



**Crescent
Fibres**



**Annual Report
2016**



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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)
	Mansoor Riaz	(Non-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)
Jahanzeb Saeed Khan	(Member)
Nadeem Maqbool	(Member)

Auditors BDO Ebrahim & Company
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
Lahore - 54000
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E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the shareholders of Crescent Fibres Limited will be held on Monday the 31st October, 2016 at 9.30 a.m. at Registered Office of the Company 104-Shadman-1, Lahore to transact the following business:

1. To receive, consider and adopt Audited Accounts of the Company for the year ended 30th June, 2016 together with Auditors and Directors reports thereon.
2. To approve payment of cash dividend @ 10% i.e. Rs. 1.00 per share for the year ended June 30, 2016 as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration. The retiring auditors M/s. BDO Ebrahim & Company, Chartered Accountants offer themselves for re-appointment.

October 07, 2016
REGISTERED OFFICE
104-Shadman-1, Lahore,

By Order of the Board
JAVOID HUSSAIN
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 22nd October, 2016 to 31st October, 2016 (both days inclusive).
2. In view of SECP directives to withhold Dividend Warrants of those members or their authorized persons, who have not yet provided an attested copy of their CNIC, shareholders are once again requested to provide attested copies of their CNICs directly to the Company. Corporate entities are requested to provide their National Tax Number (NTN).
3. A member eligible to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be valid must be received by the company duly completed not less than 48 hours before the Meeting.
4. CDC shareholders are requested to bring with them their National Identity Cards alongwith participants' ID number and their account numbers at the time of Annual General Meeting in order to facilitate identification. In case of corporate entity, a certified copy of the resolution passed by the Board of Directors/valid Power of Attorney with the specimen signature of the nominee be produced at the time of meeting.
5. Pursuant to SECP Notification S.R.O 787(I)/ 2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting request.
6. Pursuant to the provisions of Finance Act, 2016, effective July 01, 2016, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
 1. Rate of tax deduction for filer of income tax returns 12.50%
 2. Rate of tax deduction for non filer of income tax returns 20.00%

The FBR has clarified that where the shares are held in joint names, each account/joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportion to the Company latest by 22nd October, 2016, in the following format:

Folio/CDC A/c No.	Name of Principal Shareholders/joint holders	Shareholding Proportion	CNIC No. (Copy Attached)	Signature

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

MISSION STATEMENT

To achieve a leadership position in providing innovative and high-quality products in all sectors of operations.

To be recognized as an organization that delivers on its commitments with integrity and excellent value.

To foster an environment of growth, prosperity, and long term relationships, through dedication to the principles of openness, honesty, and professionalism.

To be an equal opportunity employer, and to motivate and empower every employee to strive for excellence in meeting the needs of our customers.

To be a responsible corporate citizen and contribute to our community by participating in social and environmental causes.

DIRECTORS' REPORT

The Company reported after tax profit of Rs. 30.2 million for the year ended June 30, 2016 as compared to a profit of Rs. 44.5 million for the twelve months ended June 30, 2015. The earnings per share for the period under review was Rs. 2.43.

Crescent Fibres Limited

Summarized Financial Results

Rupees in millions	Year Ended		Year Ended	
	30-Jun-16		30-Jun-15	
	Rs.	% of Sales	Rs.	% of Sales
Sales	3,501.8	100.0%	3,113.6	100.0%
Cost of Sales	(3,317.3)	94.7%	(2,847.7)	91.5%
Gross Profit	184.5	5.3%	265.9	8.5%
Distribution Cost	(95.9)	2.7%	(86.7)	2.8%
Administrative Expenses	(16.7)	0.5%	(12.5)	0.4%
Other Expenses	38.9	1.1%	30.7	1.0%
Other Income	(2.7)	0.1%	(17.0)	0.5%
Profit from Operations	108.1	3.1%	180.3	5.8%
Financial Charges / Other	(78.5)	2.2%	(54.7)	1.8%
Profit before Taxation	29.5	0.8%	125.7	4.0%
Taxations	0.7	0.0%	(81.2)	2.6%
Profit After Taxes	30.2	0.9%	44.5	1.4%
Earnings per Share	2.43		3.59	

