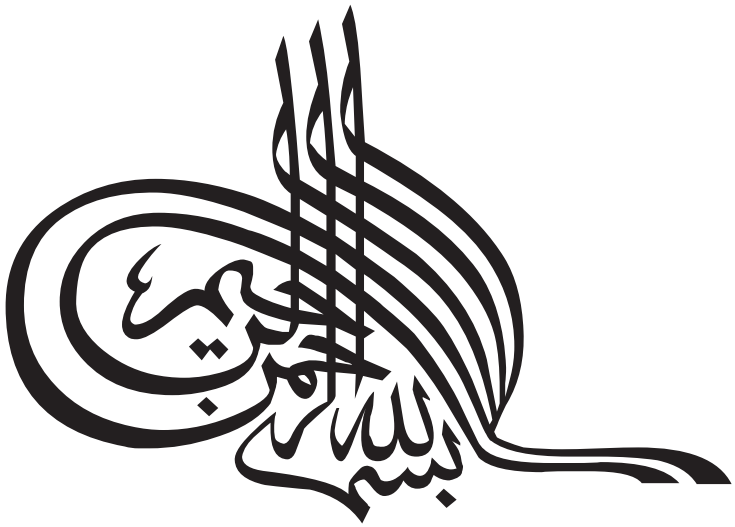
# ANNUAL REPORT 2018

crestex

The Crescent Textile Mills Limited


بسم الله الرحمن الرحيم

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# COMPANY INFORMATION

| Board of Directors | | Bankers |
|---|---|---|
| Mr. Shaukat Shafi | Chairman | Al Baraka Bank (Pakistan) Limited |
| Mr. Muhammad Anwar | Chief Executive Officer | Allied Bank Limited |
| Mr. Ahmad Shafi | Director | Habib Bank Limited |
| Mr. Amjad Mehmood | Director | MCB Bank Limited |
| Mr. Anjum Muhammad Saleem | Director | National Bank of Pakistan |
| Mr. Khalid Bashir | Director | Standard Chartered Bank (Pakistan) Limited |
| Mr. Khurram Mazhar Karim | Director | The Bank of Punjab |
| Mr. Muhammad Arshad (Nominee NIT) | Independent Director | United Bank Limited |
| | | |
| Audit Committee | | Mills & Head Office |
| Mr. Khalid Bashir | Chairman | Sargodha Road, |
| Mr. Anjum Muhammad Saleem | Member | Faisalabad, Pakistan |
| Mr. Khurram Mazhar Karim | Member | T: + 92-41-111-105-105 |
| | | F: + 92-41-8786525 |
| HR & R Committee | | E: crestex@ctm.com.pk |
| Mr. Khalid Bashir | Chairman | |
| Mr. Ahmad Shafi | Member | |
| Mr. Anjum Muhammad Saleem | Member | |
| | | |
| Chief Financial Officer | | |
| Mr. Asim Siddique | | |
| | | Registered Office |
| Corporate Secretary | | 45-A, Off: Zafar Ali Road, Gulberg-V, |
| Mr. Naseer Ahmad Chaudhary | | Lahore, Pakistan |
| | | T: + 92-42-111-245-245 |
| Head of Internal Audit | | F: + 92-42-111-222-245 |
| Mr. Muhammad Waqar Iqbal | | E: crestex@ctm.com.pk |
| | | |
| Auditors | | |
| Riaz Ahmed & Company | | |
| Chartered Accountants | | |
| | | |
| Legal Advisor | | Share Registrar |
| Syed Masroor Ahmad | | CorpTec Associates (Pvt) Ltd., |
| | | 503 - E, Johar Town, |
| Stock Exchange Listing | | Lahore, Pakistan |
| The Crescent Textile Mills Limited is a listed Company | | T: +92-42-35170336-37 |
| and its shares are traded on Pakistan Stock Exchange. | | F: +92-42-35170338 |
| | | E: info@corptec.com.pk |
| The Company's shares are quoted in leading dailies | | |
| under textile composite sector. | | www.crescenttextile.com |

# VISION AND CORE VALUES

## VISION

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

## CORE VALUES

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

### INTEGRITY

- Walk the Talk
- Ownership
- Professional Ethics
- Personal Integrity

### INNOVATION

- Creative Solutions
- Change Agent
- Transformational Approach
- Challenging the Status Quo

### CUSTOMER CENTRICITY

- Excellence Service
- Customer Engagement
- Fulfilling Customer Needs
- Re-shape Environment

### COMMITMENT

- Fostering the Co. Vision
- Empowering Others
- Establishing Focus
- Achieving Results

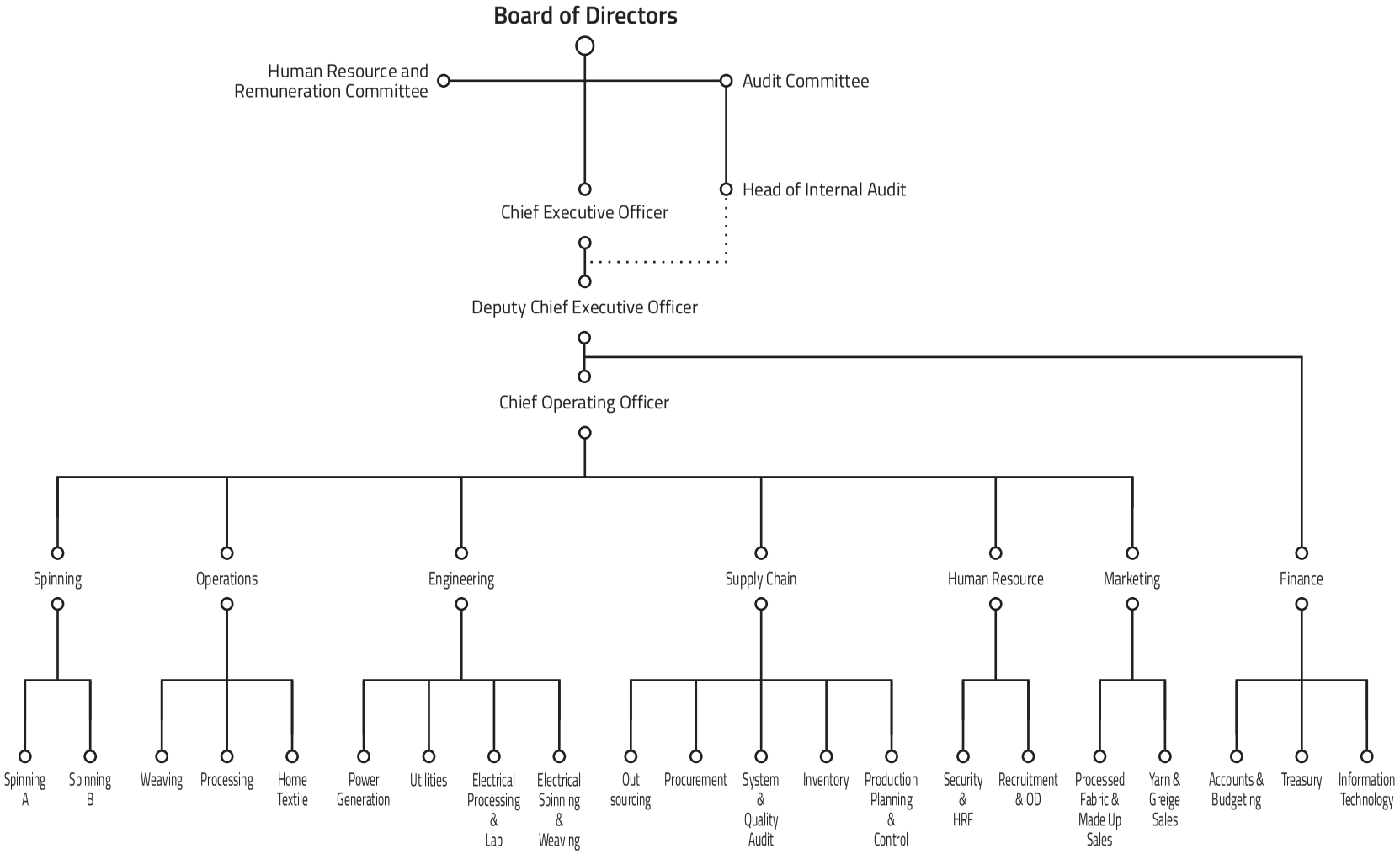
### TEAMWORK

- Organizational Growth
- Developing Teams
- Knowledge Sharing
- Self Development

### QUALITY

- Cultivating Excellence
- Managing Projects
- Improve Results
- Meet Expectation

# MANAGEMENT STRUCTURE / ORGANIZATION CHART



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SECP

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# CHAIRMAN'S REVIEW

for the year ended June 30, 2018

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

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2017, 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, 2018, 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.

Shaukat Shafi
Chairman

# DIRECTORS' REPORT

for the year ended June 30, 2018

Directors of your company are pleased to present the Annual Report along with audited Financial Statements of company and Auditors' Report thereon for the year ended June 30, 2018.

### Industry overview

Textile exports in FY18 witnessed a modest increase of 9 percent as compared to the previous year. The growth in exports was mainly led by valued added segments. This rise could be attributed both to the government's incentive package and the rupee depreciation although the lower export base in the same period last year also played a factor. There were high hopes on value-added segments to improve the miserable performance of past years owing to PM Textile Incentive Package. But textile stakeholders across the board have decried the shabby implementation of the export incentive awarded to the textile sector by the government. Value-added players assert that the growth would have been much higher had their pending sales tax refunds been released in a timely manner.

On spinning side, raw material procurement has become tedious and costly. The area under cultivation of local cotton has gone down and the cotton production target was missed by eight percent in FY18 while by an even wider margin of 30 percent and 25 percent in FY16 and FY17 respectively. The current year is likely to be no different when it comes to a shortfall of the required 16-17 million bales by the local industry.

### Company's performance

A brief financial analysis is presented as under:

| (Rupees in million) | FY 18 | FY 17 | Variance | % |
|---|---|---|---|---|
| Revenue | 11,314 | 10,873 | 441 | 4 |
| GP | 1,100 | 972 | 128 | 13 |
| Operating cost | 777 | 954 | (177) | (19) |
| Finance cost | 638 | 287 | 351 | 123 |
| Other income | 325 | 350 | (25) | (7) |
| Taxation | 2 | (32) | 34 | 106 |
| Net Profit after tax | 8 | 113 | (105) | (93) |
| EPS (Rs. Per share) | 0.11 | 1.42 | (1.31) | (93) |

Sales revenues for the year grew by 4% from Rs 10.87 billion to PKR 11.31 billion as compared to FY17. Export sale were down by 13.54% in comparison to last year due to low demand till the 3rd quarter of the year but in last quarter export dispatches increased significantly. Whereas local sales increased by 34.26% in comparison to last year due to increase in outright sale instead of in house utilization of yarn. Gross profit increased by 13% mainly due marginal increase in average selling rates of both local and export sale. Operating cost reduced by 19% due significant decrease in distribution cost on account of export freight and commission. Finance cost increased by 123% in comparison to last year from Rs 287 million to Rs 638 million. This abnormal increase was attributed to exchange loss on foreign currency loans due abrupt rupee depreciation during the second half of the year. PKR devalued against US dollar by more than 15% during the year causing the exchange loss of Rs 305 million. Bottom-line of the company would have been much better in comparison to the last year had there been no such rapid rupee devaluation during the year. Going forward, we have made some necessary amendments in our currency risk policy to reduce our exposure to exchange loss in case of further rupee devaluation. Moreover an aggregate increase in SBP policy rate by 75 bps during 2nd half of the year also contributed toward increase in finance cost. Other Income squeezed by 7% due to gain on sale of ordinary shares of Shakarganj Limited in corresponding year.

In spinning segment better operational performance observed in comparison to last year mainly due to following factors. Capacity utilization increased by 4% (Average spindle worked increases from 94,799 to 98,391). Last year capacity utilization was low due installation of BMR activities. Average sale rate improved by 8.06% from Rs 134.9/lbs to Rs 145.8/lbs. On the other side, raw material prices were also increased from last year as average cotton prices increased by 6.9% and man-made fiber by 18.21%. Our BMR activities in the Spinning divisions have allowed us to continue to make operating profit despite increasing competition over the last year. The Company continues to invest in new equipment to allow it to take full advantage of changing market conditions, most notably with a heavy investment in its combing, drawing, carding and blow room capacities, which will come online in the coming quarters.

Weaving segment operational performance was down due increase in input cost, that was not fully compensated by corresponding increase in fabric sale rate. Average yarn purchase rate increased by 9% whereas average fabric sale rate improved by 7.7% in comparison to last year. Capacity utilization marginally decreased by 2.3% as compared to the last year. We will continue to focus on improvement of our operational efficiencies to compete with international market.

Despite fall in global demand of textile products and surge in domestic raw material prices, value added segment operational performance was better than previous year. It was achieved due increase in average selling rate that was increased by 5.3% in processed fabric export and by 8.5% in made up export. This increase is mainly attributed to rupee devaluation during the year. Production figures in processing and home textile segment of the company were far away from target particularly in 1st half of the year due low export demand. Processed fabric and made up production decreased by 5% and 26% respectively in comparison to last year. Despite substantial decline in production, operational profit of this segment improved. Government's export subsidy package did provide some relief against regional competitors, but very slow disbursement of funds did not allow the industry to take full advantage of the scheme. Similarly inordinate delays in release of GST refunds also affected our ability to manage working capital requirements. However, the Company continued to take advantage of the Government's LTTF scheme to invest in new product lines, expand capacity and lower costs, this up gradation and growth will continue in the coming financial year, most notably with the addition of bleaching plant, stenter, digital printing and automated cutting and stitching machine.

### Financial Statement

As required under regulation 26 of Listed Companies (Code of Corporate Governance) Regulations, 2017 ("CCG Regulations, 2017"), the Chief Executive Officer and the Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors, after consideration and approval, authorize the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company, Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. 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 relates and the date of the Directors' Report.

### Auditors

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the year 2019. 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.

### Composition of Board

In line with the requirements of the CCG Regulations, 2017, 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:

# DIRECTORS' REPORT

for the year ended June 30, 2018

Total number of Directors:

| | |
|---|---|
| Male directors | 8 |
| Female director | Exempted for current term |

Composition:

| | |
|---|---|
| Independent directors | 1 |
| Other non-executive directors | 5 |
| Executive directors | 2 |

Changes in the Board and Committees

During the year, Mr. Muhammad Arshad joined the Board as an independent director of the company to fill the casual vacancy created by Mr. Muhammad Asif.

The Board welcomed the new member and appreciated the valuable contribution of the outgoing member during his tenure on the Board.

Detail of number of board and committee meetings held during the year and attendance by each director is as under:

| S# | Name | Board of Directors Meeting | Audit Committee Meeting | HR & R Committee Meeting |
|---|---|---|---|---|
| 1 | Mr. Ahmad Shafi | 5/6 | | 0/1 |
| 2 | Mr. Amjad Mehmood | 6/6 | | |
| 3 | Mr. Anjum Muhammad Saleem | 5/6 | 4/5 | 1/1 |
| 4 | Mr. Khalid Bashir | 6/6 | 5/5 | 1/1 |
| 5 | Mr. Khurram Mazhar Karim | 2/6 | 2/5 | |
| 6 | Mr. Muhammad Anwar | 6/6 | | |
| 7 | Mr. Muhammad Arshad | 2/2 | | |
| 8 | Mr. Muhammad Asif | 4/4 | | |
| 9 | Mr. Shaukat Shafi | 4/6 | | |

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

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Appropriations

The Board of Directors of the company feels that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend for the year ended June 30, 2018.

Principal Risks and Uncertainties

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

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

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

# DIRECTORS' REPORT

for the year ended June 30, 2018

### Internal Financial Controls

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

### Statement on Corporate and Financial Reporting Framework:

a. Financial statements prepared by company's management present fairly its state of affairs, results of its operations, cash flows and changes in equity;

b. Proper books of accounts have been maintained;

c. Appropriate accounting policies have been consistently applied, except for change in accounting policy as stated in Note 2.7 to the financial statements, in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements and any departure there from has been adequately disclosed and explained;

e. The company has sound potentials to continue as going concern;

f. There has been no material departure from best practices of corporate governance;

g. Financial data of the last six years is attached;

h. Pattern of Shareholding is attached;

i. Outstanding taxes and levies are given in the Notes to the Financial Statements;

j. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 20 of the CCG Regulations, 2017. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

### Corporate Social Responsibility (CSR)

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

#### Education

Under the CSR commitment of the company has been partnering with The Citizen Foundation (TCF), welfare organization working under Government and Non-Government Organizations working for promotion of education in the rural areas. The Company has been funding Units of primary sections of TCF, already built by company in remote area of Faisalabad, during the year we paid annual running expense amounting to Rs. 6.0 million. Similarly, the Company is contributing regularly for educational societies and organizations involved in such noble cause. In addition to cash contribution senior officials have volunteered 280 hours to their structured programs throughout the year. The Company has also donated Rs. 2.5 million to Crescent Education Trust.

#### Health and medical care

The Company has donated Rs. 3 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society including Shaukat Khanum Cancer Hospital and Research Centre, The Kidney Center, Chiniot Blood Bank and Dialysis Centre and Islamia Hospital Chiniot besides providing funds for purchase of essential medical equipments.

To ensure health and safety at the workplace employees are trained to protect themselves by

occupational safety rules and procedures while performing jobs. Adequate training and awareness about technical jobs are given to all employees in the 'Training Centre' established by the Company. A well-equipped firefighting department is looking after immediate fire hazardous.

### Trees plantation

Trees and plants are the prime source of environmental purification and beautification. Trees inhale carbon dioxide and exhale oxygen, reduce temperature and create a healthy effect, both physically and psychologically, on human beings. In fact, forests are the only natural industry which produces oxygen. Today world is facing environmental problems like Global warming, ozone depletion and pollution are burning issues. Solution to these problems lies in planting more trees.

We have planted 18,000 trees which are saving approximately 390 tons of CO2 per year. By planting trees we are reducing CO2 emissions and contributing towards a healthy, natural living environment within the premises for all our employees and the society at large.

### Equal opportunity employer

Our recruitment policy is defined in line with national and international laws and industry best practices. It is demonstrated at all levels beyond any racism, cast, sex and religion. Moreover, Special persons are awarded appropriate share of jobs.

### Industrial relations

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

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

### Environment protection

Conservation of environment and to protect its environment from hazard always remains on top priority for the Company so that no vulnerable process emission can harm community at large. Operational facilities are continuously evaluated through required safety equipments.

Business and operations of the Company are certified for compliance of international standards and regulatory requirements from national and international agencies. We have achieved third party certifications through the accredited agencies for following product, services, management and environmental systems standards:

| | |
|---|---|
| ISO 9001:2015 | Quality Management Systems |
| ISO 14001:2015 | Environment Management Systems |
| OCS-NL | Product Standards, Organic Content Standard |
| GOTS-NL | Product Standards, Global Organic Textile Standard |
| Oeko-Tex 100 | Product Standards for Yarn, Human Ecology |
| Oeko-Tex 100 | Product Standards for Fabric, Human Ecology |
| Oeko-Tex 100 | Product Standards for Home Textiles, Human Ecology |
| SA 8000 | Social Accountability |
| SEDEX | Audit Data Bank for sharing with Customers |
| SMETA/ETI | Code Ethical Trading Initiative |
| Ecolabelling (SWAN) | Environmental, Health and Quality requirements |
| Egyptian Cotton Trade Mark | |
| Supima Cotton Trade Mark | |

### Energy conservation

The Company is trying to invest in alternative energy resources for energy conservation. Following initiatives have been planned / completed in this regard.

A project is underway for installation of caustic recovery plant at our dyeing unit. This plant will recover chemicals and will provide cost savings through recycling process. It will also reduce hazardous materials in drained water. Conventional tube lights are being replaced with LED lights.

The Company is also operating effluent treatment plant for processing plant. This plant recycles water and reduces the effluent load in drainage system. Wet scrubbers, effective air pollution control devices, are installed at our Coal Steam Boiler for removing particles and gases from industrial exhaust streams. This results in decontamination, detoxification, and dust removal for the benefit of our environment. Environment Protection Authority (EPA) has approved our effluent water treatment plant and wet scrubbers as per National Environmental Quality Standards (NEQS).

### Contribution to national exchequer

During the year, the Company contributed Rs.193 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US$ 52 million through the export of its products.

### Employees' retirement benefits

The Company established an 'Employees' Provident Fund Trust' ("the Trust") to manage and control its financial affairs independently. The 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 company. The value of investments of the Fund as per audited accounts on close of financial year, were Rs.1,103 million (FY 17 Rs.1,563 million).

### Future outlook

Going forward, the environment for textile exporters and manufacturers will remain under pressure owing to a variety of factors. The cost of manufacturing in relation to regional peers is expected to increase due to expected increase in both electricity and gas tariffs. The provision of more expensive R-LNG to Punjab's industry has already resulted in closure of several units owing to high cost of operations. Continuous increase in interest rate is also a big challenge for industry. Subsequent to year end, SBP has further increased policy rate by 100 bps that will also impair the competitiveness of local industry.

Although challenges are high but we are committed to perform in best possible manner and add value to our stakeholders to meet the long term goals of company. For improving quality of our products and get premium on selling prices we will continue to upgrade plant and machinery under BMR during ensuing year. The Board has already approved a Capex plan for FY 2019 which we intend to implement after obtaining approval from

# DIRECTORS' REPORT

for the year ended June 30, 2018

financing institutions under SBP LTFF.

Acknowledgement

On behalf of the Board, we have this opportunity to express our gratitude and appreciation for our customers, vendors and financial institutions for their continued support. We also appreciate our employees for their relentless dedication and immense contribution to the Company.

