



**Crescent
Fibres**



**Half Yearly Report
December 31, 2015**



COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson, Non-Executive Director)
	Imran Maqbool	(Chief Executive, Executive Director)
	Humayun Maqbool	(Executive Director)
	Jahanzeb Saeed Khan	(Independent, Non-Executive Director)
	Nadeem Maqbool	(Non-Executive Director)
	Naila Humayun Maqbool	(Non-Executive Director)
	Riaz Masood	(Executive Director)

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

Audit Committee

Jahanzeb Saeed Khan	(Chairman)
Nadeem Maqbool	(Member)
Naila Humayun Maqbool	(Member)

Human Resources & Remuneration Committee

Naila Humayun Maqbool	(Chairperson)
Humayun Maqbool	(Member)
Nadeem Maqbool	(Member)

Auditors BDO Ebrahim & Company
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
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E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

MANAGEMENT REVIEW

The Company earned a profit of Rs. 4.8 million in the second quarter of the fiscal year, which when combined with a profit of Rs. 11.5 million in the first quarter, resulted in a net profit of Rs. 16.3 million for the six months ended December 31, 2015. The earnings per share for the period under review was Rs. 1.31 as compared to Rs. 8.04 for the period ended December 31, 2014.

The textile industry continues to face extreme recessionary conditions with weak demand and falling end product prices and margins. This is due to global growth slow down, falling commodity prices, increased financial market volatility, a marked slow down in the Chinese growth rate, devaluation of regional currencies, and rising cost of inputs among others.

In the period under review sales decreased by 1.0% as compared to the six month ended December 31, 2014. Owing to weak demand, sales prices were significantly lower as compared to the corresponding period, however, the impact on total revenues was mitigated by capacity addition at the Company's unit in Nooriabad. In the period under review, the gross margin decreased to 4.8 % as compared to 10.9% in the corresponding period. Owing to cost controls, selling, administrative and other costs were slightly lower at 3.2% of sales as compared to 3.5% for the previous period. The operating margin for the period under review decreased to 2.7% as compared to 8.1% for the period ended December 31, 2014. Financial charges increased from Rs. 24.3 million to Rs. 34.9 million primarily due to increase in long term debt which was obtained to finance installation of additional capacity. Overall, the net margin decreased to 1% as compared to 6.2% for the previous.

The outlook for textiles is likely to remain negative in the near term. Factors contributing to this include uncertain global economic situation, the slow down in Europe and China, non-availability of reliable and competitively priced energy, strong government support for regional competitors, the valuation of the rupee, and the expected reduction of 40% in the size of the local cotton crop.

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.



IMRAN MAQBOOL
Chief Executive Officer

February 27, 2016



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of CRESCENT FIBRES LIMITED ("the Company") as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended December 31, 2015 and December 31, 2014 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 27th February 2016

CHARTERED ACCOUNTANTS
Engagement Partner: Qasim E. Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015 (UN-AUDITED)**

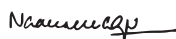
		December 31, 2015 (Un-audited) Rupees	June 30, 2015 (Audited) Rupees
	Note		
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,222,016,468	1,181,661,516
Capital work in progress	6	12,150,143	8,259,360
Long term investments		2,338,389	2,232,131
Long term deposits		18,717,248	17,864,198
Long term Loans & Advances		2,468,500	-
		<u>1,257,690,748</u>	<u>1,210,017,205</u>
CURRENT ASSETS			
Stores, spares and loose tools		71,186,601	56,192,388
Stock in trade	7	423,575,149	151,757,057
Trade debts		356,343,843	320,007,060
Loans and advances		18,351,480	19,124,332
Trade deposits and short term prepayments		13,660,556	12,091,003
Other receivables		1,160,420	1,013,792
Short term investments		259,575,112	206,623,478
Tax refunds due from Government		28,314,270	32,039,080
Taxation - net		9,988,035	8,272,494
Cash and bank balances		130,683,342	152,353,010
		<u>1,312,838,808</u>	<u>959,473,694</u>
TOTAL ASSETS		<u>2,570,529,556</u>	<u>2,169,490,899</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Reserves			
Unrealized gain on available for sale investment		20,879,431	23,423,513
Unappropriated profit		774,506,966	776,851,639
		<u>795,386,397</u>	<u>800,275,152</u>
		<u>919,565,157</u>	<u>924,453,912</u>
NON CURRENT LIABILITIES			
Long term financing	8	461,814,975	400,465,535
Liabilities against assets subject to finance leases		6,488,961	9,336,071
Deferred taxation		168,419,216	192,117,504
		<u>636,723,152</u>	<u>601,919,110</u>
CURRENT LIABILITIES			
Trade and other payables		484,652,701	415,389,773
Interest and markup accrued		34,474,806	33,012,371
Short term borrowings	9	405,706,668	66,126,996
Current portion of long term liabilities		89,407,072	128,588,737
		<u>1,014,241,247</u>	<u>643,117,877</u>
CONTINGENCIES AND COMMITMENTS			
	10		
TOTAL EQUITY AND LIABILITIES		<u>2,570,529,556</u>	<u>2,169,490,899</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Half Yearly Report