The textile industry in Pakistan has been going through a prolonged recessionary period characterized by weak demand, low end product prices and eroding margins. Factors contributing to this include high cost of doing business, a global growth slow down, devaluation of regional currencies, increased financial and commodity market volatility and a significant economic slowdown in China. Overall, sales increased by 12.5% as compared to the year ending June 2015. This was primarily attributable to the additional capacity installed at the Company's unit in Nooriabad. The gross margin for the year was 5.3% as compared to 8.5% in the previous year. Distribution and administrative expenses at 2.7% of sales were slightly lower as compared to last year largely due to the increase in sales. The operating margin in the period under review was 3.1% as compared to 5.8% for the year ended June 30, 2015. The financial charges paid were higher at 2.2% of sales as compared to 1.8% in the previous period due to the increased leverage taken on to finance the capacity expansion at the Nooriabad unit. Overall, the net margin for the year was 0.9% as compared to 1.4% for the year ended June 30, 2015.

DIVIDEND

The Board of Director's has approved a final cash dividend of 10% which translates to Rs. 1 per share.

COMMITTEES

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee with the following members

Audit Committee

Jahanzeb Saeed Khan, Chairman (Independent, Non-Executive)

Nadeem Maqbool, Member (Non-Executive)

Naila Humayun Maqbool, Member (Non-Executive)

The Board has also established a Human Resource and Remuneration Committee with the following members

Human Resource and Remuneration Committee

Naila Humayun Maqbool, Chairman (Non-Executive)

Jahanzeb Saeed Khan, Member (Independent, Non-Executive)

Nadeem Maqbool, Member (Non-Executive)

FUTURE OUTLOOK

Growth prospects for the global economy continue to weaken, and recent events such as the Brexit vote, terrorist attacks around the world, and the upcoming US presidential election are creating elevated levels of uncertainty for businesses.

The outlook for textiles is likely to remain negative in the near term. The uncertain global economic situation, particularly the slowdown and currency devaluation in China, is likely to keep demand for end products weak and end prices low. Apart from market dynamics, the Pakistani textile industry faces several other challenges.

These include continued shortfalls in cotton production, high cost of doing business, uncertainty relating energy supply and pricing, unrealistic currency valuation and high local taxes and surcharges. The situation is further exacerbated by the strong government support being offered to our regional competitors in the form of subsidies and export incentives.

The Management will continue to strive to minimize the impact of the uncertain economic environment through improved efficiency and productivity and sound, low risk decision-making. However, to ensure long term success these efforts must be supported by strong growth of global economies, availability of reliable and competitively priced energy, and improved government policies.

CORPORATE GOVERNANCE & FINANCIAL REPORTING FRAMEWORK

Under rules framed by the regulatory authorities, the Management is required to include the following statements relating to Corporate Governance and Financial Reporting Framework in the Director's Report:

- (a) The financial statements prepared by the Management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed and explained.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts with regard to the Company's ability to continue as a going concern.

