(781)	(297)	(286)	(674)	(164)
Net cash from / (used in) financing activities	667	649	499	64	(189)	476
Net increase / (decrease) in Cash and cash equivalents	36	(192)	299	35	1	(0)
Cash and cash equivalents at the end of the year	181	146	338	39	5	3

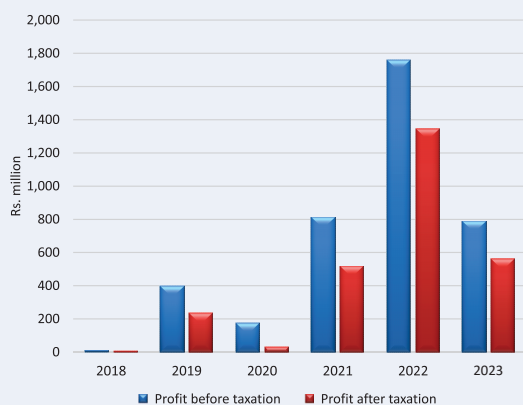
PROFITABILITY



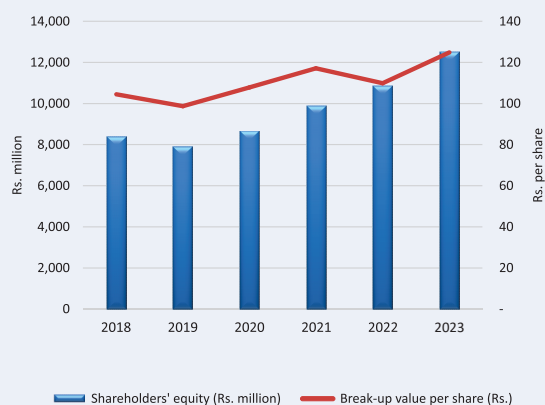
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	10,898	42.7	7,880	35.3	7,376	36.4	7,402	39.4	6,727	38.7	6,328	35.9
Intangible assets	0	0.0	6	0.0	13	0.1	20	0.1	6	0.0	12	0.1
Long term investments	3,278	12.9	3,729	16.7	3,807	18.8	3,693	19.7	3,792	21.8	3,736	21.2
Long term loans and advances	1	0.0	1	0.0	0	0.0	0	0.0	1	0.0	1	0.0
Long term deposits and prepayments	8	0.0	15	0.1	15	0.1	29	0.2	30	0.2	10	0.1
Deferred income tax asset	-	-	-	-	1	0.0	110	0.6	103	0.6	128	0.7
Stores, spare parts and loose tools	380	1.5	348	1.6	225	1.1	234	1.2	265	1.5	198	1.1
Stock in trade	4,953	19.4	4,610	20.7	3,711	18.3	3,187	17.0	2,285	13.2	2,589	14.7
Trade debts	3,835	15.0	3,755	16.8	2,695	13.3	2,419	12.9	2,648	15.2	2,346	13.3
Loans and advances	98	0.4	100	0.4	42	0.2	22	0.1	17	0.1	9	0.1
Short term deposits and prepayments	31	0.1	127	0.6	131	0.6	84	0.4	71	0.4	61	0.3
Income tax	771	3.0	761	3.4	737	3.6	778	4.1	736	4.2	678	3.8
Other receivables	736	2.9	378	1.7	381	1.9	301	1.6	295	1.7	1,420	8.1
Short term investments	255	1.0	446	2.0	792	3.9	477	2.5	390	2.2	94	0.5
Cash and bank balances	181	0.7	146	0.7	338	1.7	39	0.2	4	0.0	3	0.0
Non-Current assets held for sale	69	0.3	-	-	-	-	-	-	-	-	-	-
Total assets	25,494	100	22,301	100	20,264	100	18,795	100	17,371	100	17,614	100
Issued, subscribed and paid up share capital	1,000	3.9	1,000	4.5	800	3.9	800	4.3	800	4.6	800	4.5
Share Deposit Money	-	-	-	-	312	1.5	-	-	-	-	-	-
Premium on issue of right shares	392	1.5	392	1.8	200	1.0	200	1.1	200	1.2	200	1.1
Fair value reserve	29	0.1	596	2.7	1,080	5.3	673	3.6	524	3.0	1,226	7.0
Surplus on revaluation of operating fixed assets	5,928	23.3	4,160	18.7	4,161	20.5	4,161	22.1	3,567	20.5	3,568	20.3
Revenue reserves	5,148	20.2	4,687	21.0	3,322	16.4	2,805	14.9	2,815	16.2	2,577	14.6
Shareholders equity	12,497	49.0	10,835	48.6	9,875	48.7	8,640	46.0	7,907	45.5	8,370	47.5
Long term financing	1,142	4.5	844	3.8	964	4.8	1,120	6.0	1,120	6.4	845	4.8
Deferred income tax liability	15	0.1	149	0.7	-	-	-	-	-	-	-	-
Deferred liabilities	-	-	-	-	46	0.2	-	-	-	-	-	-
Trade and other payables	3,088	12.1	2,342	10.5	2,060	10.2	2,027	10.8	1,866	10.7	1,488	8.4
Unclaimed Dividend	12	0.0	11	0.0	11	0.1	11	0.1	9	0.1	10	0.1
Accrued mark-up	360	1.4	124	0.6	80	0.4	101	0.5	120	0.7	86	0.5
Short term borrowings	7,248	28.4	6,892	30.9	6,128	30.2	6,240	33.2	5,936	34.2	6,417	36.4
Current portion of long term financing	428	1.7	414	1.9	479	2.4	35	0.2	275	1.6	258	1.5
Current portion of deferred liabilities	326	1.3	345	1.5	407	2.0	456	2.4	-	-	-	-
Provision for taxation	377	1.5	344	1.5	215	1.1	166	0.9	138	0.8	141	0.8
Total equity and liabilities	25,494	100	22,301	100	20,264	100	18,795	100	17,371	100	17,614	100
STATEMENT OF PROFIT OR LOSS												
Revenue	19,891	100.0	20,331	100.0	17,817	100.0	13,264	100.0	13,946	100.0	11,314	100.0
Cost of sales	17,226	86.6	16,790	82.6	15,364	86.2	11,715	88.3	12,309	88.3	10,214	90.3
Gross profit	2,665	13.4	3,541	17.4	2,453	13.8	1,549	11.7	1,637	11.7	1,100	9.7
Distribution cost	887	4.5	930	4.6	769	4.3	574	4.3	679	4.9	468	4.1
Administrative expenses	524	2.6	490	2.4	447	2.5	392	3.0	345	2.5	295	2.6
Other expenses	67	0.3	238	1.2	106	0.6	43	0.3	42	0.3	14	0.1
Other income	623	3.1	377	1.9	131	0.7	117	0.9	330	2.4	325	2.9
Profit from operations	1,811	9.1	2,260	11.1	1,262	7.1	657	5.0	903	6.5	648	5.7
Finance cost	1,025	5.2	498	2.5	452	2.5	481	3.6	507	3.6	638	5.6
Profit before taxation	787	4.0	1,762	8.7	810	4.5	177	1.3	396	2.8	10	0.1
Taxation	226	1.1	415	2.0	295	1.7	143	1.1	157	1.1	2	0.0
Profit after taxation	561	2.8	1,347	6.6	516	2.9	34	0.3	239	1.7	8	0.1

HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2023	%	2022	%	2021	%	2020	%	2019	%	2018	%
STATEMENT OF FINANCIAL POSITION												
Property, plant and equipment	10,898	38.3	7,880	6.8	7,376	(0.3)	7,402	10.0	6,727	6.3	6,328	(2.3)
Intangible assets	0.03	(99.4)	6	(57.1)	13	(33.3)	20	247.6	6	(52.2)	12	(34.3)
Long term investments	3,278	(12.1)	3,729	(2.0)	3,807	3.1	3,693	(2.6)	3,792	1.5	3,736	(27.7)
Long term loans and advances	1	16.1	1	261.6	0	(1.0)	0	(38.0)	1	(53.8)	1	(43.8)
Long term deposits and prepayments	8	(46.7)	15	(0.5)	15	(47.1)	29	(4.1)	30	191.6	10	99.6
Deferred income tax asset	-	-	-	(100)	1	(99)	110	7	103	(19)	128	100
Stores, spare parts and loose tools	380	8.9	348	55.0	225	(3.8)	234	(12.0)	265	34.0	198	3.4
Stock-in-trade	4,953	7.4	4,610	24.2	3,711	16.5	3,187	39.5	2,285	(11.8)	2,589	27.6
Trade debts	3,835	2.1	3,755	39.3	2,695	11.4	2,419	(8.6)	2,648	12.8	2,346	4.9
Loans and advances	98	(1.3)	100	137.4	42	88.8	22	27.3	17	89.7	9	(45.3)
Short term deposits and prepayments	31	(75.3)	127	(2.9)	131	55.3	84	18.6	71	16.9	61	(2.2)
Income tax	771	1.2	761	3.3	737	(5.2)	778	5.7	736	8.6	678	21.1
Other receivables	736	94.5	378	(0.8)	381	26.4	301	2.1	295	(79.2)	1,420	13.0
Short term investments	255	(42.8)	446	(43.7)	792	66.0	477	22.2	390	313.3	94	7.0
Cash and bank balances	181	24.6	146	(56.9)	338	766.8	39	772.5	4	30.9	3	(12.4)
Non-Current assets held for sale	69	100.0	-	-	-	-	-	-	-	-	-	-
Total assets	25,494	14.3	22,301	10.0	20,264	7.8	18,795	8.2	17,371	(1.4)	17,614	(2.8)
Issued, subscribed and paid up share capital	1,000	-	1,000	25.0	800	-	800	-	800	-	800	-
Share Deposit Money	-	-	0	(100.0)	312	100.0	-	-	-	-	-	-
Premium on issue of right shares	392	-	392	95.6	200	-	200	-	200	-	200	-
Fair value reserve	29	(95.1)	596	(44.8)	1,080	60.3	673	28.6	524	(57.3)	1,226	(54.9)
Surplus on revaluation of operating fixed assets	5,928	42.5	4,160	(0.0)	4,161	(0.0)	4,161	16.6	3,567	(0.0)	3,568	(0.2)
Revenue reserves	5,148	9.8	4,687	41.1	3,322	18.4	2,805	(0.4)	2,815	9.3	2,577	0.6
Total Equity	12,497	15.3	10,835	9.7	9,875	14.3	8,640	9.3	7,907	(5.5)	8,370	(15.1)
Long term financing	1,142	35	844	(12)	964	(14)	1,120	-	1,120	33	845	(21)
Deferred income tax liability	15	100	149	100	-	-	-	-	-	-	-	(100)
Deferred liabilities	-	-	-	(100)	46	100	-	-	-	-	-	-
Trade and other payables	3,088	31.8	2,342	13.7	2,060	1.6	2,027	8.6	1,866	25.4	1,488	34.2
Unclaimed Dividend	12	13.5	11	(1.1)	11	(1.1)	11	19.0	9	(0.8)	10	(1.3)
Accrued mark-up	360	190.0	124	56.1	80	(20.9)	101	(16.1)	120	40.1	86	30.9
Short term borrowings	7,248	5.2	6,892	12.5	6,128	(1.8)	6,240	5.1	5,936	(7.5)	6,417	10.8
Current portion of long term financing	428	3.3	414	(13.5)	479	1,279.6	35	(87.4)	275	6.5	258	35.5
Current portion of deferred liabilities	326	(5.5)	345	(15.2)	407	(10.7)	456	100.0	-	-	-	-
Provision for taxation	377	9.7	344	59.8	215	29.5	166	20.1	138	(1.6)	141	349.3
Total equity and liabilities	25,494	14.3	22,301	10.0	20,264	7.8	18,795	8.2	17,371	(1.4)	17,614	(2.8)
STATEMENT OF PROFIT OR LOSS												
Revenue	19,891	(2.2)	20,331	14.1	17,817	34.3	13,264	(4.9)	13,946	23.3	11,314	4.1
Cost of sales	17,226	2.6	16,790	9.3	15,364	31.2	11,715	(4.8)	12,309	20.5	10,214	3.2
Gross profit	2,665	(24.7)	3,541	44.3	2,453	58.3	1,549	(5.4)	1,637	48.8	1,100	13.2
Distribution cost	887	(4.6)	930	20.9	769	34.1	574	(15.5)	679	44.9	468	(27.3)
Administrative expenses	524	6.8	490	9.6	447	14.2	392	13.6	345	16.9	295	(1.7)
Other expenses	67	(72.0)	238	124.8	106	143.9	43	4.5	42	191.9	14	40.1
Other income	623	65.2	377	187.1	131	12.6	117	(64.6)	330	1.7	325	(7.1)
Profit from operations	1,811	(19.8)	2,260	79.0	1,262	92.0	657	(27.2)	903	39.3	648	76.1
Finance cost	1,025	105.7	498	10.2	452	(6.0)	481	(5.1)	507	(20.5)	638	122.3
Profit before taxation	787	(55)	1,762	117	810	359	177	(55)	396	3,790	10	(87)
Taxation	226	(46)	415	41	295	106	143	(9)	157	9,043	2	(105.3)
Profit after taxation	561	(58)	1,347	161	516	1,435	34	(86)	239	2,722	8	(92.5)

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Crescent Textile Mills Limited (the Company) for the year ended 30 June 2023 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 2023.