For and on behalf of the Board of Directors

Muhammad Anwar
Chief Executive Officer

Anjum Muhammad Saleem
Director

# ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

آپ کی کمپنی کے ڈائریکٹرز آڈیٹروں کی رپورٹ اور کمپنی کے آڈٹ کردہ مالی بیانات کے ساتھ 30 جون 2018ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## انڈسٹری کا جائزہ:

پچھلے سال کی نسبت مالی سال 2018ء میں ٹیکسٹائل برآمدات میں 9 فیصد کا معمولی اضافہ دیکھنے میں آیا۔ برآمدات میں بڑھوتری بنیادی طور پر ویلیو ایڈڈ شعبہ کی مرہون منت رہی۔ یہ اضافہ حکومتی مراعاتی پیکیج اور روپے کی قدر میں کمی دونوں کی طرف منسوب کیا جاسکتا ہے اگرچہ گزشتہ سال کے اسی عرصہ میں کم تر برآمدی بنیاد نے بھی کردار ادا کیا۔ وزیر اعظم کے مراعاتی پیکیج کو دیکھتے ہوئے ویلیو ایڈڈ شعبہ سے پچھلے سالوں کی خراب کارکردگی کو بہتر بنانے کی بہت زیادہ امید تھی لیکن ٹیکسٹائل اسٹیک ہولڈرز نے متفقہ طور پر حکومت کی جانب سے ٹیکسٹائل سیکٹر کو دی جانے والی برآمدی مراعات کے ناقص نفاذ کی مذمت کی۔ ویلیو ایڈڈ شعبہ کے کھلاڑیوں کا دعویٰ ہے کہ اگر ان کے سیلز ٹیکس ری فنڈ بروقت ادا کر دیئے جاتے تو یہ اضافہ کہیں زیادہ ہوسکتا تھا۔

سپننگ کے معاملہ میں خام مال کی دستیابی زیادہ مشکل اور مہنگی ہوگئی ہے۔ مقامی کپاس کی کاشت کا رقبہ کم ہوا ہے اور کپاس کی پیداوار کا ہدف مالی سال 2018ء میں 8 فیصد جبکہ بڑے پیمانے پر مالی سال 2016ء اور 2017ء میں بالترتیب 30 اور 25 فیصد کم رہا ہے۔ موجودہ سال بھی کچھ زیادہ مختلف دکھائی نہیں دیتا جب مقامی صنعت 17-16 ملین گانٹھوں کی قلت تک پہنچے گی۔

## کمپنی کی کارکردگی:

کمپنی کی کارکردگی کا مختصر مالیاتی تجزیہ درج ذیل ہے:

| ملین روپے | مالی سال 2018ء | مالی سال 2017ء | فرق | فیصد فرق |
|---|---|---|---|---|
| آمدنی | 11,314 | 10,873 | 441 | 4 |
| خام منافع | 1.100 | 972 | 128 | 13 |
| عملی اخراجات | 777 | 954 | (177) | (19) |
| مالیاتی اخراجات | 638 | 287 | 351 | 123 |
| دیگر آمدنی | 325 | 350 | (25) | (7) |
| محصولات | 2 | (32) | 34 | 106 |
| خالص منافع بعد از محصولات | 8 | 113 | (105) | (93) |
| فی حصص آمدنی (روپے) | 0.11 | 1.42 | (1.31) | (93) |

# ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

## کمپنی کی کارکردگی:

زیر جائزہ سال میں گزشتہ مالی سال 2017ء کی نسبت فروخت کی آمدنی 4 فیصد بڑھ کر 10.87 بلین روپے سے 11.31 بلین روپے ہوگئی۔ برآمداتی فروخت گزشتہ سال کی نسبت 13.54 فیصد کم ہوئی جس کی وجہ تیسری سہ ماہی تک طلب کی کمی تھی تاہم آخری سہ ماہی میں برآمدات کی ترسیل میں نمایاں اضافہ ہوا۔ یارن کے مقامی استعمال کی بجائے براہ راست فروخت کی وجہ سے مقامی فروخت میں گزشتہ سال کے مقابلہ میں 34.26 فیصد اضافہ ہوا۔ مقامی اور برآمدی فروخت دونوں کے اوسط فروختگی ریٹس میں نمایاں اضافہ کی وجہ سے خام منافع میں 13 فیصد اضافہ ہوا۔ برآمدی کرایہ جات اور کمیشن کی مد میں تقسیم کی لاگت میں نمایاں کمی کی وجہ سے عملی اخراجات میں 19 فیصد کی کمی آئی۔ پچھلے سال کے مقابلہ میں مالیاتی لاگت 123 فیصد کے اضافے کے ساتھ 287 ملین روپے سے بڑھ کر 638 ملین روپے ہوگئی۔ یہ غیر معمولی اضافہ سال کی دوسری ششماہی میں روپے کی قدر میں اچانک کمی کی وجہ سے غیر ملکی قرضہ جات پر تبادلہ کے نقصان کے باعث ہوا۔ سال کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر 15 فیصد تک کم ہوئی جس کی وجہ سے 305 ملین روپے کا تبادلہ جاتی نقصان اٹھانا پڑا۔ اگر سال کے دوران روپے کی قدر میں اتنی تیزی سے کمی نہ ہوتی تو کمپنی کی حتمی کارکردگی پچھلے سال کے مقابلے میں کہیں بہتر ہوتی۔ آگے بڑھتے ہوئے روپے کی قدر میں مزید کمی کی صورت میں تبادلہ جاتی نقصان کے حجم کو کم کرنے کے لیے ہم نے اپنی کرنسی رسک پالیسی میں ضروری تبدیلیاں کی ہیں۔ مزید برآں سال کی دوسری ششماہی میں سٹیٹ بینک آف پاکستان کے پالیسی ریٹ میں 75 بی پی ایس کے مجموعی اضافے نے بھی مالیاتی لاگت بڑھانے میں حصہ لیا۔ اس سال بہ نسبت گزشتہ سال شکر گنج لمیٹڈ کے عام حصص کی فروخت پر منافع کی وجہ سے دیگر آمدنی 7 فیصد کم ہوئی۔

سپننگ کے شعبہ میں گزشتہ سال کے مقابلے میں بہتر عملی کارکردگی دیکھنے میں آئی جس کی بنیادی وجہ درج ذیل عوامل بنے: پیداواری صلاحیت میں 4 فیصد اضافہ ہوا (سپنڈل کی اوسط کارگزاری 94,799 سے بڑھ کر 98,391 تک پہنچ گئی)۔ پچھلے سال BMR سرگرمیوں کی تنصیب کی وجہ سے پیداواری صلاحیت کم تھی۔ اوسط شرح فروخت 8.06 فیصد کے اضافہ کے ساتھ 134.9 روپے فی پونڈ سے 145.8 روپے فی پونڈ تک پہنچی۔ دوسری طرف خام مال کی قیمتیں بھی گزشتہ سال کے مقابلہ میں زیادہ رہیں جیسا کہ کپاس کی اوسط قیمت 6.9 فیصد جبکہ مصنوعی فائبر کی قیمت 18.21 فیصد بڑھی۔ سپننگ کے شعبہ میں ہماری BMR سرگرمیوں نے گزشتہ سال بڑھتی ہوئی مقابلہ بازی کے باوجود عملی منافع کمانے میں ہماری مدد کی۔ مارکیٹ کی بدلتی ہوئی صورت حال کا مکمل فائدہ اٹھانے کے لیے کمپنی نئے آلات اور ساز و سامان میں سرمایہ کاری جاری رکھے گی خاص طور پر اس کے کامبنگ، ڈرائنگ، کارڈنگ اور بلو روم کی صلاحیت میں جو اگلی سہ ماہیوں میں منظر عام پر آجائیں گی۔

کپڑے کی شرح فروخت میں اسی تناسب سے اضافہ نہ ہونے کی وجہ سے ان پٹ لاگت میں اضافہ ہو جس کے باعث ویونگ کے شعبہ کی عملی کارکردگی زوال پذیر رہی۔ گزشتہ سال کے مقابلہ میں یارن کی اوسط شرح خرید 9 فیصد بڑھی جبکہ کپڑے کی اوسط شرح فروخت میں 7.7 فیصد کا اضافہ ہوا۔ پیداواری صلاحیت گزشتہ سال کے مقابلہ میں 2.3 فیصد کی محدود کمی ہوئی۔ بین الاقوامی مارکیٹ میں مقابلہ کرنے کے لیے ہم اپنی عملی کارکردگی میں بہتری پر توجہ مبذول کیے ہوئے ہیں۔

ٹیکسٹائل مصنوعات کی طلب میں عالمی سطح پر کمی اور مقامی خام مال کی قیمتوں میں اضافہ کے باوجود پچھلے سال کے مقابلہ میں ویلیو ایڈڈ شعبہ کی عملی کارکردگی بہتر رہی جس کا حصول پراسیسڈ کپڑے کی برآمد کی اوسط شرح فروخت میں 5.3 فیصد جبکہ میڈ اپ کی برآمد میں 8.5 فیصد کے اضافہ کی وجہ سے ممکن ہو سکا۔ یہ اضافہ بنیادی طور پر سال کے دوران روپے کی قدر میں کمی کی مرہون منت تھا۔ کم برآمدی طلب کی وجہ سے کمپنی کے پراسیسنگ اور ہوم ٹیکسٹائل کے شعبہ کے پیداواری اعداد و شمار ہدف سے دور رہے خصوصاً پہلی ششماہی میں۔ پچھلے سال کے مقابلہ میں پراسیسڈ فیبرک اور میڈ اپ کی پیداوار بالترتیب 5 فیصد اور 26 فیصد کم رہی۔ پیداوار میں نمایاں کمی کے باوجود اس شعبہ کا عملی منافع بہتر ہوا۔

# ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

حکومت کے برآمدی امدادی پیکیج نے علاقائی حریفوں کے مقابلہ میں کچھ ریلیف فراہم کیا تاہم فنڈز کی انتہائی سست روی سے فراہمی نے اس اسکیم سے خاطر خواہ فائدہ اٹھانے کی اجازت نہیں دی۔ اسی طرح جنرل سیلز ٹیکس ری فنڈز کے اجراء میں غیر معمولی تاخیر نے بھی ورکنگ کیپیٹل کی ضروریات کے انتظام کی صلاحیت کو متاثر کیا۔ تاہم کمپنی نے نئی پراڈکٹ لائنز میں سرمایہ کاری، پیداواری صلاحیت میں اضافہ اور کم ترین لاگت کے ذریعے حکومت کی LTTF اسکیم سے فوائد حاصل کرنے کا سلسلہ جاری رکھا۔ یہ اپ گریڈیشن اور ترقی آنے والی مالی سال میں بھی جاری رہے گی خاص طور پر بلیچنگ پلانٹ، سٹینٹر، ڈیجیٹل پرنٹنگ اور خودکار کٹنگ اور سٹچنگ مشینوں میں اضافے کی وجہ سے۔

## مالیاتی اسٹیٹمنٹ:

مندرج کمپنیوں کے قواعد وضوابط کوڈ آف کارپوریٹ گورننس 2017 کے ضابطہ نمبر 26 کے تحت چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اپنے دستخطوں کے ہمراہ مالیاتی سٹیٹمنٹ بورڈ آف ڈائریکٹرز کو غور وخوض اور منظوری کے لیے پیش کرتے ہیں۔ غور وخوض اور منظوری کے بعد دستخط کردہ مالیاتی سٹیٹمنٹ کو اجراء اور اشاعت کی اجازت دیتے ہیں۔ کمپنی کی مالیاتی سٹیٹمنٹ کمپنی کے آڈیٹرز میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی طرف سے اچھی طرح آڈٹ اور بغیر کسی اعتراض کے منظور کی گئی ہیں اور ان کی رپورٹ مالیاتی سٹیٹمنٹ کے ساتھ لف ہے۔

مالی سال جس سے یہ بیلنس شیٹ تعلق رکھتی ہے اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلی اور کمٹمنٹ وقوع پذیر نہیں ہوئی۔

## آڈیٹران:

آڈیٹرز میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس ریٹائر ہوئے اور انہوں نے مالی سال 2019 کے لیے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تعیناتی کی منظوری دی اور پیش آمد سالانہ عمومی اجلاس پر بورڈ نے شیئر ہولڈرز کی منظوری پر ان کی تعیناتی کی سفارش کی ہے۔

## بورڈ کی ساخت:

CCG قواعد وضوابط 2017ء کی ضروریات کے پیش نظر کمپنی بورڈ میں خودمختار اور غیر فعال ڈائریکٹرز کی نمائندگی کے ساتھ صنفی تنوع کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ ساخت درج ذیل ہے:

## ممبران کی کل تعداد:

| | |
|---|---|
| مرد ڈائریکٹران | 8 |
| خاتون ڈائریکٹران | موجودہ عرصہ کے لیے مستثنیٰ |

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

ساخت:

| | |
|---|---|
| خودمختار ڈائریکٹران | 1 |
| دیگر غیر فعال ڈائریکٹران | 5 |
| فعال ڈائریکٹران | 2 |

بورڈ اور کمیٹی میں تبدیلیاں:

سال کے دوران مسٹر محمد آصف کی اتفاقیہ طور پر خالی نشست پر کرنے کے لیے مسٹر محمد ارشد نے بورڈ میں بطور خودمختار ڈائریکٹر شمولیت اختیار کی۔

بورڈ نے نئے ممبر کو خوش آمدید کہا اور بورڈ میں اپنی مدت کے دوران قابل قدر خدمات پر جانے والے ممبر کو خراج تحسین پیش کیا۔

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

| نمبر شمار | نام | بورڈ آف ڈائریکٹرز کا اجلاس | آڈٹ کمیٹی کا اجلاس | ہیومن ریسورس اور رمیونریشن کمیٹی کا اجلاس |
|---|---|---|---|---|
| 1 | مسٹر احمد شفیع | 5/6 | | 0/1 |
| 2 | مسٹر امجد محمود | 6/6 | | |
| 3 | مسٹر انجم محمد سلیم | 5/6 | 4/6 | 1/1 |
| 4 | مسٹر خالد بشیر | 6/6 | 5/5 | 1/1 |
| 5 | مسٹر خرم مظہر کریم | 2/6 | 2/5 | |
| 6 | مسٹر محمد انور | 6/6 | | |
| 7 | مسٹر محمد ارشد | 2/2 | | |
| 8 | مسٹر محمد آصف | 4/4 | | |
| 9 | مسٹر شوکت شفیع | 4/6 | | |

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

غیر فعال ڈائریکٹرز کے مشاہرے کی پالیسی:

غیر فعال اور خودمختار ڈائریکٹران کے کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس کا تعین بورڈ کی طرف سے موقع بہ موقع کیا گیا ہے۔

# ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

اختصاص:

کمپنی کا بورڈ آف ڈائریکٹرز محسوس کرتا ہے کہ کمپنی کی مستقبل کی ترقی کے پیش نظر منافع کی واپسی غیر دانشمندانہ اقدام ہے اور 30 جون 2018 کو ختم ہونے والے سال کے لیے کسی قسم کے ڈیویڈنڈ کی سفارش نہیں کرتا۔

نمایاں خطرات اور عدم یقینی:

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

- ☆ مصنوعات کے زمرے میں نمایاں مقابلہ بازی
- ☆ فارن ایکسچینج ریٹس اور اجناس کی قیمتوں میں منفی تحریک
- ☆ سستی توانائی کا حصول
- ☆ کلیدی ملازمین کا استحکام

کمپنی اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ ان خدشات سے نمٹنے اور انہیں قابل سطح تک کم کرنے کے لیے کام کر رہی ہے۔

اندرونی مالیاتی کنٹرولز:

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

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

1۔ کمپنی کی انتظامیہ کی طرف سے تیارہ 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 (سوائے اکاؤنٹنگ پالیسی میں تبدیلی کے جیسا کہ مالیاتی اسٹیٹمنٹ کے نوٹ 2.7 میں بیان کیا گیا ہے) اور اکاؤنٹنگ کے تخمینہ جات مناسب اور ٹھوس فیصلوں پر مبنی ہیں۔

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

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

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

7۔ پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔

8۔ شیئر ہولڈنگ کا پیٹرن لف ہے۔

9۔ واجب الادا محصولات اور لیویز کا اندراج مالیاتی اسٹیٹمنٹ کے نوٹس میں کر دیا گیا ہے۔
10۔ بورڈ کے اکثر ممبران مقرر کردہ اہلیت اور تجربہ رکھتے ہیں جو کوڈ آف کارپوریٹ گورننس 2017ء کے ضابطہ نمبر 20 کے تحت ڈائریکٹرز کے ٹریننگ پروگرام سے استثناء کے لیے مطلوب ہے۔ تمام ڈائریکٹران کارپوریٹ ادارے کے ڈائریکٹر کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔

ادارہ جاتی سماجی ذمہ داری:

ذمہ دار کارپوریٹ شہری کے طور پر ہم تمام اسٹیک ہولڈرز کے لیے تعمیر و ترقی میں کوشاں ہیں۔ اس میں اپنے اسٹیک ہولڈرز کو زیادہ سے زیادہ فائدہ پہنچانا، کسٹمرز کے لیے اپنی مصنوعات اور کارکردگی کو بڑھانا، اپنے لوگوں کو متحرک اور مطمئن رکھنا اور سوسائٹی میں اپنے کارآمد کردار اور اپنے عوامل کے اثرات کو منظّم کرنے کے لیے پائیدار طریقہ اختیار کرنا شامل ہے۔

تعلیم:

CSR کمٹمنٹ کے تحت کمپنی دیہاتی علاقوں میں تعلیم کے فروغ کے حکومتی و غیر حکومتی تنظیموں کے ہمراہ کام کرنے والی رفاہی تنظیم دی سٹیزن فاؤنڈیشن کے ساتھ شراکت کر رہی ہے۔ کمپنی فیصل آباد کے دور افتادہ علاقوں میں پہلے سے تعمیر شدہ دی سٹیزن فاؤنڈیشن کے پرائمری سیکشنز کے لیے سالانہ رواں اخراجات کی مد میں 60 لاکھ روپے عطیہ دے رہی ہے۔ اسی طرح کمپنی اس نیک مقصد میں مصروف عمل تعلیمی انجمنوں اور تنظیموں کے ساتھ مسلسل تعاون کر رہی ہے۔ نقد تعاون کے ساتھ ساتھ سینئر آفیشلز نے سال بھر کے دوران رضا کارانہ طور پر 280 گھنٹے بھی اپنے تشکیل کردہ پروگرامز کے لیے وقف کیے ہیں۔ کمپنی نے 25 لاکھ روپے کریسنٹ ایجوکیشن ٹرسٹ کو بھی عطیہ کیے ہیں۔

ہیلتھ اور میڈیکل کیئر:

کمپنی نے ضروری طبی آلات کی خریداری کے لیے فنڈز فراہم کرنے کے علاوہ غریب اور مستحق طبقے کو صحت اور طبی سہولتوں کی فراہمی کے لیے کوشاں معتبر اداروں بشمول شوکت خانم کینسر ہسپتال اینڈ ریسرچ سنٹر، دی کڈنی سنٹر، چنیوٹ بلڈ بینک اینڈ ڈائلسز سنٹر اور اسلامیہ ہسپتال چنیوٹ کو 30 لاکھ روپے عطیہ کیے ہیں۔

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

شجر کاری:

درخت اور پودے ماحول کو صاف رکھنے اور خوبصورتی کا اہم ذریعہ ہیں۔ درخت کاربن ڈائی آکسائیڈ جذب کرتے ہیں اور آکسیجن خارج کرتے ہیں، درجہ حرارت میں کمی لاتے ہیں اور انسانوں پر جسمانی اور نفسیاتی طور پر ایک صحت مند تاثر پیدا کرتے ہیں۔ اصل میں جنگلات واحد قدرتی صنعت ہے جو آکسیجن پیدا کرتی ہے۔ آج دنیا آلودگی، اوزون میں کمی اور گلوبل وارمنگ جیسے اہم ماحولیاتی مسائل سے دوچار ہے۔ ان مسائل کا حل زیادہ سے زیادہ درخت لگانے میں ہے۔

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

ہم نے 18 ہزار درخت لگائے ہیں جو کاربن ڈائی آکسائیڈ میں سالانہ 390 ٹن کمی کا باعث ہیں۔ شجرکاری سے ہم کاربن ڈائی آکسائیڈ میں کمی اور اپنے تمام ملازمین اور بڑے پیمانے پر معاشرے کے لیے صحت مند، قدرتی ماحول کی فراہمی میں حصہ ڈال رہے ہیں۔

### روزگار کے یکساں مواقع:

ہماری روزگار کی پالیسی قومی اور بین الاقوامی قوانین کے مطابق اور بہترین صنعتی طریقہ کار کے مطابق ترتیب دی گئی ہے۔ اسے کسی بھی نسل پرستی، ذات پات، جنسی یا مذہبی معیار سے ہٹ کر ہر سطح پر دیکھا جاتا ہے۔ مزید برآں خصوصی افراد کو ملازمتوں کا مناسب حصہ دیا گیا ہے۔

### صنعتی تعلقات:

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

ہر سال سی بی اے کی جانب سے کیے گئے مطالبہ کے ذریعے کمپنی مراعاتی بونس، منافع پر بونس، چھ ملازمین کے حج اخراجات کا خرچ اٹھانے کے ساتھ ساتھ آسان اقساط پر سائیکل، پنکھے اور سلامی مشین فراہم کرتی ہے۔ کمپنی نے ملازمین کے لیے فیئر پرائس شاپ اور کینٹین کی سہولیات بھی فراہم کر رکھی ہیں۔ کمپنی مستحق ملازمین کے لیے ورکرز ویلفیئر فنڈ بھی چلا رہی ہے۔

### ماحولیاتی حفاظت:

ماحول کا تحفظ اور اپنے ماحول کو خطرات سے بچانا ہمیشہ کمپنی کی اولین ترجیح رہی ہے تاکہ کوئی بھی کمزور عمل کمیونٹی کو بڑے پیمانے پر نقصان نہ پہنچا سکے۔ اس دعویٰ پر عمل کے لیے عملی سہولیات کو مطلوبہ حفاظتی آلات کی مدد سے مسلسل نظر میں رکھا جاتا ہے۔

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

| | |
|---|---|
| ISO 9001:2015 | معیاری انتظامی طریقہ کار |
| ISO 14001:2015 | ماحولیاتی انتظامی طریقہ کار |
| OCS-NL | مصنوعاتی معیارات، نامیاتی مواد معیارات |
| GOTS-NL | مصنوعاتی معیارات، عالمی نامیاتی ٹیکسٹائلز معیارات |
| Oeko-Tex 100 | انسانی علم موسمیات اور یارن کے لیے مصنوعات کے معیارات |
| Oeko-Tex 100 | انسانی علم موسمیات اور فیبرک کے لیے مصنوعات کے معیارات |
| Oeko-Tex 100 | انسانی علم موسمیات اور ہوم ٹیکسٹائل کے لیے مصنوعات کے معیارات |
| SA 8000 | معاشرتی محاسبہ |
| SEDEX | گاہکوں سے شراکت کے لیے محاسباتی ڈیٹا بینک |
| SMETA/ETI | ابتدائی اخلاقی تجارتی کوڈ |
| Ecolabelling(SWAN) | ماحولیاتی، صحت اور معیاری ضروریات |
| Egyptian Cotton Trade Mark | مصری کاٹن ٹریڈ مارک |
| Supima Cotton Trade Mark | سپیما کاٹن ٹریڈ مارک |

### توانائی کی بچت:

کمپنی توانائی کی بچت کے لیے توانائی کے متبادل ذرائع میں سرمایہ کاری کی کوشش کر رہی ہے۔ اس ضمن میں مندرجہ ذیل اقدامات کی منصوبہ بندی یا تکمیل کی گئی ہے:

ڈائنگ یونٹ میں کاسٹک ریکوری پلانٹ کی تنصیب کا منصوبہ زیرِعمل ہے۔ یہ پلانٹ کیمیکلز کی بحالی کرے گا اور ری سائیکلنگ کے عمل کے ذریعے لاگت میں کمی فراہم کرے گا۔ اس سے نکاسی کے پانی میں خطرناک مادوں کی بھی کمی واقع ہوگی۔ روایتی ٹیوب لائٹس کو ایل ای ڈی لائٹس کے ساتھ تبدیل کیا جا رہا ہے۔