- (g) Key operating and financial data for the last six years has been included elsewhere in the annual report.
- (h) There has been no significant departure from the best practices of corporate governance, as detailed in the listing regulations.
- (i) All details regarding taxes and levies are disclosed in the financial statements and notes annexed to the audited accounts.
- (j) The value of investments of the provident fund based on audited accounts for the Year Ended June 30, 2016 was Rs. 56.073 million.
- (k) During the year, four meetings of the Board of Directors were held. Attendance was as follows:
1. Imran Maqbool, Chief Executive Officer (4)
 2. Humayun Maqbool (4)
 3. Jahanzeb Saeed Khan (4)
 4. Khawar Maqbool (4)
 5. Nadeem Maqbool (4)
 6. Naila Maqbool (4)
 7. Riaz Masood (3) – retired on April 30, 2016
 8. Mansoor Riaz (0) – elected on May 1, 2016
- (l) During the year, four meetings of the Audit Committee were held. Attendance was as follows:
1. Jahanzeb Saeed Khan, Chairman (4)
 2. Nadeem Maqbool, Member (4)
 3. Naila Humayun Maqbool, Member (4)
- (m) During the year, two meetings of the Human Resource and Remuneration Committee were held. Attendance was as follows:
1. Naila Humayun Maqbool, Chairperson (2)
 2. Jahanzeb Saeed Khan, Member (2)
 3. Nadeem Maqbool, Member (2)
- (n) During the year Naila Humayun Maqbool, Mansoor Riaz and Jahanzeb Saeed Khan completed training under the Director's Training Program. The company is compliant with Clause 5.19.7 of the Code of Corporate Governance.
- (o) Pattern of Shareholding is included elsewhere in the annual report.
- (p) Details regarding shares traded / right share subscribed in the financial year by Directors, CEO, CFO, Company Secretary and their spouses and minor children are as follows:
- Imran Maqbool – 11,000 shares
Humayun Maqbool – 8,000 shares
Riaz Masood – 30,500 shares

AUDITORS

The present auditors, BDO Ebrahim & Co. retire, and being eligible have offered themselves for re-appointment.

APPRECIATION

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

کمپنی نظام (ڈائریکٹرانس) کی رپورٹ:

کمپنی نے سال ختمہ 30 جون 2016ء میں بعد ادا کی گئی ٹیکس مبلغ 30.2 ملین روپے منافع حاصل کیا ہے۔ جس کے مقابلے میں گذشتہ سال ختمہ 30 جون 2015ء کا منافع 44.5 ملین روپے تھا۔ کمپنی کی آمدنی اس سال 2.43 روپے فی حصہ پر رہی ہے۔

کرینٹ فاہر زلمیٹڈ

غلام مالینیاتی نتائج:

سال ختمہ 2015 جون 30		سال ختمہ 2016 جون 30		روپے (ملین میں)
فیصد	روپے	فیصد	روپے	
100%	3113.6	100%	3501.8	کل فروخت
91.5%	(2847.7)	94.7%	(3317.3)	لاگت فروخت
8.5%	265.9	5.3%	184.5	کل منافع
2.8%	(86.7)	2.7%	(95.9)	لاگت تنقیحی
0.4%	(12.5)	0.5%	(16.7)	انتظامی اخراجات
1.0%	30.7	1.1%	38.9	دیگر اخراجات
0.5%	(17.0)	0.1%	(2.7)	دیگر آمدنی
5.8%	180.3	3.1%	108.1	چلتے ہوئے کام سے منافع
1.8%	(54.7)	2.2%	(78.5)	مالینیاتی اخراجات/دیگر
4.0%	125.7	0.8%	29.5	منافع قبل از ٹیکس
2.6%	(81.2)	0.0%	0.7	ٹیکس
1.4%	44.5	0.9%	30.2	منافع بعد از ٹیکس
	3.59		2.43	آمدنی فی حصہ

پاکستان میں ٹیکسٹائل کی صنعت طویل عرصہ سے اتری کا دکھارہی ہے۔ چیدہ چیدہ محرکات میں ٹیکسٹائل مصنوعات کی طلب میں کمی ہونا، مصنوعات کی قیمت فروخت میں ارزانی، صنعت کو متعلقہ فوائد کے حصول میں رکاوٹ، کاروباری اخراجات میں اضافہ، اسکے علاوہ عالمی کساد بازاری، علاقائی ممالک کی کرنسیوں کی قیمت میں تخفیف، مالینیاتی اور مصنوعات کی مارکیٹ میں بلاوجہ تغیر، ہمسایہ بڑے ملک چین میں اقتصادی سر و بازاری وغیرہ، تاہم کمپنی کی مجموعی مال کی مالیت فروخت میں گذشتہ سال کے مقابلے میں 12.5% اضافہ رہا۔ جس کی وجہ سے کمپنی کی آمدنی پر 2.7% پر تقسیم کار اور انتظامی اخراجات کی فروخت میں اضافے کی بڑی وجہ گذشتہ سال کے مقابلے میں مستحق آؤٹ پرائنگ مارننگ گذشتہ سال کے مقابلے میں 5.8% سے کم ہو کر 3.1% رہا۔ مالینیاتی اخراجات میں 2.2% اضافہ ہوا جس کی وجہ سے آمدنی پر 1.8% بڑھے تھے۔ مجموعی طور پر سال رواں میں خالص منافع 0.9% رہا جو گذشتہ برس 1.4% تھا۔