RIAZ AHMAD & COMPANY

Chartered Accountants

Date: September 28, 2023

Faisalabad

UDIN: CR202310184zB7y8DUti

STATEMENT OF COMPLIANCE

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

Name of Company: The Crescent Textile Mills Limited

Year ended: June 30, 2023

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

1. The total number of directors are seven (7) as per the following:
 - a. Male: Six
 - b. Female: One

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

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

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board is fully compliant with the provision with regard to their training program. Three members of the Board have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 19(2) of the CCG. Three directors have completed Directors' Training Program including two independent directors. One newly elected director will complete his directors' training program within the due course of time.

STATEMENT OF COMPLIANCE

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

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. Amin Anjum Saleem	(Chairman)
Mr. Khalid Bashir	(Member)
Mr. Imran Maqbool	(Member)
 - b) HR and Remuneration Committee

Mrs. Nazia Maqbool	(Chairperson)
Mr. Ahmad Shafi	(Member)
Mr. Imran Maqbool	(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 2023
 - b) HR and Remuneration Committee: One meeting during the financial year ended 30 June 2023
15. The board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

STATEMENT OF COMPLIANCE

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. #	Requirement	Explanation for Non-compliance	Reg. #
1.	<p><i>Nomination Committee:</i> The Board may constitute a separate committee, designated as the Nomination Committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.</p>	Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.	29(1)
2.	<p><i>Risk Management Committee:</i> The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.</p>	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and appraises the Board accordingly.	30(1)
3.	<p><i>Training of Head of Department:</i> At least one head of department every year is required to be trained under the Directors' Training program from July 2022.</p>	The company will organize the training of its one head of department each year from next financial year.	19(3)(ii)

For and on behalf of the Board of Directors



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of The Crescent Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr. #	Key audit matters	How the matter was addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2023 amounting to Rupees 5,332.371 million, break up of which is as follows:</p> <ul style="list-style-type: none">- Stores, spare parts and loose tools of Rupees 379.511 million- Stock-in-trade of Rupees 4,952.860 million <p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to their size, representing 20.92% of the total assets of the Company as at 30 June 2023, and the judgment involved in valuation.</p>	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <ul style="list-style-type: none">▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

INDEPENDENT AUDITOR'S REPORT

For further information on inventories, refer to the following:

- Summary of significant accounting policies, Inventories (Note 2.12 to the financial statements).
- Stores, spare parts and loose tools (Note 18) and Stock-in-trade (Note 19) to the financial statements.

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

2. Investments in equity securities

As at 30 June 2023, the Company carried its portfolio of investments as follows:

- Quoted investments carried at fair value through other comprehensive income amounting to Rupees 730.255 million.
- Un-quoted investments carried at fair value through other comprehensive income amounting to Rupees 2,802.711 million.

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

Investments in unquoted equity securities are accounted for as financial assets at fair value through other comprehensive income and are subject to fair valuation at each reporting date. Significant un-quoted investments as at 30 June 2023 are valued on the basis of valuation carried out during the year by an independent professional valuer. With reference to the valuation, management estimated the fair value of these un-quoted investments at Rupees 2,802.211

Our procedures included, but were not limited to:

- We documented and assessed the processes and controls in place to record investment transactions and to value the portfolio.
- We agreed the valuation of all of quoted investments from prices quoted on Pakistan Stock Exchange Limited.
- We agreed the holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and physical share certificates in hand.
- We evaluated the independent professional valuer's competence, capabilities and objectivity.
- We assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the investments.
- We checked, on a sample basis, the accuracy and reasonableness of the input data provided by management to the independent professional valuer.
- We agreed holding of all un-quoted investments

INDEPENDENT AUDITOR'S REPORT

million at year end.

For further information, refer to the following:

- Summary of significant accounting policies, financial instruments-equity investments (Note 2.11 to the financial statements).
- Long term investments (Note 15 to the financial statements).
- Short term investments (Note 24 to the financial statements).

3. Revenue recognition

The Company recognized revenue of Rupees 19,891.361 million for the year ended 30 June 2023.

We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.

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

- Summary of significant accounting policies, Revenue from contracts with customers (Note 2.15 to the financial statements).
- Revenue (Note 27 to the financial statements).

from physical share certificates in hand.

- We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.

Our audit procedures to assess the recognition of revenue amongst others, included the following:

- Obtaining 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;
- Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;
- Comparing 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;
- Assessing 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.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

INDEPENDENT AUDITOR'S REPORT

- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY

Chartered Accountants

Date: September 28, 2023

Faisalabad

UDIN: AR202310184epHvq9hOd

STATEMENT OF FINANCIAL POSITION

as at June 30, 2023

(Rupees in '000')	Note	2023	2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200 000 000 (2022: 200 000 000) ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	3	1,000,000	1,000,000
Reserves			
Capital reserves			
Premium on issue of right shares	4.1	391,559	391,559
Fair value reserve	4.1	29,456	596,014
Surplus on revaluation of operating fixed assets - net of deferred income tax	5	5,928,182	4,160,313
		6,349,197	5,147,886
Revenue reserves	4.2	5,147,791	4,686,835
Total reserves		11,496,988	9,834,721
TOTAL EQUITY		12,496,988	10,834,721
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,142,121	843,847
Deferred income tax liability	7	15,317	149,444
		1,157,438	993,291
CURRENT LIABILITIES			
Trade and other payables	8	3,087,580	2,341,793
Unclaimed dividend		12,472	10,991
Accrued mark-up	9	360,235	124,228
Short term borrowings	10	7,248,114	6,892,369
Current portion of long term financing	6	428,001	414,286
Current portion of deferred liabilities	11	325,977	344,983
Provision for taxation		377,269	343,960
		11,839,648	10,472,610
TOTAL LIABILITIES		12,997,086	11,465,901
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		25,494,074	22,300,622

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



Ahmad Shafi
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

as at June 30, 2023

(Rupees in '000')	Note	2023	2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	10,897,732	7,879,501
Intangible assets	14	32	5,770
Long term investments	15	3,277,915	3,728,983
Long term loans and advances	16	1,289	1,110
Long term deposits and prepayments	17	8,067	15,127
		14,185,035	11,630,491
CURRENT ASSETS			
Stores, spare parts and loose tools	18	379,511	348,363
Stock-in-trade	19	4,952,860	4,609,502
Trade debts	20	3,834,785	3,754,888
Loans and advances	21	98,464	99,803
Short term deposits and prepayments	22	31,317	126,866
Income tax		770,645	761,198
Other receivables	23	735,616	378,178
Short term investments	24	255,051	445,732
Cash and bank balances	25	181,395	145,601
		11,239,644	10,670,131
Non-current assets held for sale	26	69,395	-
		11,309,039	10,670,131
TOTAL ASSETS		25,494,074	22,300,622



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

for the Year Ended June 30, 2023

(Rupees in '000')	Note	2023	2022
Revenue	27	19,891,361	20,331,457
Cost of sales	28	(17,226,096)	(16,790,308)
Gross profit		2,665,265	3,541,149
Distribution cost	29	(886,706)	(929,784)
Administrative expenses	30	(523,744)	(490,378)
Other expenses	31	(66,677)	(238,392)
		(1,477,127)	(1,658,554)
		1,188,138	1,882,595
Other income	32	623,265	377,347
Profit from operations		1,811,403	2,259,942
Finance cost	33	(1,024,827)	(498,167)
Profit before taxation		786,576	1,761,775
Taxation	34	(225,762)	(414,676)
Profit after taxation		560,814	1,347,099
Earnings per share - basic (Rupees)	35.1	5.61	13.68
Earnings per share - diluted (Rupees)	35.2	5.61	13.64

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
Profit after taxation	560,814	1,347,099
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss in subsequent periods:		
Surplus on revaluation of operating fixed assets	1,770,038	-
Related deferred income tax	(1,742)	-
	1,768,296	-
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(641,749)	(399,796)
Related deferred income tax	75,191	(66,107)
	(566,558)	(465,903)
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive income / (loss) for the year - net of deferred income tax	1,201,738	(465,903)
Total comprehensive income for the year	1,762,552	881,196

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2023

	SHARE CAPITAL	SHARE DEPOSIT MONEY	RESERVES							TOTAL EQUITY	
			CAPITAL RESERVES				REVENUE RESERVES				
			Premium on issue of right shares	Fair value reserve of investments at FVTOCI	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Unappropriated profit	Sub total		TOTAL
(Rupees in '000')											
Balance as at 01 July 2021	800,000	312,152	200,169	1,079,509	4,160,718	5,440,396	1,803,643	1,518,355	3,321,998	8,762,394	9,874,546
Transactions with owners:											
Share deposit money received during the year against right shares at the rate of Rupees 20 per share	-	87,848	-	-	-	-	-	-	-	-	87,848
Issue of right shares during the year at the premium of Rupees 10 per share	200,000	(400,000)	200,000	-	-	200,000	-	-	-	200,000	-
Share issuance costs	-	-	(8,610)	-	-	(8,610)	-	-	-	(8,610)	(8,610)
Total transactions with owners	200,000	(312,152)	191,390	-	-	191,390	-	-	-	191,390	79,238
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(146)	(146)	-	146	146	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(259)	(259)	-	-	-	(259)	(259)
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	(17,592)	-	(17,592)	-	17,592	17,592	-	-
Profit for the year	-	-	-	-	-	-	-	1,347,099	1,347,099	1,347,099	1,347,099
Other comprehensive loss for the year	-	-	-	(465,903)	-	(465,903)	-	-	-	(465,903)	(465,903)
Total comprehensive income for the year	-	-	-	(465,903)	-	(465,903)	-	1,347,099	1,347,099	881,196	881,196
Balance as at 30 June 2022	1,000,000	-	391,559	596,014	4,160,313	5,147,886	1,803,643	2,883,192	4,686,835	9,834,721	10,834,721
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 1 per share	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(142)	(142)	-	142	142	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(285)	(285)	-	-	-	(285)	(285)
Profit for the year	-	-	-	-	-	-	-	560,814	560,814	560,814	560,814
Other comprehensive income for the year	-	-	-	(566,558)	1,768,296	1,201,738	-	-	-	1,201,738	1,201,738
Total comprehensive income for the year	-	-	-	(566,558)	1,768,296	1,201,738	-	560,814	560,814	1,762,552	1,762,552
Balance as at 30 June 2023	1,000,000	-	391,559	29,456	5,928,182	6,349,197	1,803,643	3,344,148	5,147,791	11,496,988	12,496,988

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

STATEMENT OF CASH FLOWS

for the Year Ended June 30, 2023

(Rupees in '000')	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	2,237,882	767,401
Finance cost paid		(779,317)	(451,408)
Income tax paid - net		(262,863)	(225,714)
Dividend paid		(98,519)	(118)
Workers' profit participation fund paid		(86,869)	(32,114)
Gas Infrastructure Development Cess (GIDC) paid		(18,567)	(111,280)
Net increase in long term loans and advances		(179)	(803)
Net decrease in long term deposits and prepayments		7,060	81
Net cash generated from / (used in) operating activities		998,628	(53,955)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,647,557)	(845,549)
Proceeds from sale of property, plant and equipment		16,815	32,867
Proceeds from sale of investment		-	23,676
Profit received from deposit accounts and term deposit receipts		878	1,178
Net cash used in investing activities		(1,629,864)	(787,828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		744,983	293,798
Share deposit money received - net		-	79,238
Repayment of long term financing		(433,698)	(488,411)
Short term borrowings - net		355,745	764,829
Net cash from financing activities		667,030	649,454
Net increase / (decrease) in cash and cash equivalents		35,794	(192,329)
Cash and cash equivalents at the beginning of the year		145,601	337,930
Cash and cash equivalents at the end of the year (note 25)		181,395	145,601

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

1. THE COMPANY AND ITS ACTIVITIES

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

- These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Financial instruments – fair value

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

Useful lives, patterns of economic benefits and impairments

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

Inventories

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

Income tax

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

Provisions

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

Contingencies

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

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'

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

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

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

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

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

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

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

companies account for deferred tax on transactions such as leases and decommissioning obligations.