کمپنی پراسیسنگ یونٹ کے لیے نکاسی آب کا ٹریٹمنٹ پلانٹ بھی چلا رہی ہے۔ یہ پلانٹ پانی کو ری سائیکل کرتا ہے اور نکاسی کے نظام پر پانی کے دباؤ کو کم کرتا ہے۔ صنعتی نکاس کے راستہ سے ذرات اور گیسوں کو ہٹانے کے لیے کول سٹیم بوائلر پروویٹ سکربر اور فضائی آلودگی کنٹرول کرنے والے آلات نصب کیے گئے ہیں۔ اس کے نتیجے میں ماحول کے تحفظ کے لیے تابکاری، زہریلے مادے اور دھول سے بچاؤ ہوتا ہے۔ ماحولیاتی تحفظ کے ادارے EPA نے ہمارے نکاسی آب کے ٹریٹمنٹ پلانٹ اور ویٹ سکربرز کو قومی ماحولیاتی معیارات (NEQS) کے مطابق قرار دیا ہے۔

### قومی خزانے میں حصہ:

سال کے دوران کمپنی نے براہ راست اور بالواسطہ محصولات کی شکل میں قومی خزانے میں 193 ملین روپے کا حصہ ڈالا اور اپنی مصنوعات کی برآمدات کے ذریعے 52 ملین ڈالر کا قابل قدر زرِمبادلہ حاصل کیا۔

## ڈائریکٹران کی رپورٹ

مالی سال مختتمہ 30 جون 2018ء

### 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۔ مالی سال کے اختتام پر غیر آڈٹ شدہ اکاؤنٹس کے مطابق فنڈ کی سرمایہ کاری کی قدر 1,103 ملین روپے تھی۔ (مالی سال 2017 میں 1563 ملین روپے)

### مستقبل کی منصوبہ بندی:

آگے کی طرف دیکھتے ہوئے، مختلف قسم کے عوامل کے زیر اثر ٹیکسٹائل کے برآمد کنندگان اور تیار کنندگان کے لیے بدستور دباؤ کا ماحول رہے گا۔ بجلی اور گیس کے ٹیرف میں متوقع اضافہ کے پیش نظر علاقائی حریفوں کی نسبت تیاری کی لاگت بڑھنے کی توقع ہے۔ پنجاب کی انڈسٹری کو زیادہ مہنگی R-NLG کی فراہمی کے نتیجہ میں عوامل کی لاگت زیادہ ہونے کے باعث متعدد یونٹس بند ہو چکے ہیں۔ شرح سود میں مسلسل اضافہ بھی انڈسٹری کے لیے ایک بڑا چیلنج ہے۔ سال کے اختتام کے بعد سٹیٹ بینک آف پاکستان نے پالیسی ریٹ 100 بی پی ایس تک مزید اضافہ کر دیا ہے جس سے مقامی صنعت کی مسابقتی قوت مزید کمزور ہوگی۔

اگرچہ چیلنجز بہت بڑے ہیں لیکن ہم ہر ممکن طریقے سے بہترین کارکردگی دکھانے اور اپنے سٹیک ہولڈرز کے ہمراہ کمپنی کے طویل مدتی اہداف کو پورا کرنے کے لیے مکمل طور پر یکسو ہیں۔ اپنی مصنوعات کا معیار برقرار رکھنے اور قیمت فروخت پر منافع حاصل کرنے کے لیے ہم آئندہ سال بھی BMR کے تحت پلانٹ اور مشینری کو اپ گریڈ کرنا جاری رکھیں گے۔ بورڈ نے پہلے سے ہی مالی سال 2019 کے لیے ایک CapEX پلان کی منظوری دے دی ہے جسے سٹیٹ بینک آف پاکستان کے لانگ ٹرم فنانسنگ فیسیلٹی کے تحت فنانسنگ کے اداروں کی طرف سے منظوری حاصل کرنے کے بعد لاگو کر دیا جائے گا۔

### خدمات کا اعتراف:

بورڈ کی ایماء پر اس موقع پر ہم مسلسل تعاون پر اپنے کسٹمرز، فروخت کنندگان اور مالیاتی اداروں کو خراج تحسین پیش کرتے ہیں اور اظہار تشکر کرتے ہیں۔ ہم اپنے ملازمین کی مسلسل لگن اور کمپنی کے لیے خدمات پر اپنے ملازمین کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب: بورڈ آف ڈائریکٹرز

محمد انور
چیف ایگزیکٹو آفیسر

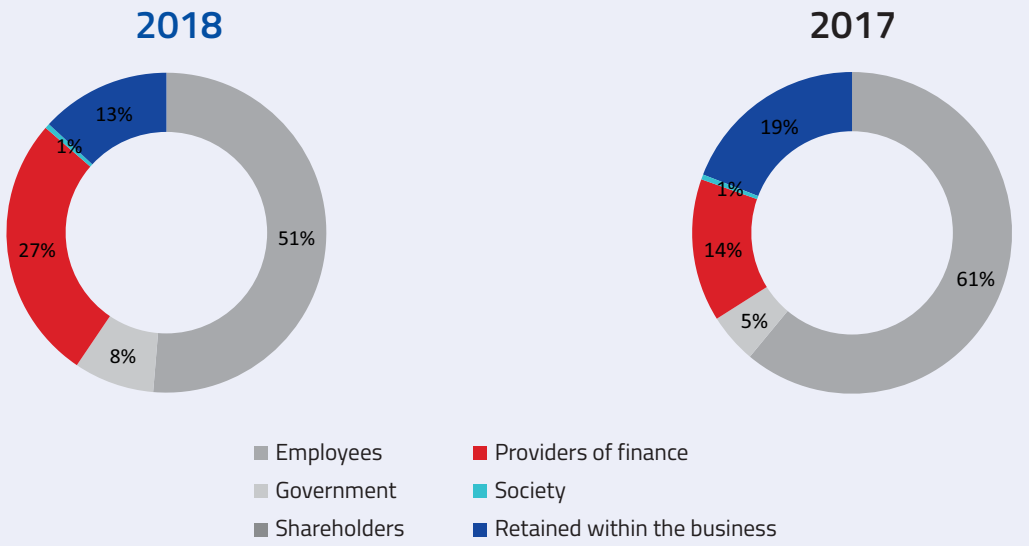
انجم محمد سلیم
ڈائریکٹر

# STATEMENT OF VALUE ADDITION

| (Rupees in million) | 2018 | 2017 |
|---|---|---|
| **Wealth Generated** | | |
| Revenue | 11,314 | 10,873 |
| Bought-in-material and services | 8,945 | 8,885 |
| | 2,369 | 1,988 |
| **Wealth Distributed** | | |
| **To Employees** | | |
| Salaries, wages and other benefits | 1,216 | 1,212 |
| **To Government** | | |
| Taxes and duties | 193 | 100 |
| **To Providers of Finance** | | |
| Finance cost | 638 | 287 |
| **To Society** | | |
| Donation towards health and education | 12 | 10 |
| **Retained within the business for future growth** | | |
| Retained earnings and depreciation* | 311 | 379 |
| | 2,369 | 1,988 |

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

## Distribution of Wealth



# PERFORMANCE INDICATORS

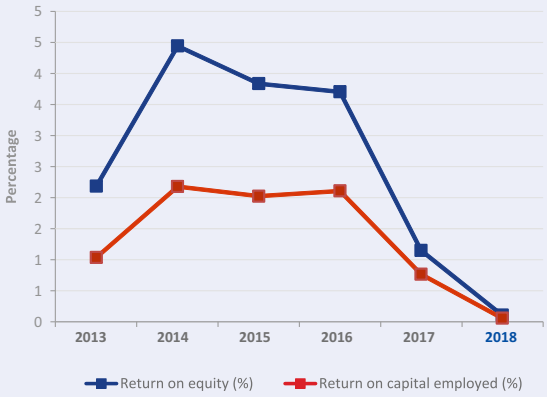
| | | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| **A. PROFITABILITY RATIOS** | | | | | | | |
| Gross profit ratio | % | 9.72 | 8.94 | 12.67 | 12.37 | 11.08 | 11.22 |
| Net profit to sales | % | 0.07 | 1.04 | 2.37 | 1.87 | 1.93 | 0.84 |
| EBITDA margin to sales * | % | 8.40 | 5.83 | 8.71 | 8.32 | 8.32 | 8.04 |
| Return on equity ** | % | 0.10 | 1.15 | 3.71 | 3.84 | 4.45 | 2.19 |
| Return on capital employed ** | % | 0.05 | 0.76 | 2.11 | 2.02 | 2.18 | 1.03 |
| **B. LIQUIDITY RATIOS** | | | | | | | |
| Current ratio | Times | 0.88 | 0.90 | 0.90 | 0.81 | 0.76 | 0.71 |
| Quick ratio | Times | 0.55 | 0.59 | 0.62 | 0.58 | 0.51 | 0.48 |
| Cash to current liabilities | % | 0.04 | 0.06 | 0.14 | 0.08 | 0.11 | 0.08 |
| Cash flow from operations to sales | % | 3.97 | 2.79 | 1.01 | 6.50 | 9.11 | 8.40 |
| **C. ACTIVITY / TURNOVER RATIOS** | | | | | | | |
| Inventory turnover | Times | 4 | 5 | 6 | 7 | 7 | 8 |
| No of days in inventory | Days | 83 | 68 | 59 | 50 | 50 | 48 |
| Debtor turnover | Times | 5 | 5 | 4 | 5 | 5 | 4 |
| No of days in receivables | Days | 74 | 77 | 85 | 75 | 69 | 91 |
| Creditors turnover | Times | 8 | 10 | 9 | 10 | 11 | 7 |
| No of days in payables | Days | 45 | 35 | 39 | 37 | 33 | 52 |
| Total assets turnover | Times | 0.64 | 0.60 | 0.76 | 0.95 | 1.04 | 1.06 |
| Property, plant and equipment turnover | Times | 1.79 | 1.68 | 2.35 | 2.85 | 2.97 | 2.97 |
| Operating cycle | Days | 112 | 110 | 105 | 88 | 87 | 87 |
| **D. INVESTMENT / MARKET RATIO** | | | | | | | |
| Basic and diluted earning per share | Rs | 0.11 | 1.41 | 3.57 | 3.89 | 4.68 | 2.27 |
| Price earning ratio | Times | 238 | 27 | 5.45 | 5.43 | 4.38 | 7.78 |
| Dividend Yield ratio *** | % | - | - | 6.44 | 6.86 | 6.10 | - |
| Dividend Payout ratio *** | % | - | - | 40.00 | 40.45 | 26.69 | - |
| Dividend Cover ratio *** | Times | - | - | 2.85 | 2.68 | 3.75 | - |
| Cash dividend *** | % | - | - | 12.55 | 14.50 | 12.50 | - |
| Stock dividend *** | % | - | - | - | - | - | - |
| Market value per share | | | | | | | |
| - At the end of the period | Rs | 25.20 | 37.45 | 19.48 | 21.15 | 20.49 | 17.70 |
| - Highest during the period | Rs | 43.93 | 57.48 | 24.43 | 22.53 | 26.98 | 20.05 |
| - Lowest during the period | Rs | 24.48 | 19.50 | 17.30 | 16.24 | 13.35 | 8.60 |
| Break up value | Rs | 104.63 | 123.19 | 84.58 | 93.30 | 109.10 | 103.98 |
| **E. CAPITAL STRUCTURE RATIOS** | | | | | | | |
| Financial leverage ratio ** | Times | 0.90 | 0.71 | 0.89 | 0.92 | 1.00 | 1.19 |
| Weighted average cost of debt ** | % | 8.76 | 4.40 | 6.37 | 8.03 | 8.25 | 9.39 |
| Long term debt to Equity ratio ** | % | 10.10 | 10.79 | 6.58 | 1.93 | 2.29 | 5.61 |
| Interest Cover ratio ** | Times | 1.02 | 1.28 | 1.96 | 1.84 | 1.73 | 1.42 |

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

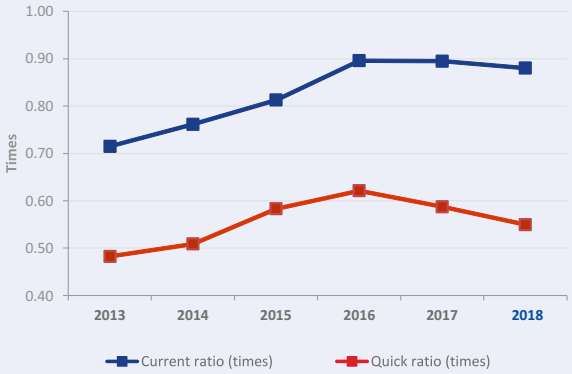
** The figures of comparative periods have been amended due to transfer of surplus on revaluation of operating fixed assets - net of deferred income tax to capital reserve as explained in Note 2.7 to the financial statements.

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

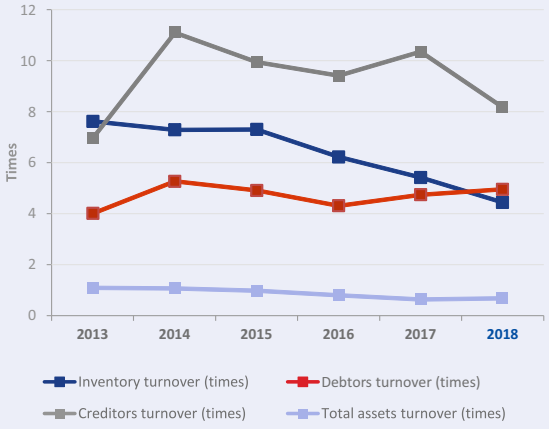
## RETURN ON CAPITAL AND EQUITY



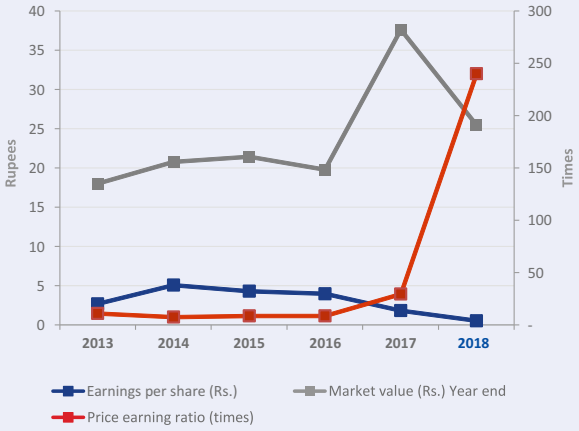

## LIQUIDITY



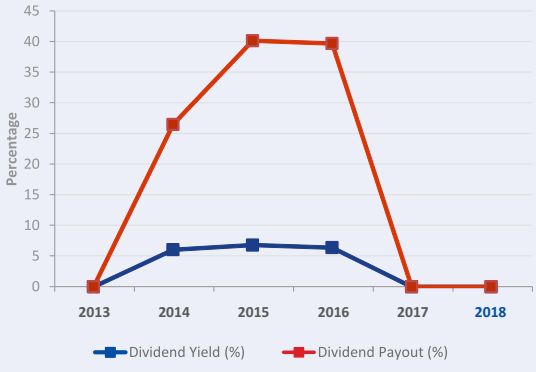

## ASSET MANAGEMENT



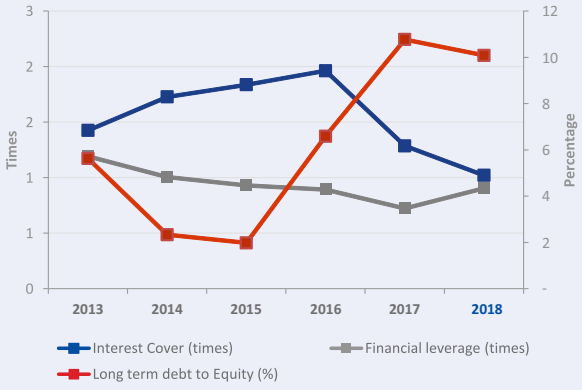

## PER SHARE RESULT




## DIVIDEND AND RETURNS



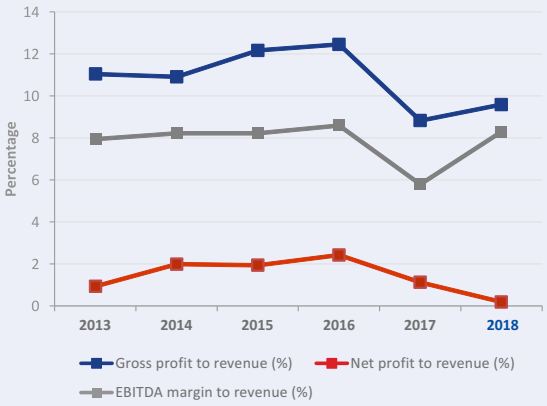

## DEBT MANAGEMENT



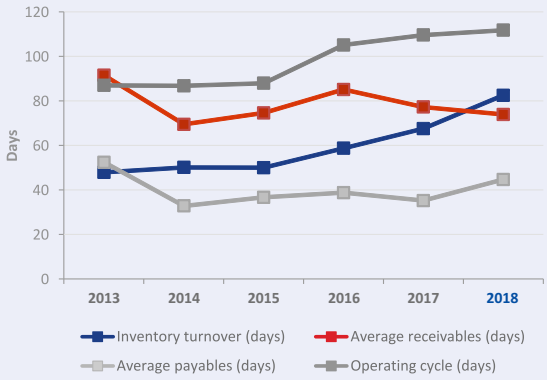
# KEY OPERATING AND FINANCIAL DATA

| (Rupees in million) | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|
| SUMMARY OF STATEMENT OF PROFIT OR LOSS | | | | | | |
| Revenue | 11,314 | 10,873 | 10,579 | 11,779 | 12,411 | 13,262 |
| Gross profit | 1,100 | 972 | 1,340 | 1,457 | 1,375 | 1,488 |
| Profit from operations | 648 | 368 | 774 | 761 | 863 | 802 |
| Share of (loss) / profit from associate | - | - | (67) | 26 | (48) | 29 |
| Profit before taxation | 10 | 81 | 347 | 358 | 343 | 247 |
| Profit after taxation | 8 | 113 | 251 | 220 | 239 | 112 |
| SUMMARY OF STATEMENT OF FINANCIAL POSITION | | | | | | |
| Property, plant and equipment | 6,328 | 6,478 | 4,495 | 4,140 | 4,176 | 4,468 |
| Stock-in-trade | 2,589 | 2,029 | 1,636 | 1,338 | 1,490 | 1,541 |
| Trade debts | 2,346 | 2,236 | 2,366 | 2,567 | 2,248 | 2,476 |
| Current assets | 7,398 | 6,445 | 5,923 | 5,343 | 4,944 | 5,104 |
| Non-Current assets held for sale | - | - | - | 84 | | |
| Total assets | 17,614 | 18,115 | 13,875 | 12,453 | 11,983 | 12,543 |
| Shareholders equity | 8,370 | 9,855 | 6,766 | 5,739 | 5,369 | 5,117 |
| Long term financing | 845 | 1,063 | 445 | 111 | 123 | 287 |
| Trade and other payables | 1,488 | 1,109 | 916 | 1,182 | 1,019 | 1,063 |
| Short term borrowings | 6,417 | 5,791 | 5,485 | 5,079 | 5,082 | 5,568 |
| Current liabilities | 8,399 | 7,197 | 6,606 | 6,571 | 6,491 | 7,139 |
| Total equity and liabilities | 17,614 | 18,116 | 13,875 | 12,453 | 11,983 | 12,543 |
| SUMMARY OF STATEMENT OF CASH FLOWS | | | | | | |
| Cash and cash equivalents at the beginning of the year | 4 | 9 | 5 | 7 | 6 | 25 |
| Net cash (used in) / from operating activities | (313) | (268) | (547) | 104 | 434 | 379 |
| Net cash (used in) / from investing activities | (164) | (785) | (467) | (223) | 274 | (110) |
| Net cash from / (used in) financing activities | 476 | 1,048 | 1,018 | 117 | (707) | (288) |
| Net (decrease) / increase in Cash and cash equivalents | (1) | (5) | 4 | (2) | 1 | (19) |
| Cash and cash equivalents at the end of the year | 3 | 4 | 9 | 5 | 7 | 6 |