IMRAN MAQBOOL
Chief Executive




NADEEM MAQBOOL
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Note	Rupees	Rupees	Rupees	Rupees
Sales - net	1,593,022,631	1,609,196,055	890,544,948	818,108,358
Cost of sales	11 (1,517,171,429)	(1,433,200,064)	(850,493,903)	(721,949,470)
Gross profit	75,851,202	175,995,991	40,051,045	96,158,888
Selling and distribution expenses	(7,515,888)	(5,872,805)	(4,480,163)	(2,990,842)
Administrative and general expenses	(43,266,237)	(42,782,116)	(20,963,620)	(21,282,715)
Other operating expenses	(894,548)	(8,090,103)	(722,075)	(4,555,029)
Other operating income	19,281,301	11,143,438	13,572,722	5,259,289
Operating profit	43,455,830	130,394,405	27,457,909	72,589,591
Finance cost	(34,865,359)	(24,262,521)	(19,507,105)	(11,731,409)
Share of profit from associate	106,258	65,055	64,906	127,517
Profit before taxation	8,696,729	106,196,939	8,015,710	60,985,698
Taxation	12 7,585,412	(6,316,824)	(3,218,401)	6,417,017
Profit for the period	16,282,141	99,880,115	4,797,309	67,402,715
Earnings per share - basic and diluted (Rupees)	13 1.31	8.04	0.39	5.43

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	December 31, 2015 Rupees	December 31, 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,696,729	106,196,939
Adjustment for non cash charges and other items:		
Depreciation	60,441,071	42,541,032
(Gain) /Loss on disposal of operating fixed assets	(1,529,176)	1,796,960
Unrealized gain on remeasurement of investments	(2,544,082)	(3,230,036)
Share of profit from associate	(106,258)	(65,055)
Finance cost	34,865,359	24,262,521
	91,126,914	65,305,422
(Increase) / decrease in current assets		
Stores, spares and loose tools	(14,994,213)	(2,974,388)
Stock in trade	(271,818,092)	(280,451,506)
Trade debts	(36,336,783)	35,840,147
Loans and advances	772,852	(1,376,073)
Trade deposits and short term prepayments	(1,569,553)	(12,863,325)
Other receivables	(146,628)	(17,500)
Tax refund due from Government	3,724,810	11,587,280
	(320,367,607)	(250,255,365)
Increase in current liabilities		
Trade and other payables	69,262,928	114,484,348
Cash (used in) / generated from operations	(151,281,036)	35,731,344
Income tax paid	(19,550,960)	(16,652,735)
Finance cost paid	(33,402,924)	(27,728,821)
Net cash used in operating activities	(204,234,920)	(8,650,211)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(105,479,331)	(110,228,076)
Proceeds from disposal of operating fixed assets	2,321,700	11,555,000
Short term investment	(55,336,469)	3,131,380
Long term deposits	(3,321,550)	9,264,831
Net cash used in investing activities	(161,815,650)	(86,276,865)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	30,677,077	(11,001,986)
Repayment of liabilities against asset subject to finance leases	(7,888,501)	(14,297,397)
Dividend paid	(17,987,346)	(11,485,633)
Short term borrowings	339,579,672	127,208,416
Net cash generated from financing activities	344,380,902	90,423,400
Net decrease in cash and cash equivalents	(21,669,668)	(4,503,676)
Cash and cash equivalents at the beginning of the period	152,353,010	141,018,354
Cash and cash equivalents at the end of the period	130,683,342	136,514,678