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

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

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

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees retirement benefit

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

2.3 Government grants

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

2.4 Provisions

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

2.5 Dividend and other appropriations

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

2.6 Taxation

Current

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

Deferred

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

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

2.7 Property, plant and equipment

2.7.1 Operating fixed assets and depreciation

a) Cost / Revalued amount

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss and leasehold land which is stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

available for use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition.

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

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

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

b) Depreciation

Depreciation on operating fixed assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

Depreciation is charged to the statement of profit or loss on reducing balance method, except leasehold land on which depreciation is charged on straight line method to write off the cost of operating fixed assets over their expected useful lives at the rates mentioned in Note 13.1. The residual values and useful lives are reviewed at each financial year-end, with the effect of changes in estimate accounted for on prospective basis.

c) De-recognition

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

2.8 Assets subject to ijarah contracts

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

2.9 Intangible asset and amortization

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

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

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

2.10 Non-current assets held for sale

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

2.11 Financial Instruments

i) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

b) *Measurement*

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

Debt instruments

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

Amortized cost

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

Equity instruments

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

Fair Value Through Other Comprehensive Income (FVTOCI)

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

Financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

ii) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

iii) De-recognition of financial assets and financial liabilities

Financial assets

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

Financial liabilities

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

iv) Offsetting of financial instruments

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

2.12 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

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

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

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

Stock of waste materials is stated at net realizable value.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

2.13 Cash and cash equivalents

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

2.14 Borrowings

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

2.15 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

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

Rendering of services

The Company provides processing and weaving services to local customers. These services are sold separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at point in time, generally at the time of dispatch.

Interest

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

Rent

Revenue is recognized when rent is accrued.

Sale of electricity

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

Dividend

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

Other revenue

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

ii) Contract assets

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

iii) **Right of return assets**

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

iv) **Contract liabilities**

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

2.16 **Trade and other receivables**

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

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

2.17 **Trade and other payables**

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

2.18 **Borrowing cost**

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

2.19 **Share capital**

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

2.20 **Impairment of non-financial assets**

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

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

2.22 Segment reporting

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

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

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

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

2.23 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

2.24 Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

2.25 Contingent liabilities

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

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2023 (Number of Shares)	2022		2023 (Rupees in '000')	2022 (Rupees in '000')
70 571 213	70 571 213	Ordinary shares of Rupees 10 each fully paid in cash	705,712	705,712
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
100 000 000	100 000 000		1,000,000	1,000,000

3.1 All shares are similar with respect to their rights including on voting, board selection, first refusal and block voting.

3.2 Ordinary shares of the Company held by related parties:

(Number of Shares)	2023	2022
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	3 064 252	3 064 252
Suraj Cotton Mills Limited	2 060 625	2 060 625
Premier Insurance Limited	944 981	944 981
Crescent Fibres Limited (Note 15.1)	1 487 926	-
Crescent Group (Private) Limited (Note 3.2.1)	-	110
Shakarganj Limited (Note 15.2)	-	5 898
	7 557 784	6 075 866

3.2.1 Due to election of Board of Directors of the Company held on 16 May 2023, Crescent Group (Private) Limited ceased to be the related party due to elimination of common directorship.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
4. RESERVES		
Composition of reserves is as follows:		
4.1 Capital reserves		
Premium on issue of right shares (Note 4.1.1)	391,559	391,559
Fair value reserve of investments at FVTOCI - net of deferred income tax (Note 4.1.2)	29,456	596,014
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5)	5,928,182	4,160,313
	6,349,197	5,147,886
4.1.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
4.1.2 This represents the unrealized gain on remeasurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:		
Balance as at 01 July	596,014	1,079,509
Fair value adjustment during the year	(641,749)	(399,796)
	(45,735)	679,713
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	(17,592)
Deferred income tax relating to investments at fair value through other comprehensive income	75,191	(66,107)
	75,191	(83,699)
Balance as at 30 June	29,456	596,014
4.2 Revenue reserves		
General reserve	1,803,643	1,803,643
Unappropriated profit	3,344,148	2,883,192
	5,147,791	4,686,835
5. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Opening balance	4,161,881	4,162,050
Surplus arising on revaluation during the year	1,770,038	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
Less:		
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	142	146
Related deferred income tax liability	27	23
	169	169
	5,931,750	4,161,881
Less:		
Deferred income tax liability as at 01 July	1,568	1,332
Adjustment of deferred income tax liability due to surplus arising on revaluation during the year	1,742	-
Adjustment of deferred income tax liability due to re-assessment at year end	285	259
Incremental depreciation charged during the year transferred to the statement of profit or loss	(27)	(23)
	3,568	1,568
	5,928,182	4,160,313

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

6. LONG TERM FINANCING

From banking companies - secured		
Long term loans (Note 6.1)	1,537,487	1,219,591
Diminishing musharaka (Note 6.2)	32,635	38,542
	1,570,122	1,258,133
Less: Current portion shown under current liabilities	428,001	414,286
	1,142,121	843,847

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

	LENDER	2023	2022	RATE OF MARK-UP / PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
(Rupees in '000')								
6.1	Long term loans							
	The Bank of Punjab	9,916	55,176	SBP rate for LTFF plus 2.50%	These are different loans repayable in 20 equal quarterly installments starting from 31 March 2017 and ending on 20 October 2023	-	Quarterly	First pari passu charge over fixed assets of the Company.
	National Bank of Pakistan	194,104	323,820	SBP rate for LTFF plus 2.50%	These are different loans repayable in 12 equal half yearly installments starting from 27 September 2017 and ending on 28 June 2025	-	Quarterly	First pari passu charge over fixed assets of the Company.
	Pak Libya Holding Company (Private) Limited	112,920	147,665	Pak Libya's spread 2% plus SBP's spread 2%	This loan is repayable in 20 equal quarterly installments starting from 23 December 2021 and ending on 23 September 2026	-	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	Pak Libya Holding Company (Private) Limited	20,305	25,082	3 months KIBOR plus 2.50% without any floor or cap	This loan is repayable in 22 equal quarterly installments starting from 10 June 2022 and ending on 10 September 2027	Quarterly	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	The Bank of Punjab	180,679	250,679	SBP rate for LTFF plus 2.50%	These are different loans repayable in 20 equal quarterly installments starting from 27 March 2020 and ending on 03 February 2026	-	Quarterly	First pari passu charge over present and future fixed assets of the Company.
	Habib Bank Limited - Loan under SBP Refinance Scheme (Note 6.1.1)	-	77,261	SBP rate for LTFF plus 2%	This loan was completely repaid on 01 October 2022.	-	Quarterly	Joint pari passu charge over all assets amounting to Rupees 416 million with 25% margin.
	MCB Bank Limited	69,963	84,652	SBP rate for LTFF plus 3%	These are different loans repayable in 28 equal quarterly installments starting from 14 May 2021 and ending on 07 April 2028	-	Quarterly	First pari passu charge of Rupees 175 million at 40% margin over fixed assets of the Company.
	Askari Bank Limited	270,068	255,256	3 months KIBOR plus 2%	These are different loans repayable in 16 to 18 equal quarterly installments starting from 11 February 2023 and ending on 21 July 2027	Quarterly	Quarterly	First pari passu charge of Rupees 400 million over fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

LENDER	2023	2022	RATE OF MARK-UP / PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
(Rupees in '000')							
Pak Libya Holding Company (Private) Limited	152,624	-	SBP rate for LTFF plus 3%	This loan is repayable in 20 equal quarterly installments starting from 21 October 2024 and ending on 21 July 2029	-	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Pak Libya Holding Company (Private) Limited	47,377	-	3 months KIBOR plus 2.50%	This loan is repayable in 20 equal quarterly installments starting from 06 December 2024 and ending on 06 September 2029	Quarterly	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
The Bank of Punjab	300,000	-	3 months KIBOR plus 2%	These are different loans repayable in 20 equal quarterly installments starting from 07 December 2023 and ending on 09 September 2028	Quarterly	Quarterly	First pari passu charge over fixed assets of the Company.
United Bank Limited	179,531	-	1 month KIBOR plus 2.50%	This loan is repayable in 16 equal quarterly installments starting from 22 December 2023 and ending on 22 September 2027	Monthly	Quarterly	First pari passu charge over fixed assets of the Company.
	1,537,487	1,219,591					

6.1.1 This represented long term financing obtained from Habib Bank Limited under State Bank of Pakistan (SBP) refinance scheme for payment of salaries and wages to the employees and workers of the Company. This loan was recognized in accordance with IFRS 9 'Financial Instruments' at present value using effective interest rate of 9.50% per annum.

6.2 Diminishing musharaka

Bank Alfalah Limited	32,635	38,542	12 months KIBOR plus 2% with floor of 8% and cap of 20%	These are different musharakas repayable in 48 equal monthly installments starting from 28 November 2022 and ending on 21 December 2026	Yearly	Monthly	Title of the specific vehicles.
----------------------	--------	--------	---	---	--------	---------	---------------------------------

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
7. DEFERRED INCOME TAX LIABILITY		
Taxable temporary differences on		
Tax depreciation allowance	212,955	188,327
Surplus on revaluation of operating fixed assets	3,568	1,568
Fair value reserve of investments	19,361	94,552
	235,884	284,447
Deductible temporary differences on		
Provision for doubtful receivables	(95,844)	(35,203)
Unused tax losses and minimum tax	(124,723)	(99,800)
	(220,567)	(135,003)
Deferred income tax liability	15,317	149,444
7.1 Movement in deferred income tax liability balance is as follows:		
At beginning of the year	149,444	(1,362)
Less:		
Recognized in statement of profit or loss:		
- tax depreciation allowance	24,628	28,426
- surplus on revaluation of operating fixed assets	2,000	236
- provision for doubtful receivables	(60,641)	(21,691)
- unused tax losses and minimum tax	(24,923)	77,728
	(58,936)	84,699
Recognized in statement of comprehensive income:		
- unrealized gain on investments at FVTOCI	(75,191)	66,107
	(134,127)	150,806
	15,317	149,444
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	1,663,529	939,688
Accrued liabilities	1,192,866	1,221,360
Contract liabilities - unsecured	121,492	79,492
Payable to Employees' Provident Fund Trust	8,964	7,279
Retention money payable	3,545	1,821
Income tax deducted at source	16,456	7,176
Sales tax deducted at source	1,517	1,210
Workers' profit participation fund (Note 8.2)	40,754	80,939
Other liabilities	38,457	2,828
	3,087,580	2,341,793

8.1 These include Rupees 7.272 million (2022: Rupees 4.447 million) due to Premier Insurance Limited, a related party.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
8.2 Workers' profit participation fund		
Balance as on 01 July	80,939	32,731
Interest for the year (Note 33)	9,503	2,137
Provision for the year (Note 31)	37,181	78,185
	127,623	113,053
Less: Payments made during the year	86,869	32,114
Balance as on 30 June	40,754	80,939
9. ACCRUED MARK-UP		
Long term financing	57,306	13,413
Short term borrowings	302,929	110,815
	360,235	124,228
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term finances (Note 10.1 and Note 10.4)	3,200,995	2,861,747
State Bank of Pakistan (SBP) refinance (Note 10.2 and Note 10.4)	3,838,924	3,834,486
Short term foreign currency finances (Note 10.3 and Note 10.4)	208,195	196,136
	7,248,114	6,892,369

10.1 The finances aggregating to Rupees 4,003 million (2022: Rupees 4,185 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.50 to 2.50 percent (2022: KIBOR plus 1.50 to 2.50 percent) per annum payable quarterly.