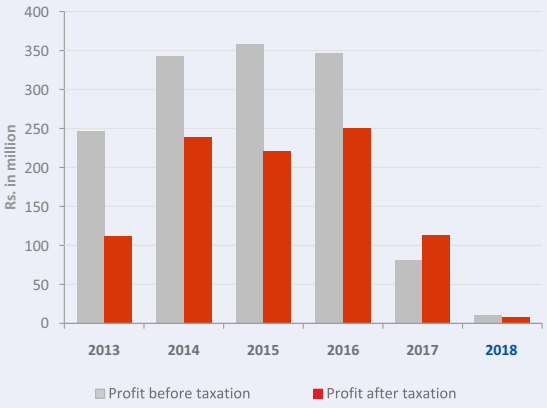
## PROFITABILITY



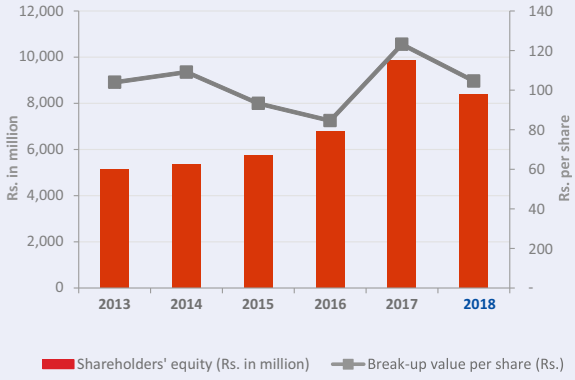

## MANAGEMENT OF WORKING CAPITAL




## PROFIT BEFORE AND AFTER TAX




## SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



# VERTICAL ANALYSIS

for the last six financial years

| (Rupees in million) | 2018 | % | 2017 | % | 2016 | % | 2015 | % | 2014 | % | 2013 | % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| STATEMENT OF FINANCIAL POSITION | | | | | | | | | | | | |
| Property, plant and equipment | 6,328 | 35.9 | 6,478 | 35.8 | 4,495 | 32.4 | 4,140 | 33.2 | 4,176 | 34.8 | 4,468 | 35.6 |
| Intangible assets | 12 | 0.1 | 18 | 0.1 | - | - | - | - | - | - | 2 | 0.0 |
| Investment in an associate | - | - | - | - | - | - | 336 | 2.7 | 311 | 2.6 | 358 | 2.9 |
| Long term investments | 3,736 | 21.2 | 5,167 | 28.5 | 3,449 | 24.9 | 2,541 | 20.4 | 2,540 | 21.2 | 2,553 | 20.4 |
| Long term loans and advances | 1 | 0.0 | 2 | 0.0 | 3 | 0.0 | 4 | 0.0 | 3 | 0.0 | 4 | 0.0 |
| Long term deposits and prepayments | 10 | 0.1 | 5 | 0.0 | 5 | 0.0 | 5 | 0.0 | 7 | 0.1 | 7 | 0.1 |
| Deferred income tax asset | 128 | 0.7 | - | - | - | - | - | - | 2 | 0.0 | 47 | 0.4 |
| Stores, spare parts and loose tools | 198 | 1.1 | 192 | 1.1 | 185 | 1.3 | 177 | 1.4 | 157 | 1.3 | 124 | 1.0 |
| Stock-in-trade | 2,589 | 14.7 | 2,029 | 11.2 | 1,636 | 11.8 | 1,338 | 10.7 | 1,490 | 12.4 | 1,541 | 12.3 |
| Trade debts | 2,346 | 13.3 | 2,236 | 12.3 | 2,366 | 17.1 | 2,567 | 20.6 | 2,248 | 18.8 | 2,476 | 19.7 |
| Loans and advances | 687 | 3.9 | 577 | 3.2 | 469 | 3.4 | 418 | 3.4 | 364 | 3.0 | 305 | 2.4 |
| Short term deposits and prepayments | 61 | 0.3 | 62 | 0.3 | 29 | 0.2 | 23 | 0.2 | 21 | 0.2 | 25 | 0.2 |
| Accrued interest | 3 | 0.0 | 4 | 0.0 | 4 | 0.0 | 5 | 0.0 | 4 | 0.0 | 5 | 0.0 |
| Other receivables | 1,416 | 8.0 | 1,253 | 6.9 | 1,131 | 8.2 | 744 | 6.0 | 571 | 4.8 | 566 | 4.5 |
| Short term investments | 94 | 0.5 | 88 | 0.5 | 94 | 0.7 | 66 | 0.5 | 82 | 0.7 | 56 | 0.4 |
| Cash & bank balances | 3 | 0.0 | 4 | 0.0 | 9 | 0.1 | 5 | 0.0 | 7 | 0.1 | 6 | 0.0 |
| Non-Current assets held for sale | - | - | - | - | - | - | 84 | 0.7 | - | - | - | - |
| TOTAL ASSETS | 17,614 | 100 | 18,115 | 100 | 13,875 | 100 | 12,453 | 100 | 11,983 | 100 | 12,543 | 100 |
| | | | | | | | | | | | | |
| Issued, subscribed and paid up share capital | 800 | 4.5 | 800 | 4.4 | 800 | 5.8 | 615 | 4.9 | 492 | 4.1 | 492 | 3.9 |
| Reserves | 4,003 | 22.7 | 5,480 | 30.3 | 3,752 | 27.0 | 2,833 | 22.7 | 2,586 | 21.6 | 2,334 | 18.6 |
| Surplus on revaluation of operating fixed assets | 3,568 | 20.3 | 3,575 | 19.7 | 2,214 | 16.0 | 2,291 | 18.4 | 2,291 | 19.1 | 2,291 | 18.3 |
| Shareholders equity | 8,370 | 47.5 | 9,855 | 54.4 | 6,766 | 48.8 | 5,739 | 46.1 | 5,369 | 44.8 | 5,117 | 40.8 |
| Long term financing | 845 | 4.8 | 1,063 | 5.9 | 445 | 3.2 | 100 | 0.8 | 79 | 0.7 | 210 | 1.7 |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | 11 | 0.1 | 44 | 0.4 | 77 | 0.6 |
| Deferred income tax liability | - | - | - | - | 58 | 0.4 | 32 | 0.3 | - | - | - | - |
| Trade and other payables | 1,488 | 8.4 | 1,109 | 6.1 | 916 | 6.6 | 1,182 | 9.5 | 1,019 | 8.5 | 1,063 | 8.5 |
| Unclaimed dividend | 10 | 0.1 | 10 | 0.1 | 9 | 0.1 | 9 | 0.1 | 7 | 0.1 | 7 | 0.1 |
| Accrued mark-up | 86 | 0.5 | 66 | 0.4 | 60 | 0.4 | 85 | 0.7 | 97 | 0.8 | 161 | 1.3 |
| Short term borrowings | 6,417 | 36.4 | 5,791 | 32.0 | 5,485 | 39.5 | 5,079 | 40.8 | 5,082 | 42.4 | 5,568 | 44.4 |
| Current portion of non-current liabilities | 258 | 1.5 | 190 | 1.0 | 66 | 0.5 | 112 | 0.9 | 164 | 1.4 | 221 | 1.8 |
| Provision for taxation | 141 | 0.8 | 31 | 0.2 | 70 | 0.5 | 104 | 0.8 | 122 | 1.0 | 119 | 0.9 |
| TOTAL EQUITY AND LIABILITIES | 17,614 | 100 | 18,115 | 100 | 13,875 | 100 | 12,453 | 100 | 11,983 | 100 | 12,543 | 100 |
| | | | | | | | | | | | | |
| STATEMENT OF PROFIT OR LOSS | | | | | | | | | | | | |
| Revenue | 11,314 | 100.0 | 10,873 | 100.0 | 10,579 | 100.0 | 11,779 | 100.0 | 12,411 | 100.0 | 13,262 | 100.0 |
| Cost of sales | 10,214 | 90.3 | 9,901 | 91.1 | 9,239 | 87.3 | 10,322 | 87.6 | 11,036 | 88.9 | 11,774 | 88.8 |
| Gross profit | 1,100 | 9.7 | 972 | 8.9 | 1,340 | 12.7 | 1,457 | 12.4 | 1,375 | 11.1 | 1,488 | 11.2 |
| Distribution cost | 468 | 4.1 | 644 | 5.9 | 633 | 6.0 | 648 | 5.5 | 611 | 4.9 | 686 | 5.2 |
| Administrative expenses | 295 | 2.6 | 300 | 2.8 | 283 | 2.7 | 234 | 2.0 | 195 | 1.6 | 187 | 1.4 |
| Other expenses | 14 | 0.1 | 10 | 0.1 | 26 | 0.2 | 63 | 0.5 | 67 | 0.5 | 19 | 0.1 |
| Other income | 325 | 2.9 | 350 | 3.2 | 376 | 3.6 | 249 | 2.1 | 361 | 2.9 | 206 | 1.6 |
| Profit from operations | 648 | 5.7 | 368 | 3.4 | 774 | 7.3 | 761 | 6.5 | 863 | 7.0 | 802 | 6.0 |
| Finance cost | 638 | 5.6 | 287 | 2.6 | 360 | 3.4 | 429 | 3.6 | 472 | 3.8 | 584 | 4.4 |
| Share of (loss) / profit from associate | - | - | - | - | (67) | (0.6) | 26 | 0.2 | (48) | (0.4) | 29 | 0.2 |
| Profit before taxation | 10 | 0.1 | 81 | 0.7 | 347 | 3.3 | 358 | 3.0 | 343 | 2.8 | 247 | 1.9 |
| Taxation | 2 | 0.0 | (32) | (0.3) | 96 | 0.9 | 138 | 1.2 | 104 | 0.8 | 135 | 1.0 |
| Profit after taxation | 8 | 0.1 | 113 | 1.0 | 251 | 2.4 | 220 | 1.9 | 239 | 1.9 | 112 | 0.8 |

# HORIZONTAL ANALYSIS

for the last six financial years

| (Rupees in million) | 2018 | % | 2017 | % | 2016 | % | 2015 | % | 2014 | % | 2013 | % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| STATEMENT OF FINANCIAL POSITION | | | | | | | | | | | | |
| Property, plant and equipment | 6,328 | (2.3) | 6,478 | 44.1 | 4,495 | 8.6 | 4,140 | (0.9) | 4,176 | (6.5) | 4,468 | 14.4 |
| Intangible assets | 12 | (32.6) | 18 | 100.0 | - | | - | | - | (100.0) | 2 | (50.0) |
| Investment in an associate | - | - | - | - | - | (100) | 336 | 8.0 | 311 | (13.1) | 358 | 8.8 |
| Long term investments | 3,736 | (27.7) | 5,167 | 49.8 | 3,449 | 35.7 | 2,541 | 0.0 | 2,540 | (0.5) | 2,553 | 11.6 |
| Long term loans and advances | 1 | (45.9) | 2 | (33.3) | 3 | (25.0) | 4 | 33.3 | 3 | (25.0) | 4 | 33.3 |
| Long term deposits and prepayments | 10 | 105.5 | 5 | - | 5 | - | 5 | (28.6) | 7 | - | 7 | - |
| Deferred income tax asset | 128 | 100 | - | - | - | - | - | (100) | 2 | (95.7) | 47 | (25.4) |
| Stores, spare parts and loose tools | 198 | 3.1 | 192 | 3.8 | 185 | 4.5 | 177 | 12.7 | 157 | 26.6 | 124 | (18.4) |
| Stock-in-trade | 2,589 | 27.6 | 2,029 | 24.0 | 1,636 | 22.3 | 1,338 | (10.2) | 1,490 | (3.3) | 1,541 | (0.6) |
| Trade debts | 2,346 | 4.9 | 2,236 | (5.5) | 2,366 | (7.8) | 2,567 | 14.2 | 2,248 | (9.2) | 2,476 | (40.7) |
| Loans and advances | 687 | 19.1 | 577 | 22.9 | 469 | 12.2 | 418 | 14.8 | 364 | 19.3 | 305 | 14.2 |
| Short term deposits and prepayments | 61 | (2.1) | 62 | 113.8 | 29 | 26.1 | 23 | 9.5 | 21 | (16.0) | 25 | (39.0) |
| Accrued interest | 3 | (20.5) | 4 | - | 4 | (20.0) | 5 | 25.0 | 4 | (20.0) | 5 | 25.0 |
| Other receivables | 1,416 | 13.0 | 1,253 | 10.8 | 1,131 | 52.0 | 744 | 30.3 | 571 | 0.9 | 566 | 60.3 |
| Short term investments | 94 | 7.3 | 88 | (6.4) | 94 | 42.4 | 66 | (19.5) | 82 | 46.4 | 56 | 12.0 |
| Cash & bank balances | 3 | (14.7) | 4 | (55.6) | 9 | 80.0 | 5 | (28.6) | 7 | 16.7 | 6 | (76.0) |
| Non-Current assets held for sale | - | - | - | - | - | - | 84 | 100 | - | - | - | - |
| TOTAL ASSETS | 17,614 | (2.8) | 18,115 | 30.6 | 13,875 | 11.4 | 12,453 | 3.9 | 11,983 | (4.5) | 12,543 | (5.1) |
| | | | | | | | | | | | | |
| Issued, subscribed and paid up share capital | 800 | - | 800 | - | 800 | 30.1 | 615 | 25.0 | 492 | - | 492 | - |
| Reserves | 4,003 | (27.0) | 5,480 | 46.1 | 3,752 | 32.4 | 2,833 | 9.6 | 2,586 | 10.8 | 2,334 | 19.7 |
| Surplus on revaluation of operating fixed assets | 3,568 | (0.2) | 3,575 | 61.5 | 2,214 | (3.4) | 2,291 | - | 2,291 | - | 2,291 | 39.7 |
| Shareholders equity | 8,370 | (15.1) | 9,855 | 45.7 | 6,766 | 17.9 | 5,739 | 6.9 | 5,369 | 4.9 | 5,117 | 109.5 |
| Long term financing | 845 | (21) | 1,063 | 139 | 445 | 345 | 100 | 26.6 | 79 | (62.4) | 210 | (47.6) |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | 11 | (75.0) | 44 | (42.9) | 77 | (21.4) |
| Deferred income tax liability | - | - | - | - | 58 | 81.3 | 32 | 100 | - | | - | |
| Trade and other payables | 1,488 | 34.1 | 1,109 | 21.1 | 916 | (22.5) | 1,182 | 15.9 | 1,019 | (4.1) | 1,063 | (57.4) |
| Unclaimed dividend | 10 | (1.3) | 10 | 10.1 | 9 | (6.6) | 9 | 37.9 | 7 | (0.0) | 7 | 1.0 |
| Accrued mark-up | 86 | 29.7 | 66 | 10.0 | 60 | (29.4) | 85 | (12.4) | 97 | (39.8) | 161 | 11.0 |
| Short term borrowings | 6,417 | 10.8 | 5,791 | 5.6 | 5,485 | 8.0 | 5,079 | (0.1) | 5,082 | (8.7) | 5,568 | (0.5) |
| Current portion of non-current liabilities | 258 | 35.8 | 190 | 187.9 | 66 | (41.1) | 112 | (31.7) | 164 | (25.8) | 221 | (17.2) |
| Provision for taxation | 141 | 353.6 | 31 | (55.7) | 70 | (32.7) | 104 | (14.8) | 122 | 2.5 | 119 | (1.7) |
| TOTAL EQUITY AND LIABILITIES | 17,614 | (2.8) | 18,115 | 30.6 | 13,875 | 11.4 | 12,453 | 3.9 | 11,983 | (4.5) | 12,543 | 8.4 |
| | | | | | | | | | | | | |
| STATEMENT OF PROFIT OR LOSS | | | | | | | | | | | | |
| Revenue | 11,314 | 4.1 | 10,873 | 2.8 | 10,579 | (10.2) | 11,779 | (5.1) | 12,411 | (6.4) | 13,262 | 4.2 |
| Cost of sales | 10,214 | 3.2 | 9,901 | 7.2 | 9,239 | (10.5) | 10,322 | (6.5) | 11,036 | (6.3) | 11,774 | 5.0 |
| Gross profit | 1,100 | 13.2 | 972 | (27.5) | 1,340 | (8.0) | 1,457 | 6.0 | 1,375 | (7.6) | 1,488 | (1.7) |
| Distribution cost | 468 | (27.3) | 644 | 1.7 | 633 | (2.3) | 648 | 6.1 | 611 | (10.9) | 686 | 9.1 |
| Administrative expenses | 295 | (1.7) | 300 | 6.0 | 283 | 20.9 | 234 | 20.0 | 195 | 4.3 | 187 | (6.5) |
| Other expenses | 14 | 42.4 | 10 | (61.5) | 26 | (58.7) | 63 | (6.0) | 67 | 252.6 | 19 | 46.2 |
| Other income | 325 | (7.2) | 350 | (6.9) | 376 | 51.0 | 249 | (31.0) | 361 | 75.2 | 206 | 6.2 |
| Profit from operations | 648 | 76.1 | 368 | (52.5) | 774 | 1.7 | 761 | (11.8) | 863 | 7.6 | 802 | (7.4) |
| Finance cost | 638 | 122.2 | 287 | (20.3) | 360 | (16.0) | 429 | (9.2) | 472 | (19.2) | 584 | (23.3) |
| Share of (loss) / profit from associate | - | - | - | - | (67) | (357.7) | 26 | (154.2) | (48) | (265.5) | 29 | (123.6) |
| Profit before taxation | 10 | (87) | 81 | (77) | 347 | (3) | 358 | 5 | 343 | 39 | 247 | (1,472) |
| Taxation | 2 | (105.4) | (32) | (133.3) | 96 | (30.4) | 138 | 32.7 | 104 | (23.0) | 135 | 36.4 |
| Profit after taxation | 8 | (92.5) | 113 | (55.0) | 251 | 13.8 | 220 | (7.7) | 239 | 113.5 | 112 | (195.7) |

# STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2017

The Crescent Textile Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Regulations") in the following manner:

1. The total number of directors are eight as per the following.
   a. Male: Eight
   b. Female: Exempted for current term

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

| Category | Name |
|---|---|
| Independent Director | Mr. Muhammad Arshad |
| Executive Directors | Mr. Ahmad Shafi |
| | Mr. Muhammad Anwar |
| Non-Executive Directors | Mr. Amjad Mehmood |
| | Mr. Anjum Muhammad Saleem |
| | Mr. Khalid Bashir |
| | Mr. Khurram Mazhar Karim |
| | Mr. Shaukat Shafi |

3. Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

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

9. The Board remained fully compliant with the provision with regard to their training program. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of directors pursuant to regulation 20 of the Regulations.

# STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2017

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

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

    a) Audit Committee

| | |
|---|---|
| Mr. Khalid Bashir | (Chairman) |
| Mr. Anjum Muhammad Saleem | (Member) |
| Mr. Khurram Mazhar Karim | (Member) |

    We shall appoint independent director as Chairman of the Audit Committee in due course.

    b) HR and Remuneration Committee

| | |
|---|---|
| Mr. Khalid Bashir | (Chairman) |
| Mr. Ahmad Shafi | (Member) |
| Mr. Anjum Muhammad Saleem | (Member) |

    We shall appoint independent director as member of HR and Remuneration Committee in due course.

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: Five meetings during the financial year ended 30 June 2018

    b) HR and Remuneration Committee: one meeting during the financial year ended 30 June 2018

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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

# STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2017

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board of Directors

Muhammad Anwar
Chief Executive Officer

Shaukat Shafi
Chairman

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

with Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of THE CRESCENT TEXTILE MILLS LIMITED ("the Company") for the year ended 30 June 2018 in accordance with the requirements of Regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

| Paragraph Reference | Description |
|---|---|
| 12(a) | Independent director is not appointed either as Chairman or as a member of the Audit Committee |
| 12(b) | Independent director is not appointed as a member of HR and Remuneration Committee |

**RIAZ AHMAD & COMPANY**
Chartered Accountants

Date: September 27, 2018
Faisalabad

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of The Crescent Textile Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2018, 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 2018 and of the profit, other comprehensive loss, 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. | Inventory existence and valuation<br>Inventories as at 30 June 2018 amounting to Rupees 2,786.988 million represented a material position in the statement of financial position, break up of which is as follows:<br>- Stores, spare parts and loose tools of Rupees 198.030 million<br>- Stock-in-trade of Rupees 2,588.958 million<br>The business is characterized by high volume serial production and the valuation and existence of inventories are significant to the business. Therefore, considered as one of the key audit matters. | Our procedures over existence and valuation of inventory included, but were not limited to:<br>▪ 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.<br>▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. |

Inventories are stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in Note 2.11 to the financial statements.

At year end, the valuation of inventories is reviewed by management and the cost of inventories is reduced where it is forecasted to be sold below cost.

Usable stores, spare parts and loose tools are valued at moving average cost, raw materials are valued at weighted average cost whereas, costing of work-in-process and finished goods is considered to carry more significant risk as the cost of material, labor and manufacturing overheads is allocated on the basis of complex formulas and involves management judgment.

The determination of whether inventories will be realized for a value less than cost requires management to exercise judgment and apply assumptions. Management undertake the following procedures for determining the level of write down required:

- Use inventory ageing reports together with historical trends to estimate the likely future salability of slow moving and older inventory items.
- Perform a line-by-line analysis of remaining inventories to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized, if required.

For further information on inventories, refer to the following:

- Summary of significant accounting policies, Inventories (Note 2.11 to the financial statements).
- Stores, spare parts and loose tools (Note 17) and Stock-in-trade (Note 18) to the financial statements.

- We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.
- On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.
- In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents.
- We also made enquires 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. Recoverability of deferred income tax asset

Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred income tax asset recognized in the statement of financial position at each reporting period.

Recognition of deferred income tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilized. The future taxable profits are based on approved management's projections. This estimation is inherently uncertain and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of unused tax losses and tax credits.

As at 30 June 2018, the Company have recognized deferred income tax asset amounting to Rupees 280.322 million on unused tax losses, on carried forwarded minimum tax and on provision for doubtful debts.

We considered this as key audit matter due to significant value of deferred income tax asset and significant management judgement regarding assumptions used in this area.

For further information on deferred income tax asset, refer to the following:

- Summary of significant accounting policies, Taxation (Note 2.6 to the financial statements).
- Deferred income tax asset (Note 7 to the financial statements).

We performed procedures that included:

- We obtained understanding of the income taxes process, and evaluated the design and tested management's controls over the calculation of the deferred income tax asset and the review of the future recoverability;
- We tested management's computation of unused tax losses, carried forwarded minimum tax and provision for doubtful debts for which deferred income tax assets were recognized;
- We analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considering the ageing analysis, expiry periods of relevant deferred income tax assets and tax rates enacted in consultation with our in house tax specialist;
- We assessed the reasonableness of cash flow projection, taxable profits projections, challenging and performing audit procedures on assumptions such as growth rate, production patterns, future revenue and costs, by comparing the assumptions to historical results, approved budget and comparing the current year's results with prior year forecast and other relevant information for assessing the quality of Company's forecasting process in determining the future taxable profits;
- We tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and
- We assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures in accordance with the accounting and reporting standards.

3. Preparation of financial statements under the Companies Act, 2017

The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.

The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements.

The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.

For further information, refer to Note 2.1(b) to the financial statements.

Our procedures included, but were not limited to:

- We assessed the procedures applied by the management for identification of the changes required in the financial statements due the application of the Act.
- We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.
- We verified on test basis the supporting evidences for the additional disclosures and ensured appropriateness of the disclosures made.