منافع تقسیم:

کمپنی کے نظام نے 10% نقد منافع تقسیم کی ادائیگی منظور کی ہے جو کہ فی حصہ 1 روپیہ ہے۔

کمپنیاں:

کمپنی کے کارپوریٹ گورننس کے ضابطہ کے مطابق بورڈ آف ڈائریکٹرز نے مندرجہ ذیل اراکین کے ساتھ ایک آؤٹ کمپنی تشکیل دی ہے۔

آؤٹ کمپنی:

جہانزیب سعید خان، چیئر مین (آزاد، نان ایگزیکٹو)

ندیم مقبول، رکن (نان ایگزیکٹو)

ناکملہ ہمایوں مقبول، رکن (نان ایگزیکٹو)

یورڈنہ درج ذیل اراکین کے ساتھ انسانی وسائل اور معاوضہ کمپنی بھی تشکیل دی ہے۔

انسانی وسائل اور معاوضہ (R & HR) کمپنی:

ناکملہ ہمایوں مقبول، چیئر پرسن (نان ایگزیکٹو)

جہانزیب سعید خان، رکن (آزاد، نان ایگزیکٹو)

ندیم مقبول، رکن (نان ایگزیکٹو)

مستقبل کا منظر نامہ:

مستقبل میں عالمی اقتصادیات غیر مطمئن اور ناقابل یقین ہونے کی وجہ سے مزید بد حالی اور انتشار کا شکار رہے گی۔ جن میں نمایاں نقصان Brexit Vote، دنیا کے کئی ممالک میں دہشت گردی کی ہولناکیاں، مزید خطرہ اور امریکہ میں آئندہ صدارتی الیکشن کی وجہ سے کاروباری صنعتی دنیا پر منفی اثرات سے منسلک ہے۔ لہذا ان وجوہات کی وجہ سے ممکن ہے صنعت و کاروبار میں حالات جلد بہتر نہ ہوں۔ اس وقت عالمی غیر یقینی اقتصادی حالات کے بعد قابل ذکر عوامل مثلاً چین کی کرنسی کا گرنا ہماری ایک سپورٹ سیل پر منفی اثر ڈالے گا۔ اس کے علاوہ پاکستانی ٹیکسٹائل صنعت کو کئی دیگر چیلنج درپیش ہیں جس میں کمپنی اس کی پیداوار میں افسوس ناک حد تک کمی، کاروباری معاملات میں اخراجات میں اضافے کا رجحان، بجلی کی کم اور بے قاعدہ سپلائی اور گران قیمت کے نقصانات، بجلی کرنسی کی تاہواری اور غیر مناسبت ٹیکسوں اور سرچارج کا بوجھ۔ اس پرستہ یہ کہ حکومت ٹیکسٹائل سے متعلقہ کرنے والی صنعتوں کو رعایت اور ایکسپورٹ سہولیات فراہم کر کے ملک کی اس سب سے بڑی صنعت کو سنبھالنے دے رہی۔