10.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 3.00 to 18 percent (2022: 3.00 percent) per annum are charged on quarterly basis. Aggregate borrowing limits of these facilities are of Rupees 3,839 million (2022: Rupees 3,836 million).

10.3 Short term foreign currency finances amounting to Rupees 283 million (2022: Rupees 203 million) are available at mark-up ranging from LIBOR plus 1.67 to 4.65 percent (2022: LIBOR plus 1.59 to 2.03 percent) per annum payable quarterly.

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
11. CURRENT PORTION OF DEFERRED LIABILITIES		
Deferred income - Government grant (Note 6.1.1)	-	704
Gas Infrastructure Development Cess (GIDC) payable (Note 11.1)	325,977	344,279
	325,977	344,983
11.1 Gas Infrastructure Development Cess (GIDC) payable		
Balance as on 01 July	344,279	443,160
Less: GIDC paid during the year	(18,567)	(111,280)
Add: Unwinding of discount on GIDC payable (Note 33)	265	12,399
	325,977	344,279

11.1.1 This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. On 13 August 2020, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Meanwhile the Company along with other industrial gas consumers has obtained interim stay order dated 14 September 2020 from Honorable Lahore High Court, Lahore which restrained Sui Northern Gas Pipelines Limited (SNGPL) from recovering GIDC prior to promulgation of GIDC Act, 2015 and ordered to charge GIDC at the rate of Rupees 100 per MMBTU instead of Rupees 200 per MMBTU against captive gas connections till the final decision on this matter. GIDC payable was recognized at amortized cost in accordance with IFRS 9 by using effective interest rate of 7.20% per annum.

12. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 258.088 million (2022: Rupees 251.834 million) are given by the banks of the Company to Collector of Customs against import of certain items, SNGPL against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections.
- ii) Post dated cheques and security cheques of Rupees 466.690 million (2022: Rupees 455.323 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans and for covering full amount plus profit for three months against diminishing musharika to bank. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.
- iii) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) Lahore, for the collection of PRA withholding tax amounting to Rupees 23.348 million (2022: Rupees 23.348 million). Appeal is pending for adjudication. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

b) Commitments

- i) Contracts for capital expenditure are of Rupees 209.839 million (2022: Rupees 947.550 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 816.543 million (2022: Rupees 686.586 million).
- iii) Ijarah commitments of the Company related to plant and machinery and vehicles are of Rupees 28.071 million (2022: Rupees 54.270 million) taken from OLP Modaraba for the period of three to five years. Ijarah rentals are payable on monthly basis.

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

(Rupees in '000')	2023	2022
Not later than one year	26,323	27,533
Later than one year and not later than five years	1,748	26,737
	28,071	54,270
13. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 13.1)	8,894,443	7,395,579
Capital work-in-progress (Note 13.2)	2,003,289	483,922
	10,897,732	7,879,501

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

13.1 Operating fixed assets

(Rupees in '000')	Land-Freehold	Land-Leasehold	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Factory tools and equipment	Gas and electric installations	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total
At 30 June 2021												
Cost / revalued amount	4,255,643	16,727	495,232	126,621	6,451,934	35,667	105,575	140,262	7,416	54,682	113,523	11,803,282
Accumulated depreciation	-	(1,939)	(318,205)	(70,922)	(3,885,714)	(27,087)	(87,171)	(63,935)	(6,598)	(44,857)	(108,253)	(4,614,681)
Net book value	4,255,643	14,788	177,027	55,699	2,566,220	8,580	18,404	76,327	818	9,825	5,270	7,188,601
Year ended 30 June 2022												
Opening net book value	4,255,643	14,788	177,027	55,699	2,566,220	8,580	18,404	76,327	818	9,825	5,270	7,188,601
Additions	91,900	-	218,639	-	149,961	511	7,698	74,470	-	5,978	-	549,157
Disposals:												
Cost	-	-	-	-	(10,314)	-	-	(27,571)	-	-	-	(37,885)
Accumulated depreciation	-	-	-	-	8,644	-	-	15,338	-	-	-	23,982
	-	-	-	-	(1,670)	-	-	(12,233)	-	-	-	(13,903)
Depreciation charge	-	(213)	(21,597)	(4,998)	(264,560)	(1,750)	(4,310)	(23,989)	(164)	(6,168)	(527)	(328,276)
Closing net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
At 30 June 2022												
Cost / revalued amount	4,347,543	16,727	713,871	126,621	6,591,581	36,178	113,273	187,161	7,416	60,660	113,523	12,314,554
Accumulated depreciation	-	(2,152)	(339,802)	(75,920)	(4,141,630)	(28,837)	(91,481)	(72,586)	(6,762)	(51,025)	(108,780)	(4,918,975)
Net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
Year ended 30 June 2023												
Opening net book value	4,347,543	14,575	374,069	50,701	2,449,951	7,341	21,792	114,575	654	9,635	4,743	7,395,579
Additions	-	-	43,455	-	60,936	594	10,212	7,774	-	5,219	-	128,190
Revaluation surplus	1,759,400	10,638	-	-	-	-	-	-	-	-	-	1,770,038
Disposals:												
Cost	-	-	-	-	(7,521)	-	-	(6,919)	-	-	-	(14,440)
Accumulated depreciation	-	-	-	-	3,361	-	-	4,059	-	-	-	7,420
	-	-	-	-	(4,160)	-	-	(2,860)	-	-	-	(7,020)
Classified as non-current assets held for sale:												
Cost	(50,283)	-	(25,632)	-	-	-	(245)	-	-	-	-	(76,160)
Accumulated depreciation	-	-	6,587	-	-	-	178	-	-	-	-	6,765
	(50,283)	-	(19,045)	-	-	-	(67)	-	-	-	-	(69,395)
Depreciation charge	-	(213)	(33,366)	(4,527)	(247,398)	(1,532)	(5,794)	(23,555)	(131)	(5,959)	(474)	(322,949)
Closing net book value	6,056,660	25,000	365,113	46,174	2,259,329	6,403	26,143	95,934	523	8,895	4,269	8,894,443
At 30 June 2023												
Cost / revalued amount	6,056,660	27,365	731,694	126,621	6,644,996	36,772	123,240	188,016	7,416	65,879	113,523	14,122,182
Accumulated depreciation	-	(2,365)	(366,581)	(80,447)	(4,385,667)	(30,369)	(97,097)	(92,082)	(6,893)	(56,984)	(109,254)	(5,227,739)
Net book value	6,056,660	25,000	365,113	46,174	2,259,329	6,403	26,143	95,934	523	8,895	4,269	8,894,443
Annual rate of depreciation (%)	-	Remaining useful life	5, 10	5, 10	10	20	20	20	20	50	10	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

13.1.1 Land situated at Faisalabad granted to the Company by the Government of Punjab in 1958 under Land Acquisition Act, 1894 for the specific purpose of using it as an industrial undertaking had been revalued by taking into account conditions specified under various directives of the Government, whereas land situated other than Faisalabad was revalued using the present market value. Forced sale value of freehold land and leasehold land as on 30 June 2023 was Rupees 4,845.328 million and Rupees 20.000 million respectively.

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

(Rupees in '000')	2023			2022		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	146,693	-	146,693	196,976	-	196,976
Land - Leasehold	4,719	1,502	3,217	4,719	1,458	3,261
	151,412	1,502	149,910	201,695	1,458	200,237

13.1.3 Fixed assets of the Company with carrying amount of Rupees 8,548 million (2022: Rupees 6,968 million) are subject to first pari passu charge and title of specific vehicles are given as security to secured bank borrowings.

13.1.4 The power of attorney instead of title of shops located at Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi having carrying valuing of Rupees 52.753 million is in the name of Company's representative.

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

(Rupees in '000')	2023	2022
Cost of sales (Note 28)	289,520	294,986
Administrative expenses (Note 30)	33,429	33,290
	322,949	328,276

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

Particulars	Location	Area Acres	Covered area Sq. Ft.
Manufacturing facility	Sargodha Road, Faisalabad, Punjab.	114.05	1 708 833
Manufacturing facility	Phase-III Industrial Estate Hattar, Tehsil and District Haripur, Khyber Pakhtunkhwa.	10.00	120 142
Manufacturing facility	FIEDMC site at Sahianwala, Tehsil Chak Jhumra, District Faisalabad, Punjab. (Note 13.1.7)	50.01	36 900

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Particulars	Location	Area Acres	Covered area Sq. Ft.
Land and building	Plot No. 18-E, Survey No. 35/P-1, Block-6, P.E.C.H.S., Karachi, Sindh.	0.31	6 636
Shops	Anam Estate, Clock 07/08, Shahrah - e - Faisal, Karachi, Sindh.	0.10	4 500
Guest House	Pindi Point, Murree, Punjab.	2.99	5 302

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

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

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

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
(Rupees in '000')								
Plant and machinery								
Sectional Warping Machine	1	7,132	2,983	4,149	7,988	3,839	Negotiation	Muhammad Kashif, Faisalabad
Vehicles								
Honda Civic VTEC Turbo CVT LEB 17A 3063	1	2,607	1,790	817	3,515	2,698	Negotiation	Nadeem Aftab, Faisalabad
Suzuki Cultus LE 19A 8202	1	1,810	923	887	2,100	1,213	Negotiation	Raja Rab Nawaz, Faisalabad
Honda City I-Vtec Prosmatec LEH 19 4903	1	2,502	1,347	1,155	3,200	2,045	Negotiation	Ramzan Anwar, Faisalabad
		14,051	7,043	7,008	16,803	9,795		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		389	377	12	12	-		
		14,440	7,420	7,020	16,815	9,795		

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

13.2 Capital work-in-progress

(Rupees in '000')	2023				2022			
	Balance as at 01 July 2022	Additions	Transfer to operating fixed assets	Balance as at 30 June 2023	Balance as at 01 July 2021	Additions	Transfer to operating fixed assets	Balance as at 30 June 2022
Buildings on freehold land	17,645	25,810	(43,455)	-	41,260	195,024	(218,639)	17,645
Buildings on leasehold land	20,901	396,262	-	417,163	-	20,901	-	20,901
Plant and machinery	272,162	1,148,134	(60,936)	1,359,360	24,546	397,577	(149,961)	272,162
Advance against purchase of vehicles	-	7,774	(7,774)	-	13,026	61,444	(74,470)	-
Advance against office equipment	166	5,053	(5,219)	-	-	6,144	(5,978)	166
Advance against purchase of land	155,740	47,042	-	202,782	108,698	47,042	-	155,740
Advance against gas and electric installations	17,308	16,888	(10,212)	23,984	-	25,006	(7,698)	17,308
	483,922	1,646,963	(127,596)	2,003,289	187,530	753,138	(456,746)	483,922

13.3 Borrowing cost of Rupees 136.476 million (2022: Rupees Nil) was capitalized during the year using the capitalization rate of 14.83% to 22.05% per annum (2022: Nil)