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

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

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

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

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

**RIAZ AHMAD & COMPANY**
Chartered Accountants

Date: September 27, 2018
Faisalabad

# STATEMENT OF FINANCIAL POSITION

as at June 30, 2018

| (Rupees in '000') | Note | 2018 | 2017 Restated | 2016 Restated |
|---|---|---|---|---|
| EQUITY AND LIABILITIES | | | | |
| SHARE CAPITAL AND RESERVES | | | | |
| Authorized share capital | | | | |
| 100 000 000 (2017: 100 000 000) | | | | |
| ordinary shares of Rupees 10 each | | 1,000,000 | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid up share capital | 3 | 800,000 | 800,000 | 800,000 |
| Capital reserves | | | | |
| Premium on issue of right shares | 4.1 | 200,169 | 200,169 | 200,169 |
| Fair value reserve | 4.1 | 1,225,974 | 2,719,389 | 1,004,101 |
| Surplus on revaluation of operating fixed | | | | |
| assets - net of deferred income tax | 5 | 3,567,516 | 3,575,108 | 2,214,012 |
| Revenue reserves | 4.2 | 2,576,670 | 2,560,628 | 2,547,664 |
| TOTAL EQUITY | | 8,370,329 | 9,855,294 | 6,765,946 |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Long term financing | 6 | 845,071 | 1,063,253 | 445,371 |
| Deferred income tax liability | 7 | - | 261 | 58,026 |
| | | 845,071 | 1,063,514 | 503,397 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 8 | 1,488,144 | 1,108,670 | 916,264 |
| Unclaimed dividend | | 9,513 | 9,634 | 8,749 |
| Accrued mark-up | 9 | 85,596 | 65,388 | 59,941 |
| Short term borrowings | 10 | 6,416,791 | 5,790,390 | 5,484,784 |
| Current portion of non-current liabilities | 6 | 258,038 | 190,376 | 65,745 |
| Provision for taxation | | 140,604 | 31,291 | 70,227 |
| | | 8,398,686 | 7,195,749 | 6,605,710 |
| TOTAL LIABILITIES | | 9,243,757 | 8,259,263 | 7,109,107 |
| CONTINGENCIES AND COMMITMENTS | 11 | | | |
| TOTAL EQUITY AND LIABILITIES | | 17,614,086 | 18,114,557 | 13,875,053 |

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

Muhammad Anwar
Chief Executive Officer

# STATEMENT OF FINANCIAL POSITION

as at June 30, 2018

| (Rupees in '000') | Note | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 12 | 6,328,138 | 6,478,358 | 4,494,639 |
| Intangible asset | 13 | 12,139 | 18,472 | - |
| Long term investments | 14 | 3,736,188 | 5,166,546 | 3,449,038 |
| Long term loans and advances | 15 | 1,082 | 1,924 | 2,867 |
| Long term deposits and prepayments | 16 | 10,276 | 5,148 | 5,288 |
| Deferred income tax asset | 7 | 127,820 | - | - |
| | | 10,215,643 | 11,670,448 | 7,951,832 |
| CURRENT ASSETS | | | | |
| Stores, spare parts and loose tools | 17 | 198,030 | 191,530 | 185,062 |
| Stock-in-trade | 18 | 2,588,958 | 2,029,134 | 1,635,911 |
| Trade debts | 19 | 2,346,338 | 2,236,170 | 2,365,485 |
| Loans and advances | 20 | 687,038 | 576,628 | 469,018 |
| Short term deposits and prepayments | 21 | 60,714 | 62,086 | 29,450 |
| Accrued interest | 22 | 3,181 | 3,861 | 4,109 |
| Other receivables | 23 | 1,416,322 | 1,252,529 | 1,130,440 |
| Short term investment | 24 | 94,449 | 88,276 | 94,449 |
| Cash and bank balances | 25 | 3,413 | 3,895 | 9,297 |
| | | 7,398,443 | 6,444,109 | 5,923,221 |
| TOTAL ASSETS | | 17,614,086 | 18,114,557 | 13,875,053 |

Anjum Muhammad Saleem
Director

Asim Siddique
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

for the Year Ended June 30, 2018

| (Rupees in '000') | Note | 2018 | 2017 |
|---|---|---|---|
| Revenue | 26 | 11,314,259 | 10,872,762 |
| Cost of sales | 27 | (10,214,002) | (9,900,768) |
| Gross profit | | 1,100,257 | 971,994 |
| Distribution cost | 28 | (468,190) | (643,674) |
| Administrative expenses | 29 | (294,791) | (299,804) |
| Other expenses | 30 | (14,244) | (10,169) |
| | | (777,225) | (953,647) |
| | | 323,032 | 18,347 |
| Other income | 31 | 324,846 | 349,609 |
| Profit from operations | | 647,878 | 367,956 |
| Finance cost | 32 | (637,703) | (286,816) |
| Profit before taxation | | 10,175 | 81,140 |
| Taxation | 33 | (1,720) | 32,199 |
| Profit after taxation | | 8,455 | 113,339 |
| Earnings per share - Basic and diluted (Rupees) | 34 | 0.11 | 1.42 |

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

Muhammad Anwar
Chief Executive Officer

Anjum Muhammad Saleem
Director

Asim Siddique
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2018

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| | | Restated |
| Profit after taxation | 8,455 | 113,339 |
| Other comprehensive (loss) / income | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Surplus on revaluation of operating fixed assets | - | 1,361,245 |
| Related deferred income tax adjustment | - | (153) |
| | - | 1,361,092 |
| Items that may be reclassified subsequently to profit or loss: | | |
| (deficit) / surplus arising on measurement of available for sale investments to fair value | (1,493,415) | 1,777,598 |
| Reclassification adjustment for gain realized on redemption of available for sale investments | - | (62,310) |
| | (1,493,415) | 1,715,288 |
| Other comprehensive (loss) / income for the year | (1,493,415) | 3,076,380 |
| Total comprehensive (loss) / income for the year | (1,484,960) | 3,189,719 |

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

| | | |
|---|---|---|
| Muhammad Anwar | Anjum Muhammad Saleem | Asim Siddique |
| Chief Executive Officer | Director | Chief Financial Officer |

# STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2018

| (Rupees in '000') | SHARE CAPITAL | RESERVES | | | | | | | | | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CAPITAL RESERVES | | | | REVENUE RESERVES | | | | TOTAL | |
| | | Premium on issue of rihgt shares | Fair value | Surplus on revaluation of operating fixed assets - net of deferred income tax | Sub total | General | Dividend equalization | Unappropriated profit | Sub total | | |
| Balance as at 30 June 2016 | 800,000 | 200,169 | 1,004,101 | - | 1,204,270 | 1,773,643 | 30,000 | 744,021 | 2,547,664 | 3,751,934 | 4,551,934 |
| Impact of restatement - Note 2.7.1 | - | - | - | 2,214,012 | 2,214,012 | - | - | - | - | 2,214,012 | 2,214,012 |
| Balance as at 30 June 2016 - restated | 800,000 | 200,169 | 1,004,101 | 2,214,012 | 3,418,282 | 1,773,643 | 30,000 | 744,021 | 2,547,664 | 5,965,946 | 6,765,946 |
| Transaction with owners: | | | | | | | | | | | |
| - Final dividend for the year ended 30 June 2016 at the rate of Rupees 1.255 per share | - | - | - | - | - | - | - | (100,400) | (100,400) | (100,400) | (100,400) |
| Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax | - | - | - | (25) | (25) | - | - | 25 | 25 | - | - |
| Adjustment of deferred income tax liability due to re-assessment at year end | - | - | - | 29 | 29 | - | - | - | - | 29 | 29 |
| Profit for the year | - | - | - | - | - | - | - | 113,339 | 113,339 | 113,339 | 113,339 |
| Other comprehensive income for the year - restated | - | - | 1,715,288 | 1,361,092 | 3,076,380 | - | - | - | - | 3,076,380 | 3,076,380 |
| Total comprehensive income for the year - restated | - | - | 1,715,288 | 1,361,092 | 3,076,380 | - | - | 113,339 | 113,339 | 3,189,719 | 3,189,719 |
| Balance as at 30 June 2017 - restated | 800,000 | 200,169 | 2,719,389 | 3,575,108 | 6,494,666 | 1,773,643 | 30,000 | 756,985 | 2,560,628 | 9,055,294 | 9,855,294 |
| Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax | - | - | - | (41) | (41) | - | - | 41 | 41 | - | - |
| Adjustment of deferred income tax liability due to re-assessment at year end | - | - | - | 5 | 5 | - | - | - | - | 5 | 5 |
| Transfer from surplus on revaluation of operating fixed assets on disposal of operating fixed assets | - | - | - | (7,546) | (7,546) | - | - | 7,546 | 7,546 | - | - |
| Profit for the year | - | - | - | - | - | - | - | 8,455 | 8,455 | 8,455 | 8,455 |
| Other comprehensive loss for the year | - | - | (1,493,415) | - | (1,493,415) | - | - | - | - | (1,493,415) | (1,493,415) |
| Total comprehensive loss for the year | - | - | (1,493,415) | - | (1,493,415) | - | - | 8,455 | 8,455 | (1,484,960) | (1,484,960) |
| Balance as at 30 June 2018 | 800,000 | 200,169 | 1,225,974 | 3,567,526 | 4,993,669 | 1,773,643 | 30,000 | 773,027 | 2,576,670 | 7,570,339 | 8,370,339 |

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

| Muhammad Anwar | Anjum Muhammad Saleem | Asim Siddique |
|---|---|---|
| Chief Executive Officer | Director | Chief Financial Officer |

# STATEMENT OF CASH FLOWS

for the Year Ended June 30, 2018

| (Rupees in '000') | Note | 2018 | 2017 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 35 | 449,574 | 302,928 |
| Finance cost paid | | (617,495) | (280,534) |
| Income tax paid | | (138,552) | (177,658) |
| Dividend paid | | (121) | (99,515) |
| Workers' profit participation fund paid | | (1,032) | (14,387) |
| Net decrease in long term loans and advances | | 842 | 943 |
| Net (increase) / decrease in long term deposits and prepayments | | (5,128) | 140 |
| Net cash used in operating activities | | (311,912) | (268,083) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (168,339) | (920,227) |
| Capital expenditure on intangible asset | | - | (19,000) |
| Proceeds from sale of property, plant and equipment | | 22,409 | 44,483 |
| Investment made | | (70,353) | - |
| Proceeds from sale of available for sale investments | | - | 66,263 |
| Dividend received | | 51,832 | 43,043 |
| Net cash used in investing activities | | (164,451) | (785,438) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term financing | | 39,856 | 808,258 |
| Repayment of long term financing | | (190,376) | (54,733) |
| Repayment of liabilities against assets subject to finance lease | | - | (11,012) |
| Short term borrowings - net | | 626,401 | 305,606 |
| Net cash from financing activities | | 475,881 | 1,048,119 |
| Net decrease in cash and cash equivalents | | (482) | (5,402) |
| Cash and cash equivalents at the beginning of the year | | 3,895 | 9,297 |
| Cash and cash equivalents at the end of the year (Note 25) | | 3,413 | 3,895 |

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

Muhammad Anwar
Chief Executive Officer

Anjum Muhammad Saleem
Director

Asim Siddique
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2018

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 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. The Company also operates a cold storage unit. Head office and production units are situated at Sargodha Road, Faisalabad, Punjab except weaving unit and cold storage unit which are situated at Industrial Estate, Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwah and Sargodha Road, Chiniot, Punjab respectively.

1.1 Summary of significant transactions and events affecting the Company's financial position and performance

a) The exchange rate of US Dollar to Pakistan Rupees (PKR) has increased from PKR 104.80 as 30 June 2017 to PKR 121.60 as at 30 June 2018.

b) Due to applicability of the Companies Act, 2017 to the financial statements of the Company, some of the amounts reported for the previous period have been reclassified and restated. For detailed information please refer to Note 2.1(b) and Note 2.7.1.

c) For a detailed discussion about the Company's performance please refer to the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Preparation of financial statements under the Companies Act, 2017

The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for preparation of these financial statements. The Companies Act, 2017 (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

Change in accounting policy of surplus on revaluation of operating fixed assets (Note 2.7.1) and additional disclosures include but are not limited to, particulars of immovable assets of the Company (Note 12.1.5), disclosure of export sales debtors (Note 19.1), management's assessment of sufficiency of tax provision in the financial statements (Note 33.3), change in threshold for identification of executives (Note 36), additional disclosure requirements for related parties (Note 39) etc.

c) Accounting convention

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

d) 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:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

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

Taxation

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.

Provision for doubtful debts

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

e) 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 2017:

International Accounting Standard (IAS) 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing

activities. The aforesaid amendments have resulted in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments have no significant impact on the Company's financial statements.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2017 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.

g) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling

and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a payment feature meets the Solely Payments of Principal and Interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRS Standards: 2015-2017 Cycle, incorporating amendments to four IFRSs more specifically in IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs' relevant to the

Company. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

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

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2018 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 Liabilities against assets subject to finance lease

Leases, where the Company has substantially all the risks and rewards of ownership of assets are classified as finance leases. At inception, finance leases are recorded at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to the statement of profit or loss over the lease term.

2.4 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it

is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.5 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

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

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.

Change in accounting policy

The specific provision in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of IAS 16, 'Property, Plant and Equipment', surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of operating fixed assets stands amended as follows:

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.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized on the following page:

| (Rupees in '000') | As at 30 June 2017 | | | As at 30 June 2016 | | |
|---|---|---|---|---|---|---|
| | As previously reported | As restated | Restatement | As previously reported | As restated | Restatement |
| Effect on statement of financial position | | | | | | |
| Surplus on revaluation of operating fixed assets - net of deferred income tax | (3,575,108) | - | (3,575,108) | 2,214,012 | - | (2,214,012) |
| Share capital and reserves - | - | 3,575,108 | 3,575,108 | - | 2,214,012 | 2,214,012 |
| Effect on statement of changes in equity | | | | | | |
| Surplus on revaluation of operating fixed assets - net of deferred income tax - | - | 3,575,108 | 3,575,108 | - | 2,214,012 | 2,214,012 |

| (Rupees in '000') | As at 30 June 2017 | | |
|---|---|---|---|
| | As previously reported | As restated | Restatement |
| Effect on statement of comprehensive income | | | |
| Gain on revaluation of operating fixed assets | - | 1,361,245 | 1,361,245 |
| Related deferred income tax adjustment | - | (153) | (153) |

There was no impact on statement of profit or loss and on statement of cash flows as a result of the retrospective application of change in accounting policy.

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

c) De-recognition

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

2.7.2 Assets subject to finance lease

These are initially recognized at lower of present value of minimum lease payments under the lease agreements and fair value of assets. Subsequently, these assets are stated at cost less accumulated depreciation and any identified impairment loss. Assets so acquired are depreciated over their expected useful lives. Depreciation of leased assets is charged to the statement of profit or loss.

Depreciation on additions to leased 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.

2.7.3 Assets subject to operating lease

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight line basis over the lease term.

2.8 Non-current assets held for sale

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

2.9 Intangible asset

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 balance sheet 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. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. 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 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments.

2.10.1 Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term.

Gains or losses on investments held-for-trading are recognized in the statement of profit or loss.

2.10.2 Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in the statement of profit or loss when the investments are de-recognized or impaired, as well as through the amortization process.

2.10.3 Available for sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in the statement of profit or loss. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date.

Unquoted

The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to after initial recognition are carried at cost less any identified impairment loss.

2.11 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

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

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

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

Stock of waste materials is stated at net realizable value.

2.12 Cash and cash equivalents

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

2.13 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Following specific recognition criteria must also be met before revenue is recognized:

Sale of goods and electricity

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the delivery of the goods. Related Government grant is recognized when there is reasonable assurance that Company will comply with the conditions attached to it and grant will be received. Revenue from sale of electricity is recognized at the time of transmission.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

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

Rental income

Revenue is recognized when rent is accrued.

2.14 Financial instruments

Financial instruments carried on the statement of financial position include investments, deposits, trade debts, loans and advances, interest accrued, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.15 Borrowings

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

2.16 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Known bad debts are written off and provision is made against debts considered doubtful when collection of the full amount is no longer probable.

2.17 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of profit or loss when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

2.18 Trade and other payables

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

2.19 Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and forward currency swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the statement of profit or loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of cross currency swap contracts is determined by reference to market values for similar instruments.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to the statement of profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

2.20 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.

2.21 Share capital

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

2.22 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.23 Offsetting

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

2.24 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at reporting date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the statement of profit or loss.

2.25 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 has five reportable business segments. 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), Power Generation (Generating and distributing power) and Cold Storage (Making of ice and warehousing of perishable goods).

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.

## 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

| 2018 | 2017 | | 2018 | 2017 |
|---|---|---|---|---|
| (Number of Shares) | | | (Rupees in '000') | |
| 50 571 213 | 50 571 213 | Ordinary shares of Rupees 10 each fully paid in cash | 505,712 | 505,712 |
| 29 428 787 | 29 428 787 | Ordinary shares of Rupees 10 each issued as fully paid bonus shares | 294,288 | 294,288 |
| 80 000 000 | 80 000 000 | | 800,000 | 800,000 |

### 3.1 Ordinary shares of the Company held by related parties:

| (Number of Shares) | 2018 | 2017 |
|---|---|---|
| The Crescent Textile Mills Limited-Employees Provident Fund-Trustee | 7 378 002 | 7 389 502 |
| Suraj Cotton Mills Limited | 1 648 500 | 1 335 000 |
| Premier Insurance Limited | 755 985 | 755 985 |
| Shakarganj Limited | 5 898 | 5 898 |
| | 9 788 385 | 9 486 385 |

| | (Rupees in '000') | 2018 | 2017 Restated |
|---|---|---|---|
| 4. | RESERVES | | |
| | Composition of reserves is as follows: | | |
| 4.1 | Capital reserves | | |
| | Premium on issue of right shares (Note 4.2.1) | 200,169 | 200,169 |
| | Fair value reserve (Note 4.2.2) | 1,225,974 | 2,719,389 |
| | Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5) | 3,567,516 | 3,575,108 |
| | | 4,993,659 | 6,494,666 |
| 4.2 | Revenue reserves | | |
| | Dividend equalization reserve | 30,000 | 30,000 |
| | General reserve | 1,773,643 | 1,773,643 |
| | Unappropriated profit | 773,027 | 756,985 |
| | | 2,576,670 | 2,560,628 |
| | | 7,570,329 | 9,055,294 |

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

4.2.2 This represents the unrealized gain on remeasurement of available for sale investments at fair value and is not available for distribution. This will be transferred to the statement of profit or loss on realization. Reconciliation of fair value reserve is as under:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Balance as at 01 July | 2,719,389 | 1,004,101 |
| Fair value adjustment during the year | (1,493,415) | 1,777,598 |
| Reclassification adjustment for gain realized on sale of available for sale investment | - | (62,310) |
| Balance as at 30 June | 1,225,974 | 2,719,389 |

| | | | |
|---|---|---|---|
| 5. | SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX | | |
| | Surplus on revaluation of operating fixed assets as at 01 July | 3,575,519 | 2,214,302 |
| | Surplus arised on revaluation of operating fixed assets during the year | - | 1,361,245 |
| | Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax | 41 | 25 |
| | Surplus transferred to unappropriated profit on sale of freehold land | 7,546 | - |
| | Related deferred income tax liability | 5 | 3 |
| | | 7,592 | 28 |
| | | 3,567,927 | 3,575,519 |

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Less: | | |
| Deferred income tax liability as at 01 July | 411 | 290 |
| Adjustment of deferred income tax liability due to surplus arised on revaluation of operating fixed assets | - | 153 |
| Adjustment of deferred income tax liability due to re-assessment at year end | 5 | (29) |
| Incremental depreciation charged during the year transferred to the statement of profit or loss | (5) | (3) |
| | 411 | 411 |
| | 3,567,516 | 3,575,108 |

5.1 This represents surplus resulting from revaluation of freehold land and leasehold land carried out on 30 June 2017 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 12.1.1 to the financial statements. Previously revaluation was carried out on 30 June 2013 and 30 June 2007 by an independent valuer.

## 6. LONG TERM FINANCING

| | | |
|---|---|---|
| Financing from banking companies - secured (Note 6.1) | 1,103,109 | 1,253,629 |
| Less: Current portion shown under current liabilities | 258,038 | 190,376 |
| | 845,071 | 1,063,253 |

6.1

| LENDER | 2018 | 2017 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | DATE OF REPAYMENT OF FIRST INSTALLMENT | INTEREST PAYABLE | SECURITY |
|---|---|---|---|---|---|---|---|
| (Rupees in '000') | | | | | | | |
| Pak Libya Holding Company (Private) Limited | 37,500 | 62,500 | 3 months KIBOR plus 2.75 % without any floor or cap | 16 equal quarterly installments | 03 January 2016 | Quarterly | Joint pari passu charge over fixed and current assets of the Company. |
| Pak Libya Holding Company (Private) Limited | 137,500 | 187,500 | SBP rate for LTFF plus 2.50% | 16 equal quarterly installments | 11 June 2017 | Quarterly | Joint pari passu charge over fixed and current assets of the Company. |
| The Bank of Punjab | 33,180 | 42,660 | SBP rate for LTFF plus 2.50% | 20 equal quarterly installments | 31 March 2017 | Quarterly | Joint pari passu charge over fixed assets of the Company. |
| The Bank of Punjab | 45,039 | 56,299 | SBP rate for LTFF plus 2.50% | 20 equal quarterly installments | 20 July 2017 | Quarterly | Joint pari passu charge over fixed assets of the Company. |
| The Bank of Punjab | 37,714 | 47,142 | SBP rate for LTFF plus 2.50% | 20 equal quarterly installments | 26 August 2017 | Quarterly | Joint pari passu charge over fixed assets of the Company. |
| The Bank of Punjab | 89,243 | 99,159 | SBP rate for LTFF plus 2.50% | 20 equal quarterly installments | 20 January 2018 | Quarterly | Joint pari passu charge over fixed assets of the Company. |
| National Bank of Pakistan | 41,059 | 49,270 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 27 September 2017 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| National Bank of Pakistan | 38,994 | 46,793 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 11 October 2017 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| National Bank of Pakistan | 12,466 | 14,959 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 11 October 2017 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| National Bank of Pakistan | 7,499 | 8,998 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 25 November 2017 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| National Bank of Pakistan | 20,935 | 25,122 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 05 December 2017 | Half yearly | Joint pari passu charge over fixed assets of the Company. |

| 6.1 | LENDER | 2018 | 2017 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | DATE OF REPAYMENT OF FIRST INSTALLMENT | INTEREST PAYABLE | SECURITY |
|---|---|---|---|---|---|---|---|---|
| | (Rupees in '000') | | | | | | | |
| | National Bank of Pakistan | 187,344 | 204,376 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 13 January 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 206,701 | 225,492 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 25 January 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 22,588 | 24,642 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 26 January 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 17,664 | 19,270 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 26 January 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 56,611 | 61,758 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 07 February 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 42,225 | 46,063 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 14 February 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 28,991 | 31,626 | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 23 April 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | National Bank of Pakistan | 39,856 | - | SBP rate for LTFF plus 2.50% | 12 equal half yearly installments | 29 December 2018 | Half yearly | Joint pari passu charge over fixed assets of the Company. |
| | | 1,103,109 | 1,253,629 | | | | | |

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 7. | DEFERRED INCOME TAX LIABILITY | | |
| | Taxable temporary differences on | | |
| | Tax depreciation allowance | 152,091 | 159,791 |
| | Surplus on revaluation of operating fixed assets | 411 | 409 |
| | | 152,502 | 160,200 |
| | Deductible temporary differences on | | |
| | Provision for doubtful debts | (10,356) | (10,074) |
| | Unused tax losses and minimum tax | (269,966) | (149,865) |
| | | (280,322) | (159,939) |
| | Deferred income tax (asset) / liability | (127,820) | 261 |
| 8. | TRADE AND OTHER PAYABLES | | |
| | Creditors (Note 8.1) | 719,653 | 520,872 |
| | Accrued liabilities | 742,525 | 564,848 |
| | Advances from customers | 8,879 | 12,869 |
| | Payable to Employees' Provident Fund Trust | 4,547 | - |
| | Retention money payable | 1,615 | 1,459 |
| | Income tax deducted at source | 6,209 | 1,396 |
| | Sales tax deducted at source | 1,271 | 3,021 |
| | Workers' profit participation fund (Note 8.2) | 2,531 | 3,028 |
| | Other payables | 914 | 1,177 |
| | | 1,488,144 | 1,108,670 |
| 8.1 | These include amounts due to the following related parties. | | |
| | Suraj Cotton Mills Limited | 13,251 | 2,187 |
| | Premier Insurance Limited | 5,509 | 3,337 |
| | Ideal Spinning Mills Limited | - | 254 |
| | | 18,760 | 5,778 |
| 8.2 | Workers' profit participation fund | | |
| | Balance as on 01 July | 3,028 | 16,580 |
| | Interest for the year | - | 835 |
| | Provision for the year (Note 30) | 535 | - |
| | | 3,563 | 17,415 |
| | Less: Payments during the year | 1,032 | 14,387 |
| | Balance as on 30 June | 2,531 | 3,028 |

8.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 9. | ACCRUED MARK-UP | | |
| | Long term financing | 12,758 | 14,597 |
| | Short term borrowings | 72,838 | 50,791 |
| | | 85,596 | 65,388 |
| 10. | SHORT TERM BORROWINGS | | |
| | From banking companies - secured | | |
| | Short term finances (Note 10.1 and Note 10.4) | 1,501,914 | 877,015 |
| | State Bank of Pakistan (SBP) refinance (Note 10.2 and Note 10.4) | 3,205,000 | 3,105,000 |
| | Short term foreign currency finances (Note 10.3 and Note 10.4) | 1,709,877 | 1,808,375 |
| | | 6,416,791 | 5,790,390 |

10.1 The finances aggregating to Rupees 1,806 million (2017: Rupees 1,330 million) are available from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.75 to 3.00 percent (2017: KIBOR plus 1.50 to 3.00 percent) per annum.