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**


	Issued, subscribed and paid-up capital	Reserves		Total
		Unrealized gain on available for sale investment	Unappropriated profit	
Balance as at July 1, 2014	124,178,760	28,482,412	744,738,678	897,399,850
Total comprehensive income for the year				
Profit for the half year ended December 31, 2014	-	-	99,880,115	99,880,115
Other comprehensive Loss	-	(4,617,633)	-	(4,617,633)
	-	(4,617,633)	99,880,115	95,262,482
Transactions with owners				
Dividend paid			(12,417,876)	(12,417,876)
Balance as at December 31, 2014	<u>124,178,760</u>	<u>23,864,779</u>	<u>832,200,917</u>	<u>980,244,456</u>
Balance as at July 1, 2015	124,178,760	23,423,513	776,851,639	924,453,912
Total comprehensive income for the year				
Profit for the half year ended December 31, 2015	-	-	16,282,141	16,282,141
Other comprehensive Loss	-	(2,544,082)	-	(2,544,082)
Profit for the half year ended December 31, 2015	-	(2,544,082)	16,282,141	13,738,059
Transactions with owners				
Dividend paid			(18,626,814)	(18,626,814)
Balance as at December 31, 2015	<u>124,178,760</u>	<u>20,879,431</u>	<u>774,506,966</u>	<u>919,565,157</u>

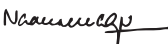
The annexed notes from 1 to 17 form an integral part of these financial statements.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Half Yearly ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees	Rupees	Rupees	Rupees
Profit for the period	16,282,141	99,880,115	4,797,309	67,402,715
Other comprehensive income				
Items that will be reclassified to profit and loss account on derecognition				
Unrealized loss on remeasurement of available for sale investments	(2,544,082)	(4,617,633)	(1,591,284)	(3,664,835)
Total comprehensive income for the period	<u>13,738,059</u>	<u>95,262,482</u>	<u>3,206,025</u>	<u>63,737,880</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Half Yearly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on all the stock exchanges in Pakistan. The Company is engaged in the manufacturing, sale and trading of yarn. The registered office of the Company is situated at 104- Shadman 1, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

This condensed interim financial information of the Company for the six months period ended December 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2015.

The comparative balance sheet presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2015, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2015.

2.2 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention, except for available for sale investments which are carried at fair value.

This condensed interim financial information have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2015.

3.2 Amendments and interpretations to published accounting standards effective for the financial year ending June 30, 2016 are not expected to have material impact on the Company's condensed interim financial information except for certain disclosure requirements as per IFRS 13 Fair Value Measurements.

4. ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2015.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	December 31, 2015 (Un-audited) Rupees	June 30, 2015 (Audited) Rupees
5. OPERATING FIXED ASSETS		
Opening net book value (NBV)	1,181,661,516	844,069,992
Additions (at cost) during the period / year	5.1 101,588,548	445,165,852
	<u>1,283,250,064</u>	<u>1,289,235,844</u>
Disposals (at NBV) during the period / year	5.2 792,525	16,420,140
Depreciation charged during the period / year	60,441,071	91,154,188
	<u>61,233,596</u>	<u>107,574,328</u>
Closing net book value (NBV)	<u>1,222,016,468</u>	<u>1,181,661,516</u>
5.1 Details of additions (at cost) during the period / year are as follows:		
Owned		
Building	-	57,806,524
Plant and machinery	97,458,048	377,680,084
Vehicles	1,970,500	696,744
Office equipment	-	155,000
Electric Installation		6,450,000
Leased		
Vehicles	2,160,000	2,377,500
	<u>101,588,548</u>	<u>445,165,852</u>
5.2 Details of disposals (at NBV) during the period / year are as follows:		
Owned		
Plant and machinery	-	15,871,927
Vehicles	792,525	487,013
Office Equipment		61,200
	<u>792,525</u>	<u>16,420,140</u>
6. CAPITAL WORK IN PROGRESS		
This consists of:		
Building /improvements on leasehold land	12,150,143	8,259,360
	<u>12,150,143</u>	<u>8,259,360</u>
7. STOCK IN TRADE		
Raw material in hand	330,977,994	79,802,785
Work-in-process	52,471,620	53,827,612
Finished goods	40,125,535	18,126,660
	<u>423,575,149</u>	<u>151,757,057</u>
8. LONG TERM FINANCING		
From banking companies - secured		
Balance as at July 01	508,914,329	257,896,699
Obtained during the period	79,859,697	338,896,200
	<u>588,774,026</u>	<u>596,792,899</u>
Repayments made during the period / year	(49,182,620)	(87,878,570)
	<u>539,591,406</u>	<u>508,914,329</u>
Less: Current portion shown under current liabilities	(77,776,431)	(108,448,794)
	<u>461,814,975</u>	<u>400,465,535</u>
9. SHORT-TERM FINANCING		
From banking companies - secured		
Running / cash finance	393,706,668	54,126,996
Bill discounting	9.1 12,000,000	12,000,000
	<u>405,706,668</u>	<u>66,126,996</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

- 9.1 The balance represents short term borrowings and markup accrued thereon payable to a financial institution. No provision for markup has been recorded on this balance since June 30, 2012. The company has received a nil balance certificate from the Bank and no claim has been received in respect of the amount outstanding from this financial institution or third party. Management considers it necessary to retain the balance outstanding in the books as no settlement has taken place.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- a) There is a contingent liability in respect of bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 37.873 million (June 30, 2015 : Rs. 37.873 million).
- b) Crescent Cotton Mills Limited has filed a case against Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has a recorded liability of Rs. 17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company is confident that the balance amount shall not be payable.