(Rupees in '000')	2023	2022
14. INTANGIBLE ASSETS		
Computer software		
Net carrying value basis		
Opening net book value	5,770	13,456
Less: Amortization charged during the year (Note 30)	(5,738)	(7,686)
Closing net book value	32	5,770
Gross carrying amount		
Cost	42,057	42,057
Accumulated amortization	(42,025)	(36,287)
Closing net book value	32	5,770
Amortization rate (per annum)	33.33%	33.33%

14.1 Intangible assets having cost of Rupees 41.128 million (2022: Rupees 19 million) are fully amortised.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
15. LONG TERM INVESTMENTS		
At fair value through other comprehensive income		
Related parties		
Quoted		
Shams Textile Mills Limited 812 160 (2022: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2022: 9.40%)	4,629	4,629
Premier Insurance Limited 141 573 (2022: 141 573) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2022: 0.28%)	35	35
Crescent Fibres Limited 351 657 (2022: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2022: Nil) (Note 15.1)	2,162	-
Crescent Jute Products Limited Nil (2022: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2021: 11.52%) (Note 15.1)	-	-
Shakarganj Limited Nil (2022: 9 019 690) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2021: 7.22%) (Note 15.2)	-	118,623
Unquoted		
Cresox (Private) Limited 4 199 792 (2022: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2022: Nil) (Note 15.1)	-	-
Others		
Quoted		
Shakarganj Limited 9 019 690 (2022: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2022: Nil) (Note 15.2)	118,623	-
Crescent Cotton Mills Limited 1 034 499 (2022: 1 034 499) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2022: 4.56%)	5,124	5,124
Jubilee Spinning and Weaving Mills Limited 182 629 (2022: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2022: 0.56%)	213	213

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
Crescent Fibres Limited Nil (2022: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2022: 2.83%) (Note 15.1)	-	2,162
Crescent Jute Products Limited 2 738 637 (2022: Nil) fully paid ordinary shares of Rupees 10 each Equity held 11.52% (2022: Nil) (Note 15.1)	-	-
Unquoted		
Crescent Bahuman Limited 26 926 433 (2022: 26 926 433) fully paid ordinary shares of Rupees 10 each Equity held 13.94% (2022: 13.94%) (Note 15.3)	269,264	269,264
286 520 000 (2022: 286 520 000) fully paid non-voting ordinary shares of Rupees 10 each Equity held 73.37% (2022: 73.37%) (Note 15.3)	2,865,200	2,865,200
Premier Financial Services (Private) Limited 500 (2022: 500) fully paid ordinary shares of Rupees 1,000 each Equity held 2.22% (2022: 2.22%)	500	500
Cresox (Private) Limited Nil (2022: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2022: 11.66%) (Note 15.1)	-	-
	3,265,750	3,265,750
Add: Fair value adjustment	12,165	463,233
	3,277,915	3,728,983

15.1 Election of Board of Directors of the Company was held on 16 May 2023 and as a result Crescent Fibres Limited and Cresox (Private) Limited has become related parties of the Company due to common directorship while Crescent Jute Products Limited ceased to be related party of the Company due to elimination of common directorship.

15.2 Shakarganj Limited ceased to be related party due to elimination of common directorship on 31 May 2023.

15.3 Fair value of voting and non-voting ordinary shares of Crescent Bahuman Limited is determined as Rupees 8.94 per share. The valuation has been determined by an independent valuer using comparable company valuation multiples under market approach method.

16. LONG TERM LOANS AND ADVANCES

Considered good:		
Employees	2,820	2,168
Less: Current portion shown under current assets (Note 21)	1,531	1,058
	1,289	1,110

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

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

(Rupees in '000')	2023	2022
17. LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits	12,962	12,867
Prepayments	2,287	3,486
	15,249	16,353
Less: Current portion shown under current assets (Note 22)	7,182	1,226
	8,067	15,127

18. STORES, SPARE PARTS AND LOOSE TOOLS

Stores (Note 18.1)	269,047	293,821
Spare parts (Note 18.2)	110,399	54,471
Loose tools	65	71
	379,511	348,363

18.1 These include stores in transit of Rupees 11.122 million (2022: Rupees 32.111 million).

18.2 These include spare parts in transit of Rupees Nil (2022: Rupees 7.154 million).

19. STOCK-IN-TRADE

Raw materials (Note 19.1)	1,675,767	1,981,087
Work-in-process	359,354	271,467
Finished goods (Note 19.2)	2,878,565	2,338,857
Waste	39,174	18,091
	4,952,860	4,609,502

19.1 Raw materials include stock in transit of Rupees 218.326 million (2022: Rupees 288.395 million).

19.2 Finished goods include stock in transit of Rupees 416.731 million (2022: Rupees 349.426 million) and stock with third parties amounting to Rupees 439.763 million (2022: Rupees 253.359 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
20. TRADE DEBTS		
Considered good:		
Secured		
Against confirmed letters of credit	1,622,164	1,284,445
Unsecured		
Related party (Note 20.3)	28,054	-
Others - against contract	2,373,013	2,659,039
	2,401,067	2,659,039
	4,023,231	3,943,484
Less: Allowance for expected credit losses (Note 20.4)	188,446	188,596
	3,834,785	3,754,888
20.1 Trade debts in respect of foreign and local jurisdictions is given under:		
Australia	75,293	92,305
Estonia	22,532	23,092
Germany	282,468	576,949
Hong Kong	63,817	30,472
Netherlands	43,148	-
New Zealand	-	887
Norway	36,974	19,790
South Africa	106,084	23,555
Spain	850,361	408,618
Sweden	149,077	217,576
United Kingdom	892,866	733,987
United States of America	132,298	489,738
Pakistan	1,179,867	1,137,919
	3,834,785	3,754,888

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

20.3 As at 30 June 2023, trade debts due from the related party, Suraj Cotton Mills Limited are amounting to Rupees 28.054 million (2022: Rupees Nil) which is not yet due.

20.3.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 28.054 million (2022: Rupees 47.705 million).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
20.4 Allowance for expected credit losses		
As at 01 July	188,596	46,003
Add: Recognized during the year	-	143,093
	188,596	189,096
Less:		
Recovered during the year	-	500
Written off during the year	150	-
	150	500
As at 30 June	188,446	188,596

20.5 As at 30 June 2023, trade debts receivable from other than the related party are aggregating to Rupees 3,806.731 million (2022: Rupees 3,754.888 million) which are not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Not yet due	3,191,186	3,063,550
Upto 1 month	374,976	395,081
1 to 6 months	44,627	36,837
More than 6 months	195,942	259,420
	3,806,731	3,754,888

21. LOANS AND ADVANCES

Considered good:		
Employees against expenses	865	1,778
Current portion of long term loans and advances (Note 16)	1,531	1,058
Advances to suppliers / service providers	95,414	96,676
Letters of credit	1,243	961
	99,053	100,473
Less: Provision for doubtful loans and advances (Note 21.1)	589	670
	98,464	99,803

21.1 Provision for doubtful loans and advances

As at 01 July	670	589
Add: Recognized during the year	-	81
	670	670
Less: Written off during the year	(81)	-
As at 30 June	589	670

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
22. SHORT TERM DEPOSITS AND PREPAYMENTS		
Considered good:		
Margin deposits	369	118,229
Short term deposits and prepayments	23,766	7,411
Current portion of long term deposits and prepayments (Note 17)	7,182	1,226
	31,317	126,866
23. OTHER RECEIVABLES		
Considered good:		
Due from related parties (Note 23.1)	817	115
Export rebate and claims	43,016	28,944
Sales tax and special excise duty refundable	743,374	411,997
Profit on term deposit receipts	3,325	-
Miscellaneous	1,803	1,845
	792,335	442,901
Less: Provision for doubtful export rebate, sales tax and special excise duty refundable (Note 23.2)	56,719	64,723
	735,616	378,178
23.1 This represents amounts due from following related parties:		
Shams Textile Mills Limited	461	115
Crescent Fibres Limited	356	-
	817	115
23.1.1 The ageing of amounts receivable from related parties is as follows:		
Not yet due	-	58
Upto 1 month	419	57
1 to 6 months	280	-
More than 6 months	118	-
	817	115
23.1.2 The maximum aggregate amounts due from the related parties at the end of any month during the year were as follows:		
Shams Textile Mills Limited	461	325
Crescent Fibres Limited	356	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
23.2 Provision for doubtful export rebate, sales tax and special excise duty refundable		
As at 01 July	64,723	64,723
Less: Written off during the year	8,004	-
	56,719	64,723
24. SHORT TERM INVESTMENTS		
At fair value through other comprehensive income		
Others - quoted		
Samba Bank Limited		
9 140 238 (2022: 9 140 238) fully paid ordinary shares of Rupees 10 each. Equity held 0.91% (2022: 0.91%)	27,730	27,730
Crescent Steel and Allied Products Limited		
8 538 303 (2022: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2022: 11%)	190,669	190,669
	218,399	218,399
Add: Fair value adjustment	36,652	227,333
	255,051	445,732
25. CASH AND BANK BALANCES		
With banks:		
On current accounts		
Including US\$ 65,492 (2022: US\$ 17,181)	36,191	139,871
Term Deposit Receipts (TDRs) (Note 25.1)	142,860	-
On saving accounts (Note 25.2)	189	3,353
	179,240	143,224
Cash in hand	2,155	2,377
	181,395	145,601

25.1 These represent Term Deposit Receipts (TDRs) having maturity period of three months and carrying profit ranging from 18% to 20.25% per annum (2022: Nil) with The Bank of Punjab and National Bank of Pakistan. These are under lien with the banks against guarantees given on behalf of the Company.

25.2 Rate of profit on saving accounts was ranging from 6.70% to 19.50% (2022: 4.10% to 12.25%) per annum).

26. NON-CURRENT ASSETS HELD FOR SALE

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
Property, plant and equipment		
Freehold land	50,283	-
Building on freehold land	19,045	-
Gas and electric installations	67	-
	69,395	-

After the approval of Board of Directors (BOD) of the Company in their meeting held on 28 April 2023, operating fixed assets as described above located at Chak No. 66 J.B., Dhandra Road, Airport Chowk, Jhang Road Faisalabad have been classified as held for sale. The buyer has been finalized by the management and it is hopeful that sale transaction of the above mentioned assets will be completed during the next financial year.

27. REVENUE

Revenue from contracts with customers:		
Export sales	11,984,439	10,476,656
Local sales (Note 27.1)	7,836,500	9,732,188
	19,820,939	20,208,844
Export rebate and duty drawback	70,422	122,613
	19,891,361	20,331,457

27.1 Local sales

Sales	8,360,546	10,692,847
Waste	693,709	558,833
Processing income	156,291	144,562
	9,210,546	11,396,242
Less: Sales tax	1,374,046	1,664,054
	7,836,500	9,732,188

27.2 The Company has recognized revenue of Rupees 68.064 million (2022: Rupees 35.132 million) from amounts included in contract liabilities at the year end.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
28. COST OF SALES		
Raw materials consumed (Note 28.1)	8,738,994	7,039,698
Cost of raw materials sold	59,945	13,248
Cloth and yarn purchased	1,428,912	3,347,523
Stores, spare parts and loose tools consumed	1,349,657	1,269,177
Packing materials consumed	714,236	793,278
Processing and weaving charges	899,985	822,577
Salaries, wages and other benefits (Note 28.2)	1,651,707	1,456,941
Fuel and power	2,563,535	1,905,691
Repair and maintenance	59,444	55,233
Insurance	24,608	21,626
Depreciation (Note 13.1.5)	289,520	294,986
Other factory overheads (Note 28.3 and Note 28.4)	94,231	83,679
	17,874,774	17,103,657
Work-in-process		
Opening stock	271,467	196,289
Closing stock	(359,354)	(271,467)
	(87,887)	(75,178)
Cost of goods manufactured	17,786,887	17,028,479
Finished goods		
Opening stock	2,356,948	2,118,777
Closing stock	(2,917,739)	(2,356,948)
	(560,791)	(238,171)
	17,226,096	16,790,308
28.1 Raw materials consumed		
Opening stock	1,981,087	1,396,412
Add: Purchased during the year	8,433,674	7,624,373
	10,414,761	9,020,785
Less: Closing stock	(1,675,767)	(1,981,087)
	8,738,994	7,039,698

28.2 Salaries, wages and other benefits include provident fund contribution of Rupees 36.080 million (2022: Rupees 29.736 million) by the Company.