10.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 2.90 to 3.00 percent (2017: 2.90 to 3.00 percent) per annum are payable. These form part of aggregate borrowing limits of Rupees 3,205 million (2017: Rupees 3,165 million).

10.3 Short term foreign currency finances amounting to Rupees 2,031 million (2017: Rupees 2,132 million) are available at mark-up ranging from LIBOR plus 0.80 to 3.00 percent (2017: LIBOR plus 0.82 to 2.65 percent) per annum.

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.

11. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 199.764 million (2017: Rupees 199.764 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.

ii) Guarantee of Rupees 2.000 million (2017: Rupees Nil) is given by the bank of the Company to Total Parco Pakistan Limited against fuel cards.

iii) Post dated cheques of Rupees 260.840 million (2017: Rupees 195.266 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iv) The Company has issued post dated cheques of Rupees 21.886 million (2017: Rupees 21.886 million) favoring National Logistics Cell (NLC) against claim of demurrage under court orders due to detention of imported cotton by Custom Authorities at Wagha. The petition is currently pending before the Honorable Lahore High Court, Lahore. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.

v) Commissioner Inland Revenue has filed appeal vide writ petition no. CA 662/2013 filed on 13 June 2013 with Honorable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 9.606 million (2017: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

vi) The Honorable Sindh High Court in the case of 'Kasim Textile' in its order of 07 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, no tax is payable by a company due to assessed losses, the company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax of Rupees 77.191 million. However, the management is of the view that the verdict has been challenged in the Honorable Supreme Court of Pakistan and that they are confident of favorable final outcome based on legal advice.

vii) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) for the collection of PRA withholding tax amounting to 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.

viii) The Company has not charged further tax under section 3 (1A) of the Sales Tax Act, 1990 on supplies made to unregistered persons amounting to Rupees 15.913 million. The Company filed a Writ Petition No. 60403/2017 dated 17 August 2017 before the Honorable Lahore High Court, Lahore against the recovery of further tax and it is expected to be decided in the favor of the Company.

b) Commitments

i) Contracts for capital expenditure are of Rupees 789.011 million (2017: Rupees 377.285 million).

ii) Letters of credit other than for capital expenditure are of Rupees 120.823 million (2017: Rupees 54.201 million).

iii) Ijarah (operating lease) commitments are of Rupees Nil (2017: Rupees 0.060 million).

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 12. | PROPERTY, PLANT AND EQUIPMENT | | |
| | Operating fixed assets - Owned (Note 12.1) | 6,253,403 | 6,396,065 |
| | Capital work-in-progress (Note 12.2) | 74,735 | 82,293 |
| | | 6,328,138 | 6,478,358 |

## 12.1 Operating fixed assets

| (Rupees in '000') | Owned Assets | | | | | | | | | | | | Leased Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Plant and machinery |
| At 30 June 2016 | | | | | | | | | | | | | |
| Cost / revalued amount | 2,217,852 | 7,133 | 407,771 | 105,026 | 4,640,380 | 24,099 | 98,037 | 48,113 | 6,145 | 30,657 | 113,523 | 7,698,736 | 76,314 |
| Accumulated depreciation | - | (1,364) | (250,719) | (44,262) | (2,846,669) | (17,952) | (55,467) | (26,331) | (5,442) | (26,086) | (104,600) | (3,378,892) | (28,331) |
| Net book value | 2,217,852 | 5,769 | 157,052 | 60,764 | 1,793,711 | 6,147 | 42,570 | 21,782 | 703 | 4,571 | 8,923 | 4,319,844 | 47,983 |
| Year ended 30 June 2017 | | | | | | | | | | | | | |
| Opening net book value | 2,217,852 | 5,769 | 157,052 | 60,764 | 1,793,711 | 6,147 | 42,570 | 21,782 | 703 | 4,571 | 8,923 | 4,319,844 | 47,983 |
| Effect of surplus on revaluation as at 30 June 2017 | 1,359,937 | 1,308 | - | - | - | - | - | - | - | - | - | 1,361,245 | - |
| Additions | | | | | | | | | | | | | |
| Assets transferred from leased assets to owned assets | - | - | - | 7,005 | 942,318 | 2,142 | 1,081 | 7,775 | 1,102 | 3,323 | - | 964,746 | - |
| Cost | - | - | - | - | 76,314 | - | - | - | - | - | - | 76,314 | (76,314) |
| Accumulated depreciation | - | - | - | - | (31,529) | - | - | - | - | - | - | (31,529) | 31,529 |
| | - | - | - | - | 44,785 | - | - | - | - | - | - | 44,785 | (44,785) |
| Disposals: | | | | | | | | | | | | | |
| Cost | - | - | (628) | - | (113,410) | - | - | (6,714) | - | (59) | - | (120,811) | - |
| Accumulated depreciation | - | - | 585 | - | 83,520 | - | - | 4,506 | - | 59 | - | 88,670 | - |
| | - | - | (43) | - | (29,890) | - | - | (2,208) | - | - | - | (32,141) | - |
| Depreciation charge | - | (77) | (14,043) | (5,763) | (223,465) | (1,494) | (8,608) | (4,579) | (213) | (3,280) | (892) | (262,414) | (3,198) |
| Closing net book value | 3,577,789 | 7,000 | 142,966 | 62,006 | 2,527,459 | 6,795 | 35,043 | 22,770 | 1,592 | 4,614 | 8,031 | 6,396,065 | - |
| At 30 June 2017 | | | | | | | | | | | | | |
| Cost / revalued amount | 3,577,789 | 8,441 | 407,143 | 112,031 | 5,545,602 | 26,241 | 99,118 | 49,174 | 7,247 | 33,921 | 113,523 | 9,980,230 | - |
| Accumulated depreciation | - | (1,441) | (264,177) | (50,025) | (3,018,143) | (19,446) | (64,075) | (26,404) | (5,655) | (29,307) | (105,492) | (3,584,165) | - |
| Net book value | 3,577,789 | 7,000 | 142,966 | 62,006 | 2,527,459 | 6,795 | 35,043 | 22,770 | 1,592 | 4,614 | 8,031 | 6,396,065 | - |
| Year ended 30 June 2018 | | | | | | | | | | | | | |
| Opening net book value | 3,577,789 | 7,000 | 142,966 | 62,006 | 2,527,459 | 6,795 | 35,043 | 22,770 | 1,592 | 4,614 | 8,031 | 6,396,065 | - |
| Additions | - | - | - | 18,747 | 126,059 | 4,476 | 1,434 | 20,948 | - | 4,372 | - | 176,036 | - |
| Disposals: | | | | | | | | | | | | | |
| Cost / revalued amount | (8,024) | - | - | - | (52,967) | - | - | (4,207) | - | - | - | (65,198) | - |
| Accumulated depreciation | - | - | - | - | 39,151 | - | - | 3,707 | - | - | - | 42,858 | - |
| | (8,024) | - | - | - | (13,816) | - | - | (500) | - | - | - | (22,340) | - |
| Depreciation charge | - | (95) | (12,721) | (6,610) | (257,611) | (2,077) | (7,118) | (6,278) | (318) | (2,727) | (803) | (296,358) | - |
| Closing net book value | 3,569,765 | 6,905 | 130,245 | 74,143 | 2,382,091 | 9,194 | 29,359 | 36,940 | 1,274 | 6,259 | 7,228 | 6,253,403 | - |
| At 30 June 2018 | | | | | | | | | | | | | |
| Cost / revalued amount | 3,569,765 | 8,441 | 407,143 | 130,778 | 5,618,694 | 30,717 | 100,552 | 65,915 | 7,247 | 38,293 | 113,523 | 10,091,068 | - |
| Accumulated depreciation | - | (1,536) | (276,898) | (56,635) | (3,236,603) | (21,523) | (71,193) | (28,975) | (5,973) | (32,034) | (106,295) | (3,837,665) | - |
| Net book value | 3,569,765 | 6,905 | 130,245 | 74,143 | 2,382,091 | 9,194 | 29,359 | 36,940 | 1,274 | 6,259 | 7,228 | 6,253,403 | - |
| Annual rate of depreciation (%) | - | 1.01 | 5, 10 | 5, 10 | 10 | 20 | 20 | 20 | 20 | 50 | 10 | | 10 |

12.1.1 Land situated at Faisalabad granted to the Company by the Government of Punjab in 1958 under Land Acquisition Act, 1894 for the specific purpose of using it as an industrial undertaking had been revalued by taking into account conditions specified under various directives of the Government, whereas land situated other than Faisalabad was revalued using the present market value by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited as on 30 June 2017. Previously land of the Company was revalued on 30 June 2013 and 30 June 2007 by Messrs Hamid Mukhtar and Company (Private) Limited. Forced sales value of freehold land and leasehold land is Rupees 2,855.812 million and Rupees 5.600 million respectively.

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

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| (Rupees in '000') | Cost | Accumulated depreciation | Net book value | Cost | Accumulated depreciation | Net book value |
| Land - Freehold | 5,293 | - | 5,293 | 5,771 | - | 5,771 |
| Land - Leasehold | 4,719 | 1,269 | 3,450 | 4,719 | 1,218 | 3,501 |
| | 10,012 | 1,269 | 8,743 | 10,490 | 1,218 | 9,272 |

12.1.3 Fixed assets of the Company with carrying amount of Rupees 6,215 million (2017: Rupees 6,372 million) are subject to first pari passu charge to secured bank borrowings.

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

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Cost of sales (Note 27) | | |
| -Owned assets | 285,087 | 252,170 |
| -Leased assets | - | 3,198 |
| | 285,087 | 255,368 |
| Administrative expenses (Note 29) | 11,271 | 10,244 |
| | 296,358 | 265,612 |

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

| Particulars | Location | Area | Covered area |
|---|---|---|---|
| | | Acres | Sq. Ft. |
| Manufacturing facility | Sargodha Road, Faisalabad, Punjab. | 114.05 | 1 742 888 |
| Manufacturing facility | Phase-III Industrial Estate Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa. | 10.00 | 119 808 |
| Guest House | Pindi Point, Murree, Punjab. | 2.99 | 5 429 |

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

| Description | Qty | Cost | Accumulated depreciation | Net book value | Sale proceeds | (Loss) / gain | Mode of disposal | Particulars of purchasers |
|---|---|---|---|---|---|---|---|---|
| (Rupees in '000') | | | | | | | | |
| Plant and machinery | | | | | | | | |
| Cone Winder | 5 | 33,295 | 25,466 | 7,829 | 6,500 | (1,329) | Negotiation | Mr. Anees Lighter, Karachi |
| Sewing machines | 103 | 6,482 | 4,294 | 2,188 | 850 | (1,338) | Negotiation | Mr. Haider Ali, Faisalabad |
| Rieter B60 Beater | 1 | 2,383 | 1,319 | 1,064 | 1,085 | 21 | Negotiation | Mr. Asif Gilani, Faisalabad |
| Raizing Machine 100" | 2 | 1,620 | 610 | 1,010 | 864 | (146) | Negotiation | Mr. Nazeer Ahmad Mughal, Faisalabad |
| | | 43,780 | 31,689 | 12,091 | 9,299 | (2,792) | | |
| Land - Freehold | | 8,024 | - | 8,024 | 7,805 | (219) | Negotiation | Nishat Agriculture Farming (Private) Limited, Hafizabad |
| Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000 | | 13,394 | 11,169 | 2,225 | 5,305 | 3,080 | | |
| | | 65,198 | 42,858 | 22,340 | 22,409 | 69 | | |

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 12.2 | Capital work-in-progress | | |
| | Buildings on freehold land | 19,145 | 5,715 |
| | Buildings on leasehold land | - | 11,930 |
| | Plant and machinery | 164 | 10,361 |
| | Advance against purchase of vehicles | 2,470 | 4,275 |
| | Advance against office equipment | 630 | 101 |
| | Advance against purchase of land | 49,911 | 49,911 |
| | Advance against Enterprise Resource Planning (ERP) implementation | 2,415 | - |
| | | 74,735 | 82,293 |
| 13. | INTANGIBLE ASSET | | |
| | Computer Software | | |
| | Opening net book value | 18,472 | - |
| | Addition during the year | - | 19,000 |
| | Amortization (Note 29) | (6,333) | (528) |
| | Closing net book value | 12,139 | 18,472 |
| | Cost | 19,000 | 19,000 |
| | Accumulated amortization | (6,861) | (528) |
| | Net book value | 12,139 | 18,472 |
| | Amortization rate (per annum) | 33.33% | 33.33% |
| 14. | LONG TERM INVESTMENTS | | |
| | Available for sale | | |
| | Related parties | | |
| | Quoted | | |
| | Crescent Jute Products Limited<br>2 738 637 (2017: 2 738 637) fully paid ordinary shares of<br>Rupees 10 each. Equity held 11.52% (2017: 11.52%) | 1,123 | 1,123 |
| | Shams Textile Mills Limited<br>812 160 (2017: 812 160) fully paid ordinary shares of<br>Rupees 10 each. Equity held 9.40% (2017: 9.40%) | 4,629 | 4,629 |
| | Premier Insurance Limited<br>141 573 (2017: 128 703) fully paid ordinary shares of Rupees 10<br>each. Equity held 0.28% (2017: 0.28%) (Note 14.1) | 35 | 35 |

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Shakarganj Limited | | |
| 9 019 690 (2017: 7 937 328) fully paid ordinary shares of Rupees 10 each. Equity held 7.22% (2017: 7.22%) (Note 14.2) | 118,623 | 48,270 |
| Others | | |
| Quoted | | |
| Crescent Steel and Allied Products Limited<br>8 538 303 (2017: 8 538 303) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2017: 11%) | 190,669 | 190,669 |
| Crescent Cotton Mills Limited<br>1 034 499 (2017: 975 944) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2017: 4.56%) (Note 14.3) | 5,124 | 5,124 |
| Jubilee Spinning and Weaving Mills Limited<br>182 629 (2017: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2017: 0.56%) | 213 | 213 |
| Crescent Fibres Limited<br>351 657 (2017: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2017: 2.83%) | 2,162 | 2,162 |
| Unquoted | | |
| Crescent Bahuman Limited<br>26 926 433 (2017: 26 926 433) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2017: 19.80%) | 269,264 | 269,264 |
| 197 600 000 (2017: 197 600 000) fully paid preference shares of Rupees 10 each. Equity held 73.37% (2017: 73.37%) (Note 14.4) | 1,976,000 | 1,976,000 |
| Premier Financial Services (Private) Limited<br>500 (2017: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2017: 2.22%) | 500 | 500 |
| Cresox (Private) Limited<br>4 199 792 (2017: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2017: 11.66%) | - | - |
| | 2,568,342 | 2,497,989 |
| Less: Impairment loss charged to statement of profit or loss (Note 30) | (1,123) | - |
| Add: Fair value adjustment | 1,168,969 | 2,668,557 |
| | 3,736,188 | 5,166,546 |

14.1 During the year 12 870 (2017: 11 700) bonus shares were received from Premier Insurance Limited.

14.2 The Company subscribed 1 082 362 right shares of Shakarganj Limited at the price of Rupees 65 per share pursuant to members' approval in Extra Ordinary General Meeting (EOGM) held on 22 August 2017.

14.3 During the year 58 555 bonus shares were received from Crescent Cotton Mills Limited.

14.4 This represents unlisted non-voting cumulative and participatory preference shares carrying preference dividend at the rate of 5 percent per annum issued by Crescent Bahuman Limited. At the expiry of nine years from the date of issue i.e. on 01 October 2010, all outstanding preferences shares along with accumulated dividends, if any, will be converted into non-voting ordinary shares at a price of Rupees 10 per ordinary share.

14.5 Investments made in associated companies are in accordance with the requirements of the Companies Act, 2017.

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| **16. LONG TERM LOANS AND ADVANCES** | | |
| Employees | 3,509 | 5,025 |
| Less: Current portion shown under current assets (Note 20) | 2,427 | 3,101 |
| | 1,082 | 1,924 |

15.1 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.

15.2 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

| | | |
|---|---|---|
| **16. LONG TERM DEPOSITS AND PREPAYMENTS** | | |
| Security deposits | 5,208 | 5,148 |
| Prepayments | 6,041 | - |
| | 11,249 | 5,148 |
| Less: Current portion shown under current assets (Note 21) | 973 | - |
| | 10,276 | 5,148 |
| **17. STORES, SPARE PARTS AND LOOSE TOOLS** | | |
| Stores (Note 17.1) | 175,531 | 165,583 |
| Spare parts | 22,443 | 25,430 |
| Loose tools | 56 | 517 |
| | 198,030 | 191,530 |

17.1 These include stores in transit of Rupees 11.424 million (2017: Rupees 21.249 million).

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 18. | STOCK-IN-TRADE | | |
| | Raw materials (Note 18.1) | 950,283 | 479,595 |
| | Work-in-process | 159,243 | 131,695 |
| | Finished goods (Note 18.2) | 1,467,953 | 1,404,191 |
| | Waste | 11,479 | 13,653 |
| | | 2,588,958 | 2,029,134 |

18.1 Raw materials include stock in transit of Rupees 74.822 million (2017: Rupees 87.636 million).

18.2 Finished goods include stock in transit of Rupees 150.260 million (2017: Rupees 97.134 million) and stock with third parties amounting to Rupees 289.480 million (2017: Rupees 194.903 million).

18.3 Stock-in-trade of Rupees 11.479 million (2017: Rupees 13.653 million) is being carried at net realizable value.

| | | | |
|---|---|---|---|
| 19. | TRADE DEBTS | | |
| | Considered good: | | |
| | Export | | |
| | Against confirmed letters of credit - secured (Note 19.1) | 305,901 | 414,823 |
| | Against contract - unsecured (Note 19.1) | 759,490 | 928,096 |
| | | 1,065,391 | 1,342,919 |
| | Local - unsecured | | |
| | Related party (Note 19.2) | 1,547 | 93 |
| | Others - Against contract | 1,279,400 | 893,158 |
| | | 1,280,947 | 893,251 |
| | | 2,346,338 | 2,236,170 |
| | Considered doubtful: | | |
| | Others - unsecured | 41,203 | 41,203 |
| | Less: Provision for doubtful debts | (41,203) | (41,203) |
| | | - | - |

19.1 Outstanding export debtors along with type of arrangements are as follows:

| Name of Company | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| (Rupees in '000') | Against confirmed letters of credit | Against contract | Total | Against confirmed letters of credit | Against contract | Total |
| Australia | 44,442 | - | 44,442 | 53,119 | - | 53,119 |
| China | 27,580 | - | 27,580 | - | - | - |
| Colombia | - | - | - | - | 3,669 | 3,669 |
| Ecuador | - | - | - | - | 5,512 | 5,512 |
| France | 5,271 | - | 5,271 | - | - | - |
| Germany | - | 108,037 | 108,037 | 61,524 | 26,367 | 87,891 |
| Hong Kong | - | 6,125 | 6,125 | - | 55,248 | 55,248 |
| Italy | - | - | - | - | 4,876 | 4,876 |
| Korea Republic | - | 193 | 193 | 5,397 | - | 5,397 |
| Lithuania | - | 5,816 | 5,816 | - | 4,654 | 4,654 |
| Mexico | - | - | - | - | 13,466 | 13,466 |
| New Zealand | - | 3,139 | 3,139 | - | 1,324 | 1,324 |
| Norway | - | 31,737 | 31,737 | - | 8,816 | 8,816 |
| Philippines | - | - | - | - | 4,018 | 4,018 |
| Portugal | 31,323 | 45,394 | 76,717 | 56,145 | - | 56,145 |
| Romania | - | 421 | 421 | - | - | - |
| Singapore | - | - | - | - | 654 | 654 |
| South Africa | 1,834 | 16,952 | 18,786 | 9,378 | 9,991 | 19,369 |
| Spain | 175,227 | 40,003 | 215,230 | 180,442 | 107,456 | 287,898 |
| Sweden | 20,224 | 66,528 | 86,752 | 48,818 | 8,533 | 57,351 |
| United Kingdom | - | 394,045 | 394,045 | - | 424,603 | 424,603 |
| United States of America | - | 41,100 | 41,100 | - | 248,909 | 248,909 |
| | 305,901 | 759,490 | 1,065,391 | 414,823 | 928,096 | 1,342,919 |

19.2 As at 30 June 2018, trade debts due from the related party, Suraj Cotton Mills Limited are amounting to Rupees 1.547 million (2017: Rupees 0.093 million). The ageing analysis of these trade debts is as follows:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Not yet due | - | 93 |
| Upto 1 month | 1,547 | - |
| | 1,547 | 93 |

19.2.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 5.477 million (2017: Rupees 13.537 million).

19.3 As at 30 June 2018, trade debts receivable from other than related parties are aggregating to Rupees 2,344.791 million (2017: Rupees 2,236.077 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:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Not yet due | 1,512,491 | 1,277,226 |
| Upto 1 month | 170,587 | 198,736 |
| 1 to 6 months | 36,726 | 129,476 |
| More than 6 months | 624,987 | 630,639 |
| | 2,344,791 | 2,236,077 |

19.4 As at 30 June 2018, trade debts of Rupees 41.203 million (2017: Rupees 41.203 million) were impaired and provided for. The ageing of these trade debts was more than three years. These trade debts do not include amounts due from related parties.

## 20. LOANS AND ADVANCES

| | | |
|---|---|---|
| Considered good: | | |
| Employees against expenses | 280 | 85 |
| Current portion of long term loans and advances (Note 15) | 2,427 | 3,101 |
| Advances to suppliers | 6,015 | 10,556 |
| Letters of credit | 498 | 3,127 |
| Income tax | 677,818 | 559,759 |
| | 687,038 | 576,628 |
| Considered doubtful: | | |
| Advances to suppliers | 589 | 589 |
| Less: Provision for doubtful loans and advances | (589) | (589) |
| | - | - |
| | 687,038 | 576,628 |

## 21. SHORT TERM DEPOSITS AND PREPAYMENTS

| | | |
|---|---|---|
| Considered good: | | |
| Margin deposits | 58,659 | 61,840 |
| Prepayments | 1,082 | 107 |
| Current portion of long term deposits and prepayments (Note 16) | 973 | 139 |
| | 60,714 | 62,086 |

## 22. ACCRUED INTEREST

This includes interest receivable from Crescent Bahuman Limited on overdue receivable balance.