10.2 Commitments

The Company is committed as at the balance sheet date as follows:

Letters of credit against import of plant and machinery amounting to Rs. 39.091 million (June 30, 2015: Rs. 85.568 million).

Letters of credit against import of raw cotton amounting to Rs. 46.150 million (June 30, 2015: nil).

11. COST OF SALES

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Un-audited)			
	Rupees			
Materials consumed	980,140,001	951,204,466	557,962,187	468,577,787
Stores, spares and loose tools consumed	37,719,711	28,379,017	20,352,778	13,640,072
Packing material consumed	26,083,577	23,601,460	13,519,816	12,153,773
Salaries, wages and other benefits	162,249,343	121,018,770	86,263,933	62,896,650
Fuel and power	244,878,557	251,658,905	125,426,447	133,631,029
Insurance	4,500,629	4,153,127	2,424,931	2,006,378
Repairs and maintenance	3,537,639	1,231,989	1,281,462	608,848
Depreciation	57,951,305	39,864,237	28,987,136	20,612,539
Other manufacturing overheads	9,485,552	8,362,826	4,464,743	3,734,897
	1,526,546,314	1,429,474,798	840,683,433	717,861,974
Opening work in process	53,827,611	61,331,833	52,305,934	63,403,395
Closing work in process	(52,471,621)	(61,326,868)	(52,471,621)	(61,326,868)
	1,355,990	4,965	(165,687)	2,076,527
Cost of goods manufactured	1,527,902,304	1,429,479,763	840,517,746	719,938,501
Cost of goods purchased for trading	11,268,000	1,100,000	9,000,000	1,100,000
Opening stock of finished goods	18,126,660	23,255,384	41,101,692	21,546,052
Closing stock of finished goods	(40,125,535)	(20,635,082)	(40,125,535)	(20,635,082)
	(21,998,875)	2,620,302	976,157	910,970
	1,517,171,429	1,433,200,064	850,493,903	721,949,470

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

12. TAXATION

The provision for taxation for the half year and quarter ended December 31, 2015 has been made using the estimated effective tax rate applicable to expected total annual earnings.

13. EARNINGS PER SHARE -BASIC AND DILUTED

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

Profit for the period (Rupees)	16,282,141	99,880,115	4,797,309	67,402,715
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	1.31	8.04	0.39	5.43

14. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the Company	Nature of transaction	Half year ended		Quarter ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		(Un-audited)			
Rupees					
Associated companies	Sales of goods and services	14,283,010	25,585,884	12,528,920	9,996,000
	Insurance premium	13,703,385	12,753,205	1,544,595	1,572,255
	Donation paid	60,000	60,000	30,000	30,000
	Rent received	220,188	200,010	220,188	103,170
	Rent paid	2,010,000	2,010,000	1,005,000	1,005,000
	Dividend Paid	7,093,289	5,455,791	7,093,289	5,455,791
Retirement benefit plans	Contribution to staff retirement benefit plans	5,960,331	5,005,351	3,050,025	2,738,373
Key management	Remuneration and benefits	12,889,097	12,712,655	6,253,319	6,722,616

14.1 There are no transactions with key management personnel other than under their terms of employment.

14.2 The above transactions with related parties are based at arm's length at normal commercial rates.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** quoted prices in active markets for identical assets or liabilities.
- Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

As at December 31, 2015, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Available for sale	52,739,332	-	140,065	52,879,397
At fair value through profit or loss	205,495,715	-	-	205,495,715
	258,235,047	-	140,065	258,375,112

As at June 30, 2015, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Available for sale				
Shares	55,283,413	-	140,065	55,423,478

Valuation techniques

For Level 3 available-for-sale investments the Company values the investment at carrying value which approximates the fair value of the investment.

Transfers during the period

During the 6 month period to December 31, 2015, there were no transfers into or out of Level 3 fair value measurements.


16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue on 27th February 2016 by the Board of Directors of the Company.

17. GENERAL

Amounts have been rounded off to the nearest of rupees.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director



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