28.3 These include ijarah rentals amounting to Rupees 23.232 million (2022: Rupees 29.204 million).

28.4 These include Rupees 1.976 million (2022: Rupees 4.765 million) in respect of short term lease.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
29. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 29.1)	82,526	84,282
Freight and shipment	243,493	331,784
Postage	21,328	13,765
Duties and other charges	109,683	92,560
Commission to selling agents	425,772	405,709
Advertisement	3,904	1,684
	886,706	929,784

29.1 Salaries, wages and other benefits include provident fund contribution of Rupees 2.202 million (2022: Rupees 2.456 million) by the Company.

30. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 30.1)	341,351	324,246
Meeting fee to directors	740	720
Travelling, conveyance and entertainment	32,996	16,769
Rent, rates and taxes	7,220	5,824
Repair and maintenance	38,732	41,151
Insurance	3,649	4,543
Printing and stationery	4,015	3,090
Communication and advertisement	6,912	6,009
Subscription	23,942	19,089
Legal and professional	4,152	11,228
Auditor's remuneration (Note 30.2)	3,130	3,225
Depreciation (Note 13.1.5)	33,429	33,290
Amortization (Note 14)	5,738	7,686
Other charges	17,738	13,508
	523,744	490,378

30.1 Salaries, wages and other benefits include provident fund contribution of Rupees 10.097 million (2022: Rupees 9.162 million) by the Company.

30.2 Auditor's remuneration

Audit fee	2,600	2,600
Half yearly review	300	300
Other certification fees	175	275
Reimbursable expenses	55	50
	3,130	3,225

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
31. OTHER EXPENSES		
Donations (Note 31.1 and Note 31.2)	29,496	17,033
Allowance for expected credit losses	-	143,093
Provision for doubtful loans and advances	-	81
Workers' profit participation fund (Note 8.2)	37,181	78,185
	66,677	238,392
31.1 The names of donees to whom donation made exceeded 10% of total donation are as follows		
Indus Hospital and Health Network	12,000	7,000
The Citizens Foundation	7,800	7,800
Flood Relief Contribution to All Pakistan Textile Mills Association	6,000	-
31.2 There is no interest of any director or his / her spouse in donee's fund.		
32. OTHER INCOME		
Income from financial assets		
Dividend income (Note 32.1)	776	7,692
Profit on saving accounts and TDRs	4,203	1,178
Reversal of allowance for expected credit losses	-	500
Net exchange gain	578,349	315,935
	583,328	325,305
Income from non-financial assets		
Sale of empties and scrap	28,433	30,979
Rental income	1,709	2,099
Gain on sale of property, plant and equipment	9,795	18,964
	39,937	52,042
	623,265	377,347
32.1 Dividend income		
From related party:		
Shams Textile Mills Limited	-	1,624
From others:		
Crescent Fibres Limited	-	528
Crescent Cotton Mills Limited	776	-
Samba Bank Limited	-	5,540
	776	6,068
	776	7,692

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
33. FINANCE COST		
Mark up on:		
Long term financing	68,391	62,014
Short term borrowings	925,760	398,332
Interest on workers' profit participation fund (Note 8.2)	9,503	2,137
Unwinding of discount on GIDC payable (Note 11.1)	265	12,399
Bank charges and commission	20,908	23,285
	1,024,827	498,167
34. TAXATION		
Charge for the year:		
Current (Note 34.1)	286,725	337,364
Prior year adjustment	-	(7,127)
	286,725	330,237
Deferred (Note 34.2)	(60,963)	84,439
	225,762	414,676

34.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales, super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001, and tax on different heads of other income under the relevant provisions of the Ordinance. Tax losses available for carry forward as at 30 June 2023 are of Rupees 344.829 million (2022: Rupees 287.762 million). These tax losses relate to unabsorbed tax depreciation only. Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2023 is of Rupees 332.617 million (2022: Rupees 327.991 million), while deferred tax asset is recognized on minimum tax to the extent of Rupees 24.723 million. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not required in view of unused tax losses of the Company.

The minimum tax would expire as follows:

(Rupees in '000')	Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	2023	70,674	2026
	2022	32,876	2025
	2021	81,080	2026
	2020	78,031	2025
	2019	69,956	2024
		332,617	

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
34.2 Deferred income tax effect due to:		
Tax depreciation allowance	212,955	188,327
Unused tax losses and minimum tax	(124,723)	(99,800)
Provision for doubtful receivables	(95,844)	(35,203)
Surplus on revaluation of operating fixed assets	792	534
	(6,820)	53,858
Opening balance as at 01 July	(53,858)	30,840
Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end	(285)	(259)
	(60,963)	84,439
35. EARNINGS PER SHARE - BASIC AND DILUTED		
35.1 Basic earnings per share		
Profit attributable to ordinary shareholders (Rupees in thousand)	560,814	1,347,099
Weighted average number of ordinary shares (Numbers)	100 000 000	98 465 753
Earnings per share (Rupees)	5.61	13.68
35.2 Diluted earnings per share		
Profit attributable to ordinary shareholders (Rupees in thousand)	560,814	1,347,099
Weighted average number of ordinary shares (Numbers)	100 000 000	98 790 026
Earnings per share (Rupees)	5.61	13.64
36. CASH GENERATED FROM OPERATIONS		
Profit before taxation	786,576	1,761,775
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	322,949	328,276
Amortization on intangible assets	5,738	7,686
Gain on sale of property, plant and equipment	(9,795)	(18,964)
Allowance for expected credit losses	-	143,093
Provision for doubtful loans and advances	-	81
Unwinding of discount on GIDC payable	265	12,399
Reversal of allowance for expected credit losses	-	(500)
Provision for workers' profit participation fund	37,181	78,185
Profit on saving accounts and TDRs	(4,203)	(1,178)
Finance cost	1,024,562	485,768
Working capital changes (Note 36.1)	74,609	(2,029,220)
	2,237,882	767,401

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	2023	2022
36.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(31,148)	(123,644)
- Stock-in-trade	(343,358)	(898,024)
- Trade debts	(79,897)	(1,202,527)
- Loans and advances	1,339	(57,852)
- Short term deposits and prepayments	95,549	3,795
- Other receivables	(354,113)	2,859
	(711,628)	(2,275,393)
Increase in trade and other payables	786,237	246,173
	74,609	(2,029,220)

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

(Rupees in '000')	2023			2022			
	Long term financing	Short term borrowings	Total	Share deposit money	Long term financing	Short term borrowings	Total
Balance as at 01 July	1,258,133	6,892,369	8,150,502	312,152	1,443,426	6,127,540	7,883,118
Long term financing obtained	744,983	-	744,983	-	293,798	-	293,798
Share deposit money received-net	-	-	-	79,238	-	-	79,238
Right shares issued	-	-	-	(200,000)	-	-	(200,000)
Transferred to premium on issue of right shares	-	-	-	(191,390)	-	-	(191,390)
Amortization of deferred grant	704	-	704	-	9,320	-	9,320
Short term borrowings - net	-	355,745	355,745	-	-	764,829	764,829
Repayment of long term financing	(433,698)	-	(433,698)	-	(488,411)	-	(488,411)
Balance as at 30 June	1,570,122	7,248,114	8,818,236	-	1,258,133	6,892,369	8,150,502

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	Chief Executive Officer		Directors		Executives	
	2023	2022	2023	2022	2023	2022
Managerial remuneration	11,900	10,800	9,150	7,800	129,934	133,020
Allowances:						
House rent	5,355	4,860	3,217	3,510	29,077	28,094
Cost of living	-	-	-	-	195	148
Utilities	990	1,080	715	780	12,993	12,502
Medical	-	-	-	-	10,353	9,862
Special	-	-	-	-	10,451	9,935
Other allowances	660	720	935	1,020	2,760	7,308
Reimbursable expenses	1,204	71	4,093	2,961	19,685	7,241
Contribution to provident fund	744	675	572	488	6,523	6,364
	20,853	18,206	18,682	16,559	221,971	214,474
Number of persons	1	1	1	1	46	45

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

37.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2022: five directors) was Rupees 740,000 (2022: Rupees 720,000).

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

38. PROVIDENT FUND

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

39. NUMBER OF EMPLOYEES

(Number of Persons)	2023	2022
Number of employees as on 30 June	3 722	4 264
Average number of employees during the year	3 750	4 203

40. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')			2023	2022
Name of related party	Basis of relationship	Nature of transactions		
<i>Associated companies</i>				
Premier Insurance Limited	Common directorship	Insurance premium paid	40,135	40,789
		Insurance claim received	538	9,332
		Dividend paid	945	-
Shakarganj Limited (Note 40.1)	Common directorship	Dividend paid	6	-
Crescent Fibres Limited (Note 40.1)	Common directorship	Services provided	356	-
Suraj Cotton Mills Limited	Common directorship	Purchase of goods	12,925	53,129
		Sale of goods	71,687	63,654
		Plant and machinery purchased	-	2,600
		Dividend paid	2,061	-
Shams Textile Mills Limited	Common directorship	Services provided	654	755
		Dividend received	-	1,624
<i>Other related parties</i>				
The Crescent Textile Mills Limited - Employees' Provident Fund Trust	Post employment benefit plan	Contribution paid	48,379	41,354
		Dividend paid	3,064	-
Chief Executive Officer, directors, executives and their spouses	Members of Board of Directors and key management personnel	Sale of vehicles	-	4,364
		Dividend paid	26,168	-

40.1 During the year Crescent Fibres Limited became related party while Shakarganj Limited ceased to be related party due to reasons mentioned in Note 15.1 and Note 15.2 respectively.

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

(Figures in '000')			2023	2022
PLANT CAPACITY AND ACTUAL PRODUCTION				
<i>Spinning</i>				
100 % plant capacity converted to 20s count	(Kgs.)		32 453	32 453
Actual production converted to 20s count	(Kgs.)		23 507	28 095
<i>Weaving</i>				
100 % plant capacity converted to 50 picks	(Sq. Mtr.)		40 932	40 932
Actual production converted to 50 picks	(Sq. Mtr.)		31 771	34 689

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Dyeing, Finishing and Home Textile

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

Power Plant

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

41.1 REASONS FOR LOW PRODUCTION

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

42. SEGMENT INFORMATION

(Rupees in '000')	Spinning		Weaving	
	2023	2022	2023	2022
Revenue				
External	6,368,419	8,311,436	1,316,632	1,328,074
Intersegment	5,170,862	2,356,994	7,196,684	7,751,515
	11,539,281	10,668,430	8,513,316	9,079,589
Cost of sales	(11,711,715)	(9,232,004)	(8,438,350)	(8,917,236)
Gross (loss) / profit	(172,434)	1,436,426	74,966	162,353
Distribution cost	(92,742)	(94,819)	(27,129)	(24,735)
Administrative expenses	(171,472)	(141,644)	(52,194)	(44,191)
	(264,214)	(236,463)	(79,323)	(68,926)
(Loss) / profit before taxation and unallocated income and expenses	(436,648)	1,199,963	(4,357)	93,427
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Taxation				
Profit after taxation				

42.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000')	Spinning		Weaving	
	2023	2022	2023	2022
Total assets for reportable segments	4,170,670	4,373,669	3,790,784	2,176,975
Unallocated assets				
Total assets as per statement of financial position				
All segment assets are allocated to reportable segments other than those directly relating to corporate				
Total liabilities for reportable segments	3,499,098	3,756,611	2,235,198	975,599
Unallocated liabilities				
Total liabilities as per statement of financial position				