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 23. | OTHER RECEIVABLES | | |
| | Considered good: | | |
| | Due from related party (Note 23.1) | - | 77 |
| | Export rebate and claims | 53,786 | 68,881 |
| | Duty drawback | 302,402 | 173,721 |
| | Sales tax and special excise duty refundable | 292,041 | 341,442 |
| | Dividend receivable (Note 23.2) | 765,700 | 666,900 |
| | Miscellaneous | 2,393 | 1,508 |
| | | 1,416,322 | 1,252,529 |
| | Considered doubtful: | | |
| | Export rebate, sales tax and special excise duty refundable | 45,307 | 44,308 |
| | Less: Provision for doubtful other receivables | | |
| | As at 01 July | 44,308 | 43,987 |
| | Add: Provision made during the year (Note 30) | 999 | 321 |
| | As at 30 June | 45,307 | 44,308 |
| | | - | - |
| | | 1,416,322 | 1,252,529 |

23.1 This represented amounts due from Shams Textile Mills Limited. The ageing analysis was as follows:

| | | |
|---|---|---|
| Upto 1 month | - | 33 |
| 1 to 6 months | - | 44 |
| | - | 77 |

23.1.1 The maximum aggregate amount due from the related party at the end of any month during the year was Rupees 0.221 million (2017: Rupees 0.190 million)

23.2 This represents accumulated preference dividend receivable from Crescent Bahuman Limited as mentioned in Note 14.4.

| | | | |
|---|---|---|---|
| 24. | SHORT TERM INVESTMENT | | |
| | Available for sale | | |
| | Others - quoted | | |
| | Samba Bank Limited | | |
| | 12 346 238 (2017: 12 346 238) fully paid ordinary shares of Rupees 10 each. Equity held 1.22% (2017: 1.22%) | 37,444 | 37,444 |
| | Add: Fair value adjustment | 57,005 | 50,832 |
| | | 94,449 | 88,276 |

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 25. | CASH AND BANK BALANCES | | |
| | With banks: | | |
| | On current accounts | | |
| | Including US$ 1,579 (2017: US$ 1,583) | 1,995 | 3,107 |
| | Cash in hand | 1,418 | 788 |
| | | 3,413 | 3,895 |
| 26. | REVENUE | | |
| | Local sales (Note 26.1) | 5,375,577 | 4,003,707 |
| | Export sales | 5,729,316 | 6,641,528 |
| | Export rebate | 42,459 | 51,310 |
| | Duty drawback | 166,907 | 176,217 |
| | | 11,314,259 | 10,872,762 |
| 26.1 | Local sales | | |
| | Sales | 5,183,496 | 3,839,499 |
| | Waste | 194,682 | 162,893 |
| | Processing income | 4,204 | 305 |
| | Cold storage | 13,631 | 16,328 |
| | | 5,396,013 | 4,019,025 |
| | Less: Sales tax | 20,436 | 15,318 |
| | | 5,375,577 | 4,003,707 |
| 27. | COST OF SALES | | |
| | Raw materials consumed (Note 27.1) | 4,070,731 | 3,561,946 |
| | Cost of raw material sold | 12,089 | - |
| | Cloth and yarn purchased | 1,784,398 | 1,848,112 |
| | Stores, spare parts and loose tools consumed | 660,983 | 611,356 |
| | Packing materials consumed | 562,559 | 689,296 |
| | Processing and weaving charges | 563,515 | 799,749 |
| | Salaries, wages and other benefits (Note 27.2) | 961,484 | 964,009 |
| | Fuel and power | 1,322,308 | 1,280,308 |
| | Repair and maintenance | 29,705 | 56,077 |
| | Insurance | 12,758 | 11,715 |
| | Depreciation (Note 12.1.4) | 285,087 | 255,368 |
| | Other factory overheads | 37,521 | 39,658 |
| | | 10,303,138 | 10,117,594 |

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| | Work-in-process | | |
| | Opening stock | 131,695 | 107,784 |
| | Closing stock | (159,243) | (131,695) |
| | | (27,548) | (23,911) |
| | Cost of goods manufactured | 10,275,590 | 10,093,683 |
| | Finished goods | | |
| | Opening stock | 1,417,844 | 943,426 |
| | Closing stock | (1,479,432) | (1,417,844) |
| | | (61,588) | (474,418) |
| | | 10,214,002 | 9,619,265 |
| | Cost of sales - purchased for resale | - | 281,503 |
| | | 10,214,002 | 9,900,768 |

27.1 Raw materials consumed

| | | |
|---|---|---|
| Opening stock | 479,595 | 584,701 |
| Add: Purchased during the year | 4,541,419 | 3,456,840 |
| | 5,021,014 | 4,041,541 |
| Less: Closing stock | (950,283) | (479,595) |
| | 4,070,731 | 3,561,946 |

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 15.170 million (2017: Rupees 15.873 million) by the Company.

28. DISTRIBUTION COST

| | | |
|---|---|---|
| Salaries, wages and other benefits (Note 28.1) | 39,182 | 40,314 |
| Freight and shipment | 133,939 | 216,066 |
| Postage | 4,678 | 7,251 |
| Duties and other charges | 91,602 | 95,875 |
| Commission to selling agents | 195,182 | 283,467 |
| Advertisement | 3,607 | 701 |
| | 468,190 | 643,674 |

28.1 Salaries, wages and other benefits include provident fund contribution of Rupees 1.374 million (2017: Rupees 1.463 million) by the Company.

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 29. | ADMINISTRATIVE EXPENSES | | |
| | Salaries, wages and other benefits (Note 29.1) | 205,079 | 208,146 |
| | Meeting fee to non-executive directors | 800 | 620 |
| | Travelling, conveyance and entertainment | 14,151 | 15,069 |
| | Rent, rates and taxes (Note 29.2) | 2,857 | 3,416 |
| | Repair and maintenance | 17,801 | 21,842 |
| | Insurance | 1,127 | 1,167 |
| | Printing and stationery | 2,024 | 1,965 |
| | Communication and advertisement | 3,433 | 3,994 |
| | Subscription | 8,588 | 10,986 |
| | Legal and professional | 7,135 | 7,478 |
| | Auditors' remuneration (Note 29.3) | 1,825 | 1,598 |
| | Amortization (Note 13) | 6,333 | 528 |
| | Depreciation (Note 12.1.4) | 11,271 | 10,244 |
| | Other charges | 12,367 | 12,751 |
| | | 294,791 | 299,804 |

29.1 Salaries, wages and other benefits include provident fund contribution of Rupees 6.233 million (2017: Rupees 6.372 million) by the Company.

29.2 This includes ijarah (operating lease) rentals amounting to Rupees 0.060 million (2017: Rupees 0.501 million) of vehicles.

29.3 Auditors' remuneration

| | | |
|---|---|---|
| Audit fee | 1,400 | 1,275 |
| Half yearly review | 300 | 250 |
| Other certification fees | 75 | 25 |
| Reimbursable expenses | 50 | 48 |
| | 1,825 | 1,598 |

| | | | |
|---|---|---|---|
| 30. | OTHER EXPENSES | | |
| | Donations (Note 30.1 and Note 30.2) | 11,587 | 9,848 |
| | Provision for doubtful other receivables (Note 23) | 999 | 321 |
| | Workers' profit participation fund (Note 8.2) | 535 | - |
| | Impairment loss on long term investment (Note 14) | 1,123 | - |
| | | 14,244 | 10,169 |

30.1 The Company has made donations exceeding Rupees 500,000 to following parties:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Chiniot Blood Bank and Dialysis Centre | 600 | 600 |
| The Citizens Foundation | 6,000 | 6,000 |
| Crescent Educational Trust | 2,500 | - |
| Shaukat Khanum Memorial Cancer Hospital and Research Centre | 700 | - |

30.2 None of the directors or their spouses had any interest in any of the donee except one director, Mr. Khalid Bashir who is member of Board of Trustees of Crescent Educational Trust.

31. OTHER INCOME

| | | |
|---|---|---|
| Income from financial assets | | |
| Dividend income (Note 31.1) | 150,632 | 129,036 |
| Gain on sale of available for sale investments | - | 62,310 |
| Net exchange gain on export bills | 112,114 | 80,053 |
| Mark-up on overdue receivables (Note 31.2) | 44,507 | 48,250 |
| | 307,253 | 319,649 |
| Income from non-financial assets | | |
| Sale of empties and scrap | 15,992 | 16,788 |
| Rental income | 1,532 | 830 |
| Gain on sale of property, plant and equipment | 69 | 12,342 |
| | 17,593 | 29,960 |
| | 324,846 | 349,609 |

31.1 Dividend income

| | | |
|---|---|---|
| From related party: | | |
| Shakarganj Limited | 11,275 | - |
| From others: | | |
| Crescent Bahuman Limited-Preference dividend | 98,800 | 98,800 |
| Crescent Steel and Allied Products Limited | 40,557 | 29,884 |
| Crescent Fibres Limited | - | 352 |
| | 139,357 | 129,036 |
| | 150,632 | 129,036 |

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

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| **32. FINANCE COST** | | |
| Mark up on: | | |
| Long term financing | 62,537 | 59,612 |
| Liabilities against assets subject to finance lease | - | 361 |
| Short term borrowings | 560,166 | 214,993 |
| Interest on workers' profit participation fund | - | 835 |
| Bank charges and commission | 15,000 | 11,015 |
| | 637,703 | 286,816 |

32.1 Exchange loss on foreign currency loans of the Company amounting to Rupees 304.537 million (2017: Rupees 1.752 million) is included in finance cost.

| | | |
|---|---|---|
| **33. TAXATION** | | |
| Charge for the year: | | |
| Current (Note 33.1) | 134,518 | 31,291 |
| Prior year adjustment | (4,712) | (5,601) |
| | 129,806 | 25,690 |
| Deferred (Note 33.2) | (128,086) | (57,889) |
| | 1,720 | (32,199) |

33.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales, tax on undistributed profits under Section 5A, tax on different heads of other income and tax credit available under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 June 2018 are Rupees 664.740 million (2017: Rupees 345.964 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

| | | |
|---|---|---|
| 33.2 Deferred income tax effect due to: | | |
| Tax depreciation allowance | 152,091 | 159,791 |
| Unused tax losses and minimum tax | (269,966) | (149,865) |
| Provision for doubtful debts | (10,356) | (10,074) |
| Surplus on revaluation of operating fixed assets | 411 | 409 |
| | (127,820) | 261 |
| Opening balance as at 01 July | (261) | (58,026) |
| Adjustment of surplus on revaluation of operating fixed assets due to re-assessment at year end | (5) | (124) |
| | (128,086) | (57,889) |

33.3 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purposes of taxation is available which can be analysed as follows:

| (Rupees in '000') | Financial years 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Provision for taxation | 31,291 | 70,227 | 104,294 |
| Tax assessed | 20,327 | 64,626 | 104,239 |

## 34. EARNINGS PER SHARE - BASIC AND DILUTED

| | 2018 | 2017 |
|---|---|---|
| There is no dilutive effect on the basic earnings per share which is based on: | | |
| Profit for the year (Rupees in thousand) | 8,455 | 113,339 |
| Weighted average number of ordinary shares (Numbers) | 80 000 000 | 80 000 000 |
| Earnings per share (Rupees) | 0.11 | 1.42 |

## 35. CASH GENERATED FROM OPERATIONS

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Profit before taxation | 10,175 | 81,140 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 296,358 | 265,612 |
| Amortization | 6,333 | 528 |
| Gain on sale of property, plant and equipment | (69) | (12,342) |
| Gain on sale of available for sale investment | - | (62,310) |
| Dividend income | (150,632) | (129,036) |
| Impairment loss on investment | 1,123 | - |
| Provision for doubtful other receivables | 999 | 321 |
| Provision for workers' profit participation fund | 535 | - |
| Finance cost | 637,703 | 286,816 |
| Working capital changes (Note 35.1) | (352,951) | (127,801) |
| | 449,574 | 302,928 |

| | (Rupees in '000') | 2018 | 2017 |
|---|---|---|---|
| 35.1 | Working capital changes | | |
| | (Increase) / decrease in current assets: | | |
| | - Stores, spare parts and loose tools | (6,500) | (6,468) |
| | - Stock-in-trade | (559,824) | (393,223) |
| | - Trade debts | (110,168) | 129,315 |
| | - Loans and advances | 7,649 | 5,422 |
| | - Short term deposits and prepayments | 1,233 | (32,636) |
| | - Accrued interest | 680 | 248 |
| | - Other receivables | (65,992) | (36,417) |
| | | (732,922) | (333,759) |
| | Increase in trade and other payables | 379,971 | 205,958 |
| | | (352,951) | (127,801) |

35.2 Reconciliation of movement of liabilities arising from financing activities:

| (Rupees in '000') | Long term financing | Short term borrowings | Total |
|---|---|---|---|
| Balance as 01 July 2017 | 1,253,629 | 5,790,390 | 7,044,019 |
| Financing obtained | 39,856 | - | 39,856 |
| Short term borrowings obtained - net | - | 626,401 | 626,401 |
| Repayment of financing | (190,376) | - | (190,376) |
| Balance as 30 June 2018 | 1,103,109 | 6,416,791 | 7,519,900 |

36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

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

| | Chief Executive Officer | | Director | | Executives | |
|---|---|---|---|---|---|---|
| (Rupees in '000') | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Managerial remuneration | 7,200 | 7,200 | 4,200 | 4,200 | 81,811 | 83,810 |
| Allowances | | | | | | |
| House rent | 3,240 | 3,240 | 1,890 | 1,890 | 20,172 | 21,622 |
| Cost of living | - | - | - | - | 132 | 129 |
| Utilities | 720 | 720 | - | - | 6,321 | 6,521 |
| Medical | - | - | - | - | 5,901 | 5,681 |
| Special | - | - | - | - | 5,967 | 5,745 |
| Reimbursable expenses | 1,870 | 2,174 | - | - | 5,988 | 5,410 |
| Contribution to provident fund | 450 | 450 | 263 | 263 | 4,355 | 4,794 |
| | 13,480 | 13,784 | 6,353 | 6,353 | 130,647 | 133,712 |
| Number of persons | 1 | 1 | 1 | 1 | 32 | 37 |

36.1 Certain Executives are provided with rent free furnished accommodation and free use of Company maintained vehicles. The Chief Executive Officer and Director are provided with free use of the Company maintained vehicles.

36.2 Aggregate amount charged in the financial statements for meeting fee to six non-executive directors (2017: six non-executive directors) was Rupees 800,000 (2017: Rupees 620,000).

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

36.4 Comparative figures have been amended to reflect change in the definition of executive as per the Companies Act, 2017.

## 37 PROVIDENT FUND RELATED DISCLOSURE

The investments out of Employees Provident Fund Trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose with the exception of investment in listed securities which exceeds the prescribed limit. SRO 731 (I)/2018 issued by Securities and Exchange Commission of Pakistan on 06 June 2018 allows transition period of one year for bringing the Employees Provident Fund Trust in conformity with the requirements of rules.

| (Number of Persons) | 2018 | 2017 |
|---|---|---|
| **38. NUMBER OF EMPLOYEES** | | |
| Number of employees as on 30 June (Note 38.1) | 4 793 | 5 013 |
| Average number of employees during the year (Note 38.1) | 4 694 | 5 170 |

38.1 These include number of employees 3 846 (2017: 4 000) and average number of employees 3 760 (2017: 4 155) employed at factory.

## 39. TRANSACTIONS WITH RELATED PARTIES

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

| (Rupees in '000') | | | 2018 | 2017 |
|---|---|---|---|---|
| Name of company | Basis of relationship | Nature of transactions | | |
| Associated companies | | | | |
| Ideal Spinning Mills Limited (Note 39.2) | Common directorship | Purchase of goods | 3,760 | 50,067 |
| Premier Insurance Limited | Common directorship | Insurance premium paid | 23,539 | 18,014 |
| | | Insurance claims received | 755 | 5,240 |
| | | Dividend paid | - | 949 |
| Suraj Cotton Mills Limited | Common directorship | Purchase of goods | 60,737 | 10,237 |
| | | Sale of goods | 26,358 | 99,147 |
| | | Dividend paid | - | 1,516 |
| Shams Textile Mills Limited | Common directorship | Services provided | 548 | 289 |
| Shakarganj Limited | Common directorship | Dividend paid | - | 7 |
| | | Dividend received | 11,275 | - |
| Other related parties | | | | |
| Crescent Foundation | Directors of the Company are the members of Board of Trustee | Dividend paid | - | 2,103 |
| The Crescent Textile Mills Limited - Employees' Provident Fund Trust | Post employment benefit plan | Dividend paid | - | 9,162 |
| | | Contribution paid | 22,777 | 23,708 |
| Trustees, Directors, Their Spouses and Minor Children | Members of board of trustees, key management personnel and their relatives | Dividend paid | - | 8,712 |

| (Number of Shares) | | | 2018 | 2017 |
|---|---|---|---|---|
| Associated companies | | | | |
| Premier Insurance Limited | Common directorship | Bonus shares received | 12 870 | 11 700 |
| Shakarganj Limited | Common directorship | Sale of shares | - | 650 000 |
| | | Right shares subscribed | 1 082 362 | - |

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

39.2 Ideal Spinning Mills Limited has ceased to be the associated company in April 2018 due to elimination of common directorship.

| | (Figures in '000') | | 2018 | 2017 |
|---|---|---|---|---|
| 40. | PLANT CAPACITY AND ACTUAL PRODUCTION | | | |
| | Spinning | | | |
| | 100 % plant capacity converted to 20s count | (Kgs.) | 33 587 | 33 587 |
| | Actual production converted to 20s count | (Kgs.) | 29 246 | 28 736 |
| | Weaving | | | |
| | 100 % plant capacity converted to 50 picks | (Sq. Mtr.) | 41 366 | 41 366 |
| | Actual production converted to 50 picks | (Sq. Mtr.) | 32 717 | 33 492 |

Dyeing, Finishing and Home Textile

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

| | | | |
|---|---|---|---|
| Power Plant | | | |
| Generation capacity | (MWH) | 258 | 258 |
| Actual generation | (MWH) | 75 | 100 |

40.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to extended maintenance of installed machinery carried out during the year. Actual power generation in comparison to installed capacity is low due to utilization of electricity supplied by FESCO.

## 41. SEGMENT INFORMATION

| | Spinning | | Weaving | | Processing & Home Textile | |
|---|---|---|---|---|---|---|
| (Rupees in '000') | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenue | | | | | | |
| External | 5,098,838 | 3,711,938 | 325,871 | 238,589 | 5,875,919 | 6,905,907 |
| Intersegment | 1,265,327 | 1,652,719 | 4,730,267 | 4,491,203 | - | - |
| | 6,364,165 | 5,364,657 | 5,056,138 | 4,729,792 | 5,875,919 | 6,905,907 |
| Cost of sales | (6,127,854) | (5,312,837) | (5,008,786) | (4,649,726) | (5,083,988) | (6,092,198) |
| Gross profit | 236,311 | 51,820 | 47,352 | 80,066 | 791,931 | 813,709 |
| Distribution cost | (40,439) | (37,775) | (13,187) | (11,836) | (411,558) | (590,983) |
| Administrative expenses | (84,983) | (87,290) | (26,514) | (27,261) | (167,537) | (169,079) |
| | (125,422) | (125,065) | (39,701) | (39,097) | (579,095) | (760,062) |
| Profit / (loss) before taxation and unallocated income and expenses | 110,889 | (73,245) | 7,651 | 40,969 | 212,836 | 53,647 |
| Unallocated income and expenses: | | | | | | |
| Other expenses | | | | | | |
| Other income | | | | | | |
| Finance cost | | | | | | |
| Taxation | | | | | | |
| Profit after taxation | | | | | | |

## 41.1 Reconciliation of reportable segment assets and liabilities:

| | Spinning | | Weaving | | Processing & Home Textile | |
|---|---|---|---|---|---|---|
| (Rupees in '000') | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total assets for reportable segments | 3,012,326 | 2,754,165 | 1,521,332 | 1,598,009 | 2,623,947 | 2,326,793 |
| Unallocated assets | | | | | | |
| Total assets as per balance sheet | | | | | | |
| All segment assets are allocated to reportable segments other than those directly relating to corporate | | | | | | |
| Total liabilities for reportable segments | 4,179,892 | 3,635,370 | 1,373,551 | 905,557 | 1,998,076 | 2,445,231 |
| Unallocated liabilities | | | | | | |
| Total liabilities as per balance sheet | | | | | | |

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

| Power Generation | | Cold Storage | | Elimination of inter-segment transactions | | Total - Company | |
|---|---|---|---|---|---|---|---|
| 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | | | | | | | |
| - | - | 13,631 | 16,328 | - | - | 11,314,259 | 10,872,762 |
| 1,073,737 | 1,061,671 | - | - | (7,069,331) | (7,205,593) | - | - |
| 1,073,737 | 1,061,671 | 13,631 | 16,328 | (7,069,331) | (7,205,593) | 11,314,259 | 10,872,762 |
| (1,054,101) | (1,040,861) | (8,604) | (10,739) | 7,069,331 | 7,205,593 | (10,214,002) | (9,900,768) |
| 19,636 | 20,810 | 5,027 | 5,589 | - | - | 1,100,257 | 971,994 |
| | | | | | | | |
| (3,006) | (3,080) | - | - | - | - | (468,190) | (643,674) |
| (14,919) | (15,336) | (838) | (838) | - | - | (294,791) | (299,804) |
| (17,925) | (18,416) | (838) | (838) | - | - | (762,981) | (943,478) |
| | | | | | | | |
| | | | | | | | |
| 1,711 | 2,394 | 4,189 | 4,751 | - | - | 337,276 | 28,516 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | (14,244) | (10,169) |
| | | | | | | 324,846 | 349,609 |
| | | | | | | (637,703) | (286,816) |
| | | | | | | (1,720) | 32,199 |
| | | | | | | 8,455 | 113,339 |

| Power Generation | | Cold Storage | | Total - Company | |
|---|---|---|---|---|---|
| 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | | | | | |
| 272,676 | 287,142 | 20,141 | 20,216 | 7,450,422 | 6,986,325 |
| | | | | 10,163,664 | 11,128,232 |
| | | | | 17,614,086 | 18,114,557 |

and tax assets.

| | | | | | |
|---|---|---|---|---|---|
| 56,481 | 123,249 | 564 | 812 | 7,608,564 | 7,110,219 |
| | | | | 1,635,193 | 1,149,044 |
| | | | | 9,243,757 | 8,259,263 |

payables, current and deferred tax liabilities.