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Processing & Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
2023	2022	2023	2022	2023	2022	2023	2022
12,206,310	10,691,947	-	-	-	-	19,891,361	20,331,457
-	-	1,935,464	1,551,939	(14,303,010)	(11,660,448)	-	-
12,206,310	10,691,947	1,935,464	1,551,939	(14,303,010)	(11,660,448)	19,891,361	20,331,457
(9,485,195)	(8,783,244)	(1,893,846)	(1,518,272)	14,303,010	11,660,448	(17,226,096)	(16,790,308)
2,721,115	1,908,703	41,618	33,667	-	-	2,665,265	3,541,149
(760,797)	(804,626)	(6,038)	(5,604)	-	-	(886,706)	(929,784)
(275,122)	(279,658)	(24,956)	(24,885)	-	-	(523,744)	(490,378)
(1,035,919)	(1,084,284)	(30,994)	(30,489)	-	-	(1,410,450)	(1,420,162)
1,685,196	824,419	10,624	3,178	-	-	1,254,815	2,120,987
						(66,677)	(238,392)
						623,265	377,347
						(1,024,827)	(498,167)
						(225,762)	(414,676)
						560,814	1,347,099

Processing & Home Textile		Power Generation		Total - Company	
2023	2022	2023	2022	2023	2022
5,178,812	4,747,271	321,798	336,166	13,462,064	11,634,081
				12,032,010	10,666,541
				25,494,074	22,300,622
3,326,968	3,445,151	84,572	58,827	9,145,836	8,236,188
				3,851,250	3,229,713
				12,997,086	11,465,901

payables, current and deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

42.2 Geographical Information

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

(Rupees in '000')	Spinning		Weaving		Processing & Home Textile		Total Company	
	2023	2022	2023	2022	2023	2022	2023	2022
Australia	-	-	-	-	637,761	482,854	637,761	482,854
Canada	-	-	-	-	-	84,056	-	84,056
Czech Republic	-	-	-	-	-	33,824	-	33,824
Denmark	-	-	-	-	12,615	-	12,615	-
Estonia	-	-	-	-	47,442	20,615	47,442	20,615
France	-	-	-	-	12,341	-	12,341	-
Germany	-	-	34,658	-	1,497,462	2,129,994	1,532,120	2,129,994
Hong Kong	36,546	-	41,697	-	169,876	30,078	248,119	30,078
Italy	-	-	-	-	20,427	11,170	20,427	11,170
Lithuania	-	-	-	-	25,718	73,872	25,718	73,872
Malaysia	-	-	-	-	-	10	-	10
Netherlands	-	-	-	-	104,728	2,522	104,728	2,522
New Zealand	-	-	-	-	3,635	32,358	3,635	32,358
Norway	-	-	-	-	184,611	246,025	184,611	246,025
Portugal	-	-	-	-	115,077	450	115,077	450
Romania	-	-	-	-	101,989	28,198	101,989	28,198
South Africa	-	-	-	-	379,797	178,759	379,797	178,759
Spain	-	-	150,986	121,232	1,957,642	1,309,519	2,108,628	1,430,751
Sweden	-	-	-	-	630,441	1,181,994	630,441	1,181,994
Switzerland	-	-	-	-	60,926	105	60,926	105
United Arab Emirates	-	-	-	-	-	102,171	-	102,171
United Kingdom	-	-	-	32,236	4,106,220	2,873,898	4,106,220	2,906,134
United States of America	-	-	-	-	1,722,266	1,623,329	1,722,266	1,623,329
Pakistan	6,331,873	8,311,436	1,089,291	1,174,606	415,336	246,146	7,836,500	9,732,188
	6,368,419	8,311,436	1,316,632	1,328,074	12,206,310	10,691,947	19,891,361	20,331,457

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

Yarn	5,695,543	7,822,641	6,213	1,251	-	-	5,701,756	7,823,892
Fabric	-	-	1,302,550	1,307,482	2,774,091	2,063,932	4,076,641	3,371,414
Made ups	-	-	-	-	9,298,983	8,515,241	9,298,983	8,515,241
Processing income	-	-	-	11,180	133,236	112,418	133,236	123,598
Raw materials	90,517	19,812	-	-	-	-	90,517	19,812
Waste	582,359	468,983	7,869	8,161	-	356	590,228	477,500
	6,368,419	8,311,436	1,316,632	1,328,074	12,206,310	10,691,947	19,891,361	20,331,457

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

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

42.6 Revenue from major customers

Revenue from major customer of the Company is of Rupees Nil (2022: one major customer of Processing and Home Textile segment of the Company was of Rupees 2,091 million).

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

	2023	2022
Cash at banks - USD	65,492	17,181
Trade debts - USD	6,518,399	11,411,770
Trade debts - Euro	2,507,794	1,263,068
Trade and other payables - USD	(375,009)	(504,312)
Trade and other payables - Euro	(179,825)	(28,427)
Short term borrowings - USD	(725,167)	(954,432)
Net exposure - USD	5,483,715	9,970,207
Net exposure - Euro	2,327,969	1,234,641

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	246.59	177.05
Reporting date rate	286.60	205.50
Rupees per Euro		
Average rate	269.81	199.30
Reporting date rate	313.72	215.23

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 96.506 million (2022: Rupees 105.566 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

ii) Other price risk

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

Sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Index (Rupees in '000')	Impact on statement of other comprehensive income (fair value reserve)	
	2023	2022
PSX 100 (5% increase)	36,513	45,562
PSX 100 (5% decrease)	(36,513)	(45,562)

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

iii) Interest rate risk

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

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

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

(Rupees in '000')	2023	2022
Fixed rate instruments		
Financial assets		
Term deposit receipts	142,860	-
Financial liabilities		
Long term financing	720,206	939,253
Short term borrowings	3,838,924	3,834,486
Floating rate instruments		
Financial liabilities		
Deposit on saving accounts	189	3,353
Financial liabilities		
Long term financing	849,916	318,880
Short term borrowings	3,409,190	3,057,883

Fair value sensitivity analysis for fixed rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 48.978 million (2022: Rupees 38.970 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

b) Credit risk

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

Investments	3,532,966	4,174,715
Trade debts	3,834,785	3,754,888
Loans and advances	2,820	2,168
Deposits	27,402	131,393
Other receivables	5,945	1,960
Bank balances	179,240	143,224
	7,583,158	8,208,348

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

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

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

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

c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2023, the Company had Rupees 94.7 million (2022: Rupees 1,377 million) available borrowing limits from financial institutions and Rupees 184.707 million (2022: Rupees 145.601 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2023:

(Rupees in '000')	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	1,570,122	2,152,085	324,042	327,424	569,546	931,073
Trade and other payables	2,867,397	2,867,397	2,867,397	-	-	-
Unclaimed dividend	12,472	12,472	12,472	-	-	-
Accrued mark-up	360,235	360,235	360,235	-	-	-
Short term borrowings	7,248,114	7,980,086	5,533,863	2,446,223	-	-
	12,058,340	13,372,275	9,098,009	2,773,647	569,546	931,073

Contractual maturities of financial liabilities as at 30 June 2022:

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

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark-up have been disclosed in Note 6 and 10 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

43.2 Financial instruments by categories

(Rupees in '000')	2023	2022
Financial assets as per statement of financial position		
At amortized cost		
Loans and advances	2,820	2,168
Deposits	27,402	131,393
Trade debts	3,834,785	3,754,888
Other receivables	5,945	1,960
Cash and bank balances	181,395	145,601
	4,052,347	4,036,010
At fair value through other comprehensive income		
Investments	3,532,966	4,174,715
	7,585,313	8,210,725
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	1,570,122	1,258,133
Trade and other payables	2,867,397	2,165,697
Unclaimed dividend	12,472	10,991
Accrued mark-up	360,235	124,228
Short term borrowings	7,248,114	6,892,369
	12,058,340	10,451,418

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

	2023			2022		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
(Rupees in '000')						
Assets as per statement of financial position						
Long term loans and advances	1,289	-	1,289	1,110	-	1,110
Long term deposits and prepayments	7,024	1,043	8,067	12,867	2,260	15,127
Loans and advances	1,531	96,933	98,464	1,058	98,745	99,803
Short term deposits and prepayments	20,378	10,939	31,317	118,230	8,636	126,866
Trade debts	3,834,785	-	3,834,785	3,754,888	-	3,754,888
Other receivables	5,945	729,671	735,616	1,960	376,218	378,178
Cash and bank balances	181,395	-	181,395	145,601	-	145,601
Investments	3,532,966	-	3,532,966	4,174,715	-	4,174,715
	7,585,313	838,586	8,423,899	8,210,429	485,859	8,696,288

	2023			2022		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
(Rupees in '000')						
Liabilities as per statement of financial position						
Long term financing	1,570,122	-	1,570,122	1,258,133	-	1,258,133
Trade and other payables	2,867,397	220,183	3,087,580	2,165,697	176,096	2,341,793
Unclaimed dividend	12,472	-	12,472	10,991	-	10,991
Accrued mark-up	360,235	-	360,235	124,228	-	124,228
Short term borrowings	7,248,114	-	7,248,114	6,892,369	-	6,892,369
	12,058,340	220,183	12,278,523	10,451,418	176,096	10,627,514

43.4 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.

43.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure and make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. Consistent with others in the industry and the requirements of the

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred in Note 6 and 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus borrowings. The Company's strategy which was unchanged from last year is to maintain a gearing ratio of 40% debt and 60% equity.

(Rupees in '000')	2023	2022
Borrowings	8,818,236	8,150,502
Total equity	12,496,988	10,834,721
Total capital employed	21,315,224	18,985,223
	(PERCENTAGE)	
Gearing ratio	41.37	42.93

Decrease in gearing ratio is due to fresh surplus on revaluation of operating fixed assets.

44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

(Rupees in '000')	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At 30 June 2023				
At fair value through other comprehensive income	730,255	-	2,802,711	3,532,966
At 30 June 2022				
At fair value through other comprehensive income	911,238	-	3,263,477	4,174,715

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

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

Following table presents the changes in level 3 items for the year ended 30 June 2023:

(Rupees in '000')	Unlisted equity securities
Balance as on 30 June 2021	3,241,110
Add: Surplus recognized in other comprehensive income	22,367
Balance as on 30 June 2022	3,263,477
Less: Deficit recognized in other comprehensive income	460,766
Balance as on 30 June 2023	2,802,711

(iv) Valuation inputs and relationships to fair value

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

Description (Rupees in '000')	Fair value at		Unobservable inputs	Range of inputs (probability weighted average) 30 June 2023	Relationship of unobservable inputs to fair value"
	30 June 2023	30 June 2022			
At fair value through other comprehensive income					
Crescent Bahuman Limited	2,802,211	3,262,977	Market multiple	7.53	Increase / decrease in market multiple factor by 0.50% would increase / decrease fair value by Rupees 19.871 million.

The remaining unquoted investment representing shares of Premier Financial Services (Private) Limited having carrying value of Rupees 0.500 million (2022: Rupees 0.500 million) has been valued at breakup value of shares due to its meager cost.

Valuation process

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

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

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

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

(Rupees in '000')	Level 1	Level 2	Level 3	Total
At 30 June 2023				
Land - freehold	-	6,056,660	-	6,056,660
Land - leasehold	-	25,000	-	25,000
Total	-	6,081,660	-	6,081,660
At 30 June 2022				
Land - freehold	-	4,347,543	-	4,347,543
Land - leasehold	-	14,575	-	14,575
Total	-	4,362,118	-	4,362,118

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

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

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

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

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

Valuation processes

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

46. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

(Rupees in '000')	Note	2023
Description		
Revenue earned from shariah compliant business	27	19,891,361
Gain / (loss) or dividend earned from shariah complaint investments		
Unrealized loss on remeasurement of investments at FVTOCI		196,982
Dividend income	32	776
Net exchange gain	32	578,349
Shariah compliant bank deposits and bank balances		
Bank balances		146
Profit earned from shariah compliant bank deposits and bank balances		
Profit on deposits with banks		4
Mark-up on Islamic mode of financing		
Mark-up on long term financing		7,269
Mark-up on short term borrowings		11,810
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing		61,122
Mark-up on short term borrowings		913,950
Profit on deposits with banks		4,199

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2023

(Rupees in '000')	Note	2023
Loans / advances obtained as per Islamic mode		
Contract liabilities	8	121,492
Long term financing	6.2	32,635
Short term borrowings		99,924
Relationship with shariah compliant banks		
Bank Name	Relationship	
Meezan Bank Limited	Bank balance	
Albaraka Bank (Pakistan) Limited	Bank balances	
Bank Alfalah Limited	Bank balance and long term financing	
MCB Islamic Bank Limited	Bank balances and short term borrowings	

Comparative figures are not given as the Company was not listed on Islamic index in previous year.

47. **EVENT AFTER THE REPORTING PERIOD**

The Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the year ended 30 June 2023 amounting to Rupees 1.00 per share (2022: Rupees 1.00 per share) at their meeting held on 28 September 2023. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

48. **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 28, 2023.

49. **CORRESPONDING FIGURES**

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

50. **GENERAL**

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



Ahmad Shafi
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2023

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
566	1	100	16,402	1	225,001	230,000	225,500
636	101	500	206,631	1	245,001	250,000	250,000
367	501	1,000	321,666	1	270,001	275,000	271,500
751	1,001	5,000	2,107,994	1	280,001	285,000	280,430
222	5,001	10,000	1,770,498	1	310,001	315,000	315,000
82	10,001	15,000	1,056,305	4	315,001	320,000	1,273,114
54	15,001	20,000	982,990	2	320,001	325,000	644,459
38	20,001	25,000	893,333	1	325,001	330,000	328,000
32	25,001	30,000	906,814	1	330,001	335,000	330,500
18	30,001	35,000	588,357	2	340,001	345,000	688,536
17	35,001	40,000	660,193	1	345,001	350,000	349,612
12	40,001	45,000	519,298	1	350,001	355,000	352,497
14	45,001	50,000	690,832	1	370,001	375,000	372,840
20	50,001	55,000	1,053,771	1	380,001	385,000	382,848
10	55,001	60,000	586,317	1	385,001	390,000	388,218
8	60,001	65,000	506,842	1	395,001	400,000	397,221
6	65,001	70,000	414,892	1	405,001	410,000	405,822
4	70,001	75,000	293,354	1	415,001	420,000	416,621
2	75,001	80,000	151,742	1	420,001	425,000	424,428
1	80,001	85,000	82,000	1	425,001	430,000	428,822
4	85,001	90,000	351,500	1	450,001	455,000	452,500
4	90,001	95,000	368,157	1	470,001	475,000	475,000
9	95,001	100,000	898,150	2	495,001	500,000	1,000,000
1	100,001	105,000	104,449	1	505,001	510,000	507,620
2	105,001	110,000	213,802	1	565,001	570,000	565,473
2	110,001	115,000	225,384	1	605,001	610,000	606,991
1	115,001	120,000	115,123	1	610,001	615,000	610,780
6	120,001	125,000	743,459	1	620,001	625,000	625,000
7	125,001	130,000	903,487	1	625,001	630,000	625,763
1	130,001	135,000	132,204	1	635,001	640,000	635,905
3	135,001	140,000	415,140	1	675,001	680,000	677,503
1	140,001	145,000	145,000	1	710,001	715,000	714,810
4	145,001	150,000	591,919	1	715,001	720,000	718,768
3	150,001	155,000	455,044	2	760,001	765,000	1,525,845
2	155,001	160,000	314,448	1	780,001	785,000	782,935
5	170,001	175,000	864,362	1	880,001	885,000	884,756
1	180,001	185,000	185,000	1	940,001	945,000	944,981
4	185,001	190,000	754,213	1	950,001	955,000	954,972
1	195,001	200,000	200,000	1	995,001	1,000,000	1,000,000
4	200,001	205,000	808,371	1	1,035,001	1,040,000	1,038,982
1	205,001	210,000	207,926	1	1,120,001	1,125,000	1,121,378
2	215,001	220,000	437,146	1	1,230,001	1,235,000	1,232,000
1	220,001	225,000	221,472	1	1,235,001	1,240,000	1,235,748

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2023

No. of Shareholders	Shareholding Form	to	Total Shares	No. of Shareholders	Shareholding Form	to	Total Shares held
1	1,315,001	1,320,000	1,315,500	1	2,095,001	2,100,000	2,096,548
1	1,345,001	1,350,000	1,349,093	1	2,105,001	2,110,000	2,105,126
1	1,485,001	1,490,000	1,487,926	1	3,060,001	3,065,000	3,064,252
1	1,665,001	1,670,000	1,669,629	1	3,775,001	3,780,000	3,779,891
1	1,955,001	1,960,000	1,959,560	1	7,410,001	7,415,000	7,411,705
1	2,060,001	2,065,000	2,060,625	1	20,770,001	20,775,000	20,770,480
				2,991			100,000,000

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2023

Categories of Shareholders	Physical	CDC	Total	% age
	(Number of shares held)			
1 - Directors, Chief Executive Officer, Their Spouses and Minor Children				
1.1- Chief Executive				
Mr. Ahmad Shafi	-	21,143,320	21,143,320	21.14
1.2- Directors				
Mr. Amin Anjum Saleem	-	31,700	31,700	0.03
Mr. Aurangzeb Shafi	-	110,780	110,780	0.11
Mr. Imran Maqbool	-	317,911	317,911	0.32
Mr. Khalid Bashir	-	2,059,560	2,059,560	2.06
Mr. Muhammad Anwar	-	1,121,378	1,121,378	1.12
Mrs. Nazia Maqbool	-	714,810	714,810	0.71
1.3- Directors' Spouses				
Begum Tanveer Khalid Bashir	-	428,822	428,822	0.43
Mrs. Abida Anwar	-	33,326	33,326	0.03
Mrs. Asma Imran Maqbool	-	343,536	343,536	0.34
Mrs. Mehreen Ahmad	-	64,000	64,000	0.06
Mr. Nadeem Maqbool	-	424,428	424,428	0.42
	-	26,793,571	26,793,571	5.65
2- Associated Companies, Undertakings & Related Parties				
Crescent Fibres Limited	-	1,487,926	1,487,926	1.49
Premier Insurance Limited	-	944,981	944,981	0.94
Suraj Cotton Mills Limited	-	2,060,625	2,060,625	2.06
Trustees The Crescent Textile Mills Employees' Provident Fund Trust	-	3,064,252	3,064,252	3.06
	-	7,557,784	7,557,784	7.56
3- NIT & ICP				
CDC - Trustee National Investment (Unit) Trust	-	2,105,126	2,105,126	2.11
	-	2,105,126	2,105,126	2.11
4- Mutual Funds				
M/S. Tri-Star Mutual Fund Limited	-	478	478	0.00
	-	478	478	0.00
5- Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks	10,957	255,552	266,509	0.27
Pension Funds	-	514,949	514,949	0.51
	10,957	770,501	781,458	0.78

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2023

	Physical	CDC	Total	% age
	(Number of shares held)			
6- Insurance Companies	704	-	704	0.00
7- Modarabas	842	263,875	264,717	0.26
8- Other Companies, Corporate Bodies and Trust etc.				
Other Companies and Corporate Bodies	58,469	17,611,896	17,670,365	17.67
Trust	5,434	339,509	344,943	0.34
	63,903	17,951,405	18,015,308	18.02
9- General Public				
General Public (Local)	1,936,172	42,532,182	44,468,354	44.47
General Public (Foreigner)	-	12,500	12,500	0.01
	1,936,172	42,544,682	44,480,854	44.48
	2,012,578	97,987,422	100,000,000	78.86
Shareholders more than 10.00%				
Mr. Ahmad Shafi			21,143,320	21.14

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Seventy Fourth (74th) Annual General Meeting (AGM) of the members of The Crescent Textile Mills Limited (the "Company") will be held on Thursday, October 26, 2023 at 10:00 am at the registered office of the Company, Sargodha Road, Faisalabad, to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2 To approve the cash dividend @ 10% (Rs. 1.00 per share) for the year ended June 30, 2023 as recommended by the Board of Directors.
3. To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Riaz Ahmad and Company, Chartered Accountants, who being eligible have offered themselves for re-appointment.

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

Registered Office:
Sargodha Road,
Faisalabad:
T:+92-41-111-105-105
Dated: October 04, 2023

Notes:

1. Closure of share transfer books

The Share Transfer Books of the Company will remain closed from October 20, 2023 to October 26, 2023 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 19, 2023, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

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

The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the Company Secretary Office by providing the required details by the end of business on Monday, October 23, 2023 through following means:

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

3. Participation in the annual general meeting

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

For appointing proxies

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

4. CNIC/IBAN for E-Dividend Payment

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

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

5. Circulations of Annual Reports

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

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended June 30, 2023 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.crescenttextile.com and can be accessed through following weblink and QR Code:

NOTICE OF ANNUAL GENERAL MEETING

Weblink:

<https://www.crescenttextile.com/wp-content/uploads/2023/09/CTML-Annual-Report-2023.pdf>



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

6. Tax Deductions

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

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

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

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

7. Exemption from deduction of income tax and Zakat

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

9. Conversion of Physical Securities into CDC Account

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

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

10. Video Conference Facility

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

11. Change of address

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



The Crescent Textile Mills Limited

74th Annual General Meeting

Registered Office:
Sargodha Road,
Faisalabad, Pakistan

PROXY FORM

I/We _____
of _____ being
a member(s) of The Crescent Textile Mills Limited hold _____ ordinary
Shares hereby appoint Mr./Mrs./Miss _____
of _____
_____ or failing him _____ of
_____ as my/our proxy in my/our absence
to attend and vote for me/us and on my/our behalf at the 74th Annual General Meeting of the Company to be held on
Thursday October 26, 2023 at 10:00 AM and /or any adjournment there of.

As witness my/our hand/seal this _____ day of _____ October 2023.

Signed by _____
in _____ the _____ presence _____ of _____

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

Signature on Fifty Rupees
Revenue Stamp

The Signature should agree
with the specimen registered
with the Company

IMPORTANT:

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

For CDC Account Holders/Corporate Entities

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

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
(ii) To attend the meeting through video link etc., proxy may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address by October 23, 2023 at the email naseer.ahmad@crestex.pk.
(ii) The video link of meeting shall be sent to the members on their registered email addresses.



پراکسی فارم

میں / ہم

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

یا ان کے حاضر نہ ہو سکنے کی صورت میں

کو اپنے / ہمارے ایما، پریکٹس کے 26 اکتوبر 2023 بروز جمعرات صبح 10:00 بجے کو ہونے والے 74 ویں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرنا / کرتے ہیں۔

بطور گواہ آج بتاریخ _____ دن _____ اکتوبر 2023 میرے / ہمارے دستخط ہوئے

دستخط

کی موجودگی میں

پچاس روپے کے رسیدی ٹکٹ پر دستخط

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

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

اہم نکات:

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

مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔

- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔
- (ii) ویڈیولنک وغیرہ کے ذریعے مینٹگ میں شرکت کے لیے، پراکسی کمپنی کو مطلع کر سکتی ہے اور اپنی تفصیلات بشمول نام، CNIC اسکین (دونوں طرف)، فولیو نمبر، بیل فون نمبر اور ای میل ایڈریس 23 اکتوبر 2023 تک ای میل naseer.ahmad@crestex.pk پر پرفراہم کر سکتی ہے۔
- (iii) مینٹگ کا ویڈیولنک ممبران کو ان کے رجسٹرڈ ای میل ایڈریس پر بھیجا جائے گا۔



Mills & Registered Office

Sargodha Road,

Faisalabad, Pakistan

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

E: crestex@ctm.com.pk

Share Register

CorpTec Associates (Pvt) Limited,

503-E, Johar Town,

Lahore, Pakistan

T: +92-42-35170336-7

F: +92-42-35170338

E: info@corptec.com.pk

www.ctm.com.pk