41.2 Geographical Information

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

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Europe | 4,818,039 | 5,603,042 |
| America | 411,513 | 246,664 |
| Asia, Africa and Australia | 709,130 | 1,019,349 |
| Pakistan | 5,375,577 | 4,003,707 |
| | 11,314,259 | 10,872,762 |

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

41.4 Revenue from major customers

Revenue from one major customer of Processing & Home Textile segment of the Company is of Rupees 1,130 million (2017: two major customers of Processing & Home Textile of Rupees 2,662 million).

The revenue of Power Generation segment includes the revenue from generation and distribution of electricity to other segments of the Company. The distribution of electricity includes the in-house generated electricity along with electricity supplied by FESCO.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

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:

| | 2018 | 2017 |
|---|---|---|
| Cash at banks - USD | 1,579 | 1,583 |
| Trade debts - USD | 7,152,525 | 11,677,699 |
| Trade debts - Euro | 1,394,422 | 993,203 |
| Trade and other payables - USD | (419,816) | (245,160) |
| Trade and other payables - Euro | (65,205) | - |
| Short term borrowings - USD | (14,074,426) | (17,255,487) |
| Net exposure - USD | (7,340,138) | (5,821,365) |
| Net exposure - Euro | 1,329,217 | 993,203 |
| Following significant exchange rates were applied during the year: | | |
| Rupees per US Dollar | | |
| Average rate | 110.43 | 104.77 |
| Reporting date rate | 121.60 | 104.80 |
| Rupees per Euro | | |
| Average rate | 131.85 | 114.13 |
| Reporting date rate | 141.33 | 119.91 |

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 by Rupees 42.397 million (2017: Rupees 30.504 million) lower / higher and Rupees 8.923 million (2017: Rupees 5.955 million) higher / lower respectively, 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 profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

| Index | Impact on profit after taxation | | Impact on statement of other comprehensive income (fair value reserve) | |
|---|---|---|---|---|
| (Rupees in '000') | 2018 | 2017 | 2018 | 2017 |
| PSX 100 (5% increase) | - | - | 79,244 | 150,453 |
| PSX 100 (5% decrease) | - | - | (79,244) | (150,453) |

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

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 and trade debts of CBL. 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:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Fixed rate instruments | | |
| Financial liabilities | | |
| Long term financing | 1,065,609 | 1,191,129 |
| Short term borrowings | 3,205,000 | 3,105,000 |
| Floating rate instruments | | |
| Financial assets | | |
| Trade debts-CBL | 706,030 | 685,070 |
| Financial liabilities | | |
| Long term financing | 37,500 | 62,500 |
| Short term borrowings | 3,211,791 | 2,685,390 |

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 balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 24.161 million (2017: Rupees 20.628 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 date 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:

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Investments | 3,830,637 | 5,254,822 |
| Loans and advances | 3,509 | 5,025 |
| Deposits | 63,867 | 66,988 |
| Trade debts | 2,346,338 | 2,236,170 |
| Accrued interest | 3,181 | 3,861 |
| Other receivables | 768,093 | 668,485 |
| Bank balances | 1,995 | 3,107 |
| | 7,017,620 | 8,238,458 |

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 AAA to A.

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

c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2018, the Company had Rupees 625 million (2017: Rupees 836 million) available borrowing limits from financial institutions and Rupees 3.413 million (2017: Rupees 3.895 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 2018:

| (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 | 1,103,109 | 1,249,847 | 155,715 | 152,198 | 281,948 | 659,986 |
| Trade and other payables | 1,469,254 | 1,469,254 | 1,469,254 | - | - | - |
| Unclaimed dividend | 9,513 | 9,513 | 9,513 | - | - | - |
| Accrued mark-up | 85,596 | 85,596 | 85,596 | - | - | - |
| Short term borrowings | 6,416,791 | 6,600,593 | 4,473,975 | 2,126,618 | - | - |
| | 9,084,263 | 9,414,803 | 6,194,053 | 2,278,816 | 281,948 | 659,986 |

Contractual maturities of financial liabilities as at 30 June 2017:

| | | | | | | |
|---|---|---|---|---|---|---|
| Non-derivative financial liabilities: | | | | | | |
| Long term financing | 1,253,629 | 1,439,826 | 96,300 | 154,698 | 299,243 | 889,585 |
| Trade and other payables | 1,088,356 | 1,088,356 | 1,088,356 | - | - | - |
| Unclaimed dividend | 9,634 | 9,634 | 9,634 | - | - | - |
| Accrued mark-up | 65,388 | 65,388 | 65,388 | - | - | - |
| Short term borrowings | 5,790,390 | 5,921,459 | 3,570,723 | 2,350,736 | - | - |
| | 8,207,397 | 8,524,663 | 4,830,401 | 2,505,434 | 299,243 | 889,585 |

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.

42.2 Financial instruments by categories

| (Rupees in '000') | Loans and receivables | Available for sale | Total |
|---|---|---|---|
| As at 30 June 2018 | | | |
| Assets as per statement of financial position | | | |
| Investments | - | 3,830,637 | 3,830,637 |
| Loans and advances | 3,509 | - | 3,509 |
| Deposits | 63,867 | - | 63,867 |
| Trade debts | 2,346,338 | - | 2,346,338 |
| Accrued interest | 3,181 | - | 3,181 |
| Other receivables | 768,093 | - | 768,093 |
| Cash and bank balances | 3,413 | - | 3,413 |
| | 3,188,401 | 3,830,637 | 7,019,038 |

| (Rupees in '000') | At amortized cost |
|---|---|
| Liabilities as per statement of financial position | |
| Long term financing | 1,103,109 |
| Trade and other payables | 1,469,254 |
| Unclaimed dividend | 9,513 |
| Accrued mark-up | 85,596 |
| Short term borrowings | 6,416,791 |
| | 9,084,263 |

| (Rupees in '000') | Loans and receivables | Available for sale | Total |
|---|---|---|---|
| As at 30 June 2017 | | | |
| Assets as per statement of financial position | | | |
| Investments | - | 5,254,822 | 5,254,822 |
| Loans and advances | 5,025 | - | 5,025 |
| Deposits | 66,988 | - | 66,988 |
| Trade debts | 2,236,170 | - | 2,236,170 |
| Accrued interest | 3,861 | - | 3,861 |
| Other receivables | 668,485 | - | 668,485 |
| Cash and bank balances | 3,895 | - | 3,895 |
| | 2,984,424 | 5,254,822 | 8,239,246 |

| (Rupees in '000') | At amortized cost |
|---|---|
| Liabilities as per statement of financial position | |
| Long term financing | 1,253,629 |
| Trade and other payables | 1,088,356 |
| Unclaimed dividend | 9,634 |
| Accrued mark-up | 65,388 |
| Short term borrowings | 5,790,390 |
| | 8,207,397 |

42.3 Offsetting financial assets and financial liabilities

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

42.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to 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 50% debt and 50% equity.

| (Rupees in '000') | 2018 | 2017 |
|---|---|---|
| Borrowings | 7,519,900 | 7,044,019 |
| Total equity | 8,370,329 | 9,855,294 |
| Total capital employed | 15,890,229 | 16,899,313 |
| Gearing ratio (Percentage) | 47.32 | 41.68 |

The increase in the gearing ratio resulted primarily from decrease in fair value of investments of the Company.

## 43. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

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

| (Rupees in '000') | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets - recurring fair value measurement | | | | |
| At 30 June 2018 | | | | |
| Available for sale financial assets | 1,584,873 | - | - | 1,584,873 |
| At 30 June 2017 | | | | |
| Available for sale financial assets | 3,009,058 | - | - | 3,009,058 |

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

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

The 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 trading and available for sale 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 maximise 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

Valuation technique used to value financial instruments includes the use of quoted market prices.

## 44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

| (Rupees in '000') | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| At 30 June 2018 | | | | |
| Land - freehold | - | 3,569,765 | - | 3,569,765 |
| Land - leasehold | - | 6,905 | - | 6,905 |
| | - | 3,576,670 | - | 3,576,670 |
| At 30 June 2017 | | | | |
| Land - freehold | - | 3,577,789 | - | 3,577,789 |
| Land - leasehold | - | 7,000 | - | 7,000 |
| | - | 3,584,789 | - | 3,584,789 |

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 2017 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of SBP as per basis stated in Note 12.1.1 to the financial statements.

## 45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 September 2018 by the Board of Directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2018

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant reclassifications have been made in these financial statements except for as mentioned below:

| Reclassification from statement of financial position | Reclassification to statement of financial position | Rupees in thousand |
|---|---|---|
| Trade and other payables | Unclaimed dividend | 9,634 |

47. GENERAL

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

Muhammad Anwar
Chief Executive Officer

Anjum Muhammad Saleem
Director

Asim Siddique
Chief Financial Officer

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2018

| Shareholders | Form | to | Total Shares | Shareholders | Form | to | Total Shares |
|---|---|---|---|---|---|---|---|
| 530 | 1 | 100 | 16,151 | 1 | 250,001 | 255,000 | 254,329 |
| 542 | 101 | 500 | 161,725 | 1 | 255,001 | 260,000 | 256,931 |
| 278 | 501 | 1,000 | 233,340 | 1 | 260,001 | 265,000 | 262,867 |
| 518 | 1,001 | 5,000 | 1,405,168 | 3 | 280,001 | 285,000 | 845,740 |
| 144 | 5,001 | 10,000 | 1,144,990 | 1 | 290,001 | 295,000 | 291,981 |
| 58 | 10,001 | 15,000 | 748,471 | 1 | 295,001 | 300,000 | 300,000 |
| 33 | 15,001 | 20,000 | 592,712 | 1 | 305,001 | 310,000 | 306,279 |
| 26 | 20,001 | 25,000 | 614,102 | 2 | 315,001 | 320,000 | 636,277 |
| 15 | 25,001 | 30,000 | 414,524 | 2 | 320,001 | 325,000 | 647,954 |
| 17 | 30,001 | 35,000 | 542,896 | 1 | 330,001 | 335,000 | 333,297 |
| 6 | 35,001 | 40,000 | 228,580 | 1 | 335,001 | 340,000 | 339,543 |
| 6 | 40,001 | 45,000 | 262,074 | 2 | 340,001 | 345,000 | 688,058 |
| 14 | 45,001 | 50,000 | 686,223 | 1 | 345,001 | 350,000 | 348,335 |
| 4 | 50,001 | 55,000 | 212,953 | 1 | 350,001 | 355,000 | 352,500 |
| 3 | 55,001 | 60,000 | 172,000 | 1 | 365,001 | 370,000 | 370,000 |
| 10 | 60,001 | 65,000 | 627,416 | 1 | 390,001 | 395,000 | 391,743 |
| 7 | 65,001 | 70,000 | 469,196 | 1 | 405,001 | 410,000 | 406,096 |
| 5 | 70,001 | 75,000 | 358,136 | 1 | 425,001 | 430,000 | 426,622 |
| 4 | 75,001 | 80,000 | 307,598 | 2 | 450,001 | 455,000 | 904,444 |
| 2 | 80,001 | 85,000 | 166,000 | 2 | 485,001 | 490,000 | 974,217 |
| 3 | 85,001 | 90,000 | 262,624 | 1 | 500,001 | 505,000 | 500,611 |
| 3 | 90,001 | 95,000 | 274,880 | 1 | 505,001 | 510,000 | 510,000 |
| 4 | 95,001 | 100,000 | 395,602 | 1 | 525,001 | 530,000 | 527,799 |
| 2 | 100,001 | 105,000 | 202,742 | 1 | 540,001 | 545,000 | 542,003 |
| 2 | 105,001 | 110,000 | 219,648 | 1 | 570,001 | 575,000 | 571,848 |
| 2 | 110,001 | 115,000 | 222,166 | 1 | 585,001 | 590,000 | 586,500 |
| 3 | 115,001 | 120,000 | 355,763 | 1 | 605,001 | 610,000 | 609,710 |
| 4 | 120,001 | 125,000 | 490,162 | 1 | 635,001 | 640,000 | 635,905 |
| 6 | 125,001 | 130,000 | 765,618 | 2 | 650,001 | 655,000 | 1,300,550 |
| 2 | 130,001 | 135,000 | 263,172 | 1 | 665,001 | 670,000 | 665,346 |
| 2 | 135,001 | 140,000 | 277,140 | 1 | 680,001 | 685,000 | 681,657 |
| 1 | 140,001 | 145,000 | 140,463 | 1 | 690,001 | 695,000 | 690,306 |
| 2 | 145,001 | 150,000 | 299,729 | 1 | 705,001 | 710,000 | 707,805 |
| 1 | 155,001 | 160,000 | 158,198 | 1 | 745,001 | 750,000 | 748,018 |
| 2 | 160,001 | 165,000 | 320,420 | 1 | 755,001 | 760,000 | 755,985 |
| 1 | 165,001 | 170,000 | 165,709 | 1 | 765,001 | 770,000 | 767,324 |
| 3 | 185,001 | 190,000 | 563,410 | 1 | 840,001 | 845,000 | 842,782 |
| 1 | 190,001 | 195,000 | 193,780 | 1 | 895,001 | 900,000 | 897,103 |
| 2 | 200,001 | 205,000 | 407,847 | 1 | 935,001 | 940,000 | 939,667 |
| 1 | 205,001 | 210,000 | 207,926 | 1 | 950,001 | 955,000 | 950,612 |
| 1 | 210,001 | 215,000 | 210,275 | 1 | 965,001 | 970,000 | 969,036 |
| 2 | 215,001 | 220,000 | 437,146 | 1 | 975,001 | 980,000 | 978,536 |
| 1 | 240,001 | 245,000 | 241,888 | 1 | 1,060,001 | 1,065,000 | 1,061,719 |

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2018

| Shareholders | Form | to | Total Shares | Shareholders | Form | to | Total Shares |
|---|---|---|---|---|---|---|---|
| 1 | 1,385,001 | 1,390,000 | 1,389,541 | 1 | 3,600,001 | 3,605,000 | 3,603,635 |
| 1 | 1,590,001 | 1,595,000 | 1,594,629 | 1 | 4,355,001 | 4,360,000 | 4,359,891 |
| 1 | 1,645,001 | 1,650,000 | 1,648,500 | 1 | 4,915,001 | 4,920,000 | 4,916,500 |
| 1 | 1,675,001 | 1,680,000 | 1,677,239 | 1 | 5,925,001 | 5,930,000 | 5,929,364 |
| 1 | 1,680,001 | 1,685,000 | 1,684,101 | 1 | 7,375,001 | 7,380,000 | 7,378,002 |
| 1 | 2,595,001 | 2,600,000 | 2,600,000 | | | | |
| | | | | 2,335 | | | 80,000,000 |

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2018

| | Categories of Shareholders | Physical | CDC | Total | % age |
|---|---|---|---|---|---|
| | | (Number of shares held) | | | |
| 1 | Directors, Chief Executive Officer, Their Spouses and Minor Childern | | | | |
| | Chairman & Chief Executive Officer | | | | |
| | Mr. Shaukat Shafi | - | 488,624 | 488,624 | 0.61 |
| | Mr. Muhammad Anwar | - | 897,103 | 897,103 | 1.12 |
| | Directors | | | | |
| | Mr. Ahmad Shafi | - | 3,603,635 | 3,603,635 | 4.50 |
| | Mr. Amjad Mahmood | - | 102,589 | 102,589 | 0.13 |
| | Mr. Anjum Muhammad Saleem | 130 | 542,003 | 542,133 | 0.69 |
| | Mr. Khurram Mazhar Karim | - | 165,709 | 165,709 | 0.21 |
| | Mr. Khalid Bashir | - | 842,782 | 842,782 | 1.05 |
| | Director's Spouses and Their Minor Childern | | | | |
| | Mrs. Abida Anwar | - | 33,326 | 33,326 | 0.04 |
| | Mrs. Mehreen Ahmad | - | 64,000 | 64,000 | 0.08 |
| | Mrs. Naheed Amjad | - | 426,622 | 426,622 | 0.53 |
| | Mrs. Saira Anjum Saleem | - | 75,431 | 75,431 | 0.09 |
| | Mrs. Tanveer Khalid Bashir | - | 343,058 | 343,058 | 0.43 |
| | Mrs. Zahida Shaukat | - | 218,366 | 218,366 | 0.27 |
| | | 130 | 7,803,248 | 7,803,378 | 9.75 |
| 2 | Executives | 27 | 750,543 | 750,570 | 0.94 |
| 3 | Associated Companies, Undertakings & Related Parties | | | | |
| | Premier Insurance Limited | - | 755,985 | 755,985 | 0.94 |
| | Suraj Cotton Mills Limited | - | 1,648,500 | 1,648,500 | 2.06 |
| | Shakarganj Mills Limited | 5,898 | - | 5,898 | 0.01 |
| | Trustees - The Crescent Textile Mills Limited Empolyees' Provident Fund Trust | - | 7,378,002 | 7,378,002 | 9.22 |
| | | 5,898 | 9,782,487 | 9,788,385 | 12.23 |
| 4 | NIT & ICP (Name Wise Detail) | | | | |
| | CDC - Trustee National Investment (Unit) Trust | - | 1,684,101 | 1,684,101 | 2.11 |
| | Trustee National Bank Of Pakistan Employees' Pension Fund | - | 188,340 | 188,340 | 0.24 |
| | Trustee National Bank Of Pakistan Employees' Benevolent Fund Trust | - | 6,609 | 6,609 | 0.01 |
| | | - | 1,879,050 | 1,879,050 | 2.36 |
| 5 | Mutual Funds (Name Wise Detail) | | | | |
| | CDC-Trustee Nafa Asset Allocation Fund | - | 132,500 | 132,500 | 0.17 |
| | TRI Star Mutual Fund Limited | - | 383 | 383 | 0.00 |
| | | - | 132,883 | 132,883 | 0.17 |

# PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2018

| | | Physical | CDC | Total | % age |
|---|---|---|---|---|---|
| | | (Number of shares held) | | | |
| 6 | Banks, NBFCs, DFIs, Takaful, Pension Funds | 12,234 | 644,052 | 656,286 | 0.81 |
| 7 | Modarabas | 842 | - | 842 | - |
| 8 | Insurance Companies | 704 | 291,981 | 292,685 | 0.37 |
| 9 | Non-Residents | 5,128 | - | 5,128 | 0.01 |
| 10 | Other Companies, Corporate Bodies, Trust etc. | 55,810 | 17,623,052 | 17,678,862 | 22.10 |
| 11 | General Public | 3,405,027 | 37,606,904 | 41,011,931 | 51.26 |
| | | 3,485,800 | 76,514,200 | 80,000,000 | 100.00 |
| | Shareholders More Than 5.00% | | | | |
| | Trustees - The Crescent Textile Mills Limited Employees' Provident Fund Trust | | | 7,378,002 | 9.22 |
| | CS Capital (Private) Limited | | | 5,929,364 | 7.41 |
| | Munaf Ibrahim | | | 4,916,500 | 6.15 |
| | Crescent Cotton Mills Limited | | | 4,359,891 | 5.45 |

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting (AGM) of the shareholders of Crescent Textile Mills Limited (the "Company") will be held on Saturday, October 27, 2018 at 9:00 am at the registered office of the Company, 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore, to transact the following Ordinary Business:-

1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Chairman's Review, Directors' and Auditors' Reports.

2 To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors MS Riaz Ahmad & Co., Chartered Accountants for appointment as auditors of the Company.

By Order of the Board
Naseer Ahmad Chaudhary
Corporate Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T: +92-042-111-245-245
F: +92-042-111-222-245
Dated: October 05, 2018

Notes:

1. The Share Transfer Books of the Company will remain closed from 21 October 2018 to 27 October 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar, MS CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 October 2018, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.

2. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend and vote instead of him / her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

   a. For attending the meeting:

      i). In case of Individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or, original Passport at the time of attending the Meeting.

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

b. For Appointing Proxies

i). In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

ii). The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

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

vi). The proxy shall produce his original CNIC or original passport at the time of the Meeting.

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

5. CNIC / IBAN for E-Dividend Payment

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

6. Zakat Declarations

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

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

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

# NOTICE OF ANNUAL GENERAL MEETING

8. Tax Deductions from Filers and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

| S.No | Nature of Shareholders | Rate of deduction |
|---|---|---|
| 1 | Filers | 15.0% |
| 2 | Non- Filers | 20.0% |

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

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

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

| Folio / CDC Account No. | Name of Shareholder | CNIC | Shareholding | Total Shares | Principal / Joint Shareholder |
|---|---|---|---|---|---|

9. Unclaimed Dividend and Bonus Shares

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

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 provided in the annual report and also available on the company's website: www.crescenttextile.com.

11. Placement of Financial Statements

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2018 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.crescenttextile.com.

crestex

The Crescent Textile Mills Limited

**69th Annual General Meeting**

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore, Pakistan

# PROXY FORM

I/We _____ being member(s) of The Crescent Textile Mills Limited and holder of _____ shares as per Registered Folio # / CDC Participant ID # / Sub A/C # / Investor A/C # _____ do hereby appoint _____ of _____ or failing him _____ of _____ who is also member of the Company vide Registered Folio # _____ as my/our Proxy to attend, speak and vote for me / us and on my / our behalf at the 69th Annual General Meeting of the Company to be held on Saturday the October 27, 2018 at 9:00 a.m. at Registered Office 45-A, Off: Zafar Ali Road, Gulberg V, Lahore and at any adjournment thereof.

As witness my hand this _____ day of _____ 2018.

Witness's Signature
Name: _____
CNIC: _____
Address: _____

Witness's Signature
Name: _____
CNIC: _____
Address: _____

| Affix Revenue Stamp of Rs. 5/- |
|---|
| Member's Signature |

Date:

Place: Lahore

| CDC A/C # | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| CNIC # | | | | | | | | | |

Note:

1. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. CDC account holders will further have to follow the following guidelines:
   - i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
   - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
   - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   - iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
   - v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

crestex

The Crescent Textile Mills Limited

69واں سالانہ اجلاس عام
رجسٹرڈ آفس
45۔اے، آف: ظفر علی روڈ،
گلبرگ۔V، لاہور، پاکستان

# مختارنامہ

میں/ہم _____

کا/کے _____

بحیثیت رکن کریسنٹ ٹیکسٹائل ملز لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فولیو نمبر _____

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی) نمبر _____

اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____

محترم/محترمہ _____

کو اپنے/ہمارے ایماء پر _____ مورخہ 27 اکتوبر 2018ء ہفتہ

بمقام: _____ رجسٹرڈ آفس: 45-A، آف: ظفر علی روڈ، گلبرگ-V، لاہور۔

منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز _____ بتاریخ _____ 2018ء کو دستخط کئے گئے۔

## گواہان:

دستخط: _____

نام: _____

پتہ: _____

_____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

پانچ روپے مالیت کے رسید ٹکٹ پر دستخط

دستخط: _____

نام: _____

پتہ: _____

_____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

## نوٹ:

1۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کرسکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کردے۔

2۔ سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

(ب) مختارنامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

(ج) بینیفیشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختارنامہ کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز قرارداد/مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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