غیر موافق حالات کے باوجود کینیٹا انتظامیہ (مینجمنٹ) پوری تہمتی محنت، ہنرمندی اور تعمیری دہن سے ناساز حالات کا سامنا کر کے پیداوار کی بہتر کوالٹی اور لاگت میں کمی کے لئے ٹھوس اقدام، جدید منظم اور محفوظ طریقوں پر کاربند ہے اور بہتر مستقبل کے لئے پرامید ہے۔ تاہم ان مقاصد کی تکمیل کے لئے ضروری ہے کہ عالمی اقتصادی حالات بہتر ہونے کے علاوہ حکومت بجلی کی باقاعدہ حکومت بجلی کی باقاعدہ اور معقول نرخوں پر سپلائی اور صنعت اور عوام کے لئے مفید دور رس پالیسی پر عمل پیرا ہو۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

- تفصیلی اداروں کے بنائے گئے قوانین کے تحت کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک سے متعلق مینجمنٹ میں مندرجہ ذیل بیانات کو ڈائریکٹر پورٹ میں شامل کرنے کی ضرورت ہے۔
- کینیٹا کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
 - کینیٹا کے کھاتہ جات، بالکل صحیح طور سے بنائے گئے ہیں۔
 - مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
 - مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
 - اندرونی کنٹرول کے نظام کا ڈیزائن منظم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
 - کینیٹا کے گولڈ کنٹریں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
 - گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
 - وہاں کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بھی قابل ذکر وہاں لگائی گئی ہے جس کے ضابطے میں تفصیلی طور پر کیا گیا ہے۔
 - ٹیکس، لیویز سے متعلق تمام تفصیلی کوالی حسابات اور ملاحظہ ٹوٹس آڈٹ اکاؤنٹس میں ظاہر کردئے گئے ہیں۔
 - آڈٹ اکاؤنٹس کی بنیاد پر 30 جون 2016 کے سال بختمیہ کے لئے پروویڈنٹ فنڈ کی سرمایہ کاری کی قدر 56.073 ملین تھی۔
 - سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ حاضری درج ذیل ہیں۔

۱۔ عمران مقبول، چیف ایگزیکٹو آفیسر (۴)

۲۔ ہمایوں مقبول (۴)

۳۔ جہانزیب سعید خان (۴)

۴۔ خاور مقبول (۴)

۵۔ ندیم مقبول (۴)

۶۔ نائلہ ہمایوں مقبول (۴)

۷۔ ریاض مسعود (۴)۔ ریٹائرڈ مورخہ اپریل 2016-30

۸۔ منصور ریاض (0)۔ منتخب مورخہ یکم مئی 2016

۱۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ حاضری درج ذیل ہے۔

۱۔ جہانزیب سعید خان چیئر مین (۴)

۲۔ ندیم مقبول رکن (۴)

۳۔ نائلہ ہمایوں مقبول رکن (۴)

۴۔ سال کے دوران انسانی وسائل اور محافظہ کمیٹی کے دو اجلاس منعقد ہوئے۔ حاضری درج ذیل ہے۔

۱۔ نائلہ ہمایوں مقبول چیئر پرسن (۴)

۲۔ ندیم مقبول رکن (۴)

۳۔ جہانزیب سعید خان رکن (۴)

۵۔ سال کے دوران نائلہ ہمایوں مقبول، منصور ریاض اور جہانزیب سعید خان نے ڈائریکٹر ترقیاتی پروگرام کی سرٹیفیکیشن (سند) حاصل کی ہیں۔ کمیٹی کے کارپوریٹ گورننس رول بک کے قوانین 5.19.7 کی ضروریات پر عمل کیا ہے۔

۶۔ سالانہ رپورٹ میں حصہ داران کی ترتیب شامل کردی گئی ہے۔

۷۔ حصص میں کمیٹی کے ڈائریکٹرز ہی ای او بی ایف اور کینیٹا بکٹری اور ان کے ذریعہ اور نابالغ بچوں کی طرف سے درج ذیل تجارت اس سال کے دوران کی گئی ہے۔

عمران مقبول - 11000 حصص خرید

ہمایوں مقبول - 8000 حصص خرید

ریاض مسعود ریٹائرڈ - 30500 حصص خرید

محاسب کی تقرری:

موجودہ ڈائریکٹر "بیمرز ڈی او ایب ایم ایچ کمیٹی" کی خدمات کا عرصہ مکمل ہو چکا ہے اور دوبارہ تعیناتی کے لئے اپنی خدمات پیش کی ہیں۔

اعتراف:

کینیٹا کی انتظامیہ عمل کی مسلسل محنت اور جذبے پر اچھے تعلقات کا اعتراف کرتی ہے اور کینیٹا ڈائریکٹرز، بینکرز اور حصہ داران کا بھی مسلسل حمایت پر شکریہ ادا کرتی ہے۔

Imran Majeed

عمران مقبول

چیف ایگزیکٹو

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Crescent Fibres Limited for the year ended June 30, 2016 to comply with the requirements of Regulation 5.19 of Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

KARACHI

DATED: October 07, 2016

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

Name of Company : Crescent Fibres Limited

Year ended: June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in the Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principal contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive director and director representing minority interest on its board of director. At present the board include:

Category	Names
Independent Director	Jahanzeb Saeed Khan
Executive Director	Imran Maqbool Humayun Maqbool
Non-Executive Director	Khawar Maqbool Nadeem Maqbool Naila Humayun Maqbool Mansoor Riaz

The Independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident Director of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year no casual vacancy occurred in the Board during the year. However, the election of Directors was held during the year in which seven Directors were elected for a term of three years.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairperson and in her absence, by a Director elected by the Board for this purpose and Board met at least once in every quarter. Written notice of the board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The Company has complied the requirement of clause 5.19.7 regarding Director's Training Program.
10. The board has approved appointments of CFO, Company's Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

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11. The director's report for this year has been prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the board.
13. The director, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom two are non executive director and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non executive director and the chairperson of the committee is a non executive director.
18. The board has set up an effective internal audit function which is headed by a cost and management accountant who is suitably qualified and experienced for the purpose and is well conversant with the policies and procedures of the Company.
19. 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, 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.
20. The statutory auditors of the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to director, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the CCG have been compiled.

October 07, 2016

On behalf of the Board of Directors



IMRAN MAQBOOL
CHIEF EXECUTIVE

FINANCIAL SUMMARY

OPERATING RESULTS:	JUNE 2016	JUNE 2015	JUNE 2014	JUNE 2013	JUNE 2012	JUNE 2011
Net Sales	3,501,765,456	3,113,640,693	3,524,062,023	3,143,650,003	2,790,421,868	2,718,476,154
Cost of Sales	3,317,253,287	2,847,729,211	3,097,094,499	2,699,445,832	2,515,100,271	2,437,710,090
Distribution and admin. Expenses	112,580,214	99,231,780	88,119,585	81,921,483	73,217,593	67,275,551
Financial Charges	78,338,532	54,841,928	70,360,421	70,834,987	97,052,678	62,998,292
Other operating expenses	2,737,661	17,007,784	21,157,052	24,497,107	12,432,450	12,160,834
Other operating income - Net	38,857,822	30,669,059	22,370,359	18,032,470	16,042,023	20,222,177
Share of associate profit	(196,009)	181,934	(249,847)	39,904	5,827	172,946
Pre-Tax Profit/ (Loss)	29,517,575	125,680,983	269,450,978	285,022,968	108,666,726	158,726,510
Taxation	(661,680)	81,150,146	93,752,354	41,422,094	35,006,439	30,104,412
Extraordinary item						
Net Income	30,179,255	44,530,837	175,698,624	243,600,874	73,660,287	128,622,098

PER SHARE RESULTS AND RETURN:

Share Price	39.90	43.50	29.80	31.05	8.50	12.95
Earning Per Share	2.43	3.59	14.15	19.62	5.93	10.36
Dividend Per Share	1.00	1.50	1.00	1.50	1.00	-
Net Income Sales Percent	0.86%	1.43%	4.99%	7.75%	2.64%	4.73%
Return on Average Assets Percent	1.34%	2.27%	10.44%	16.45%	5.47%	12.31%
Return on Average Equity Percent	3.25%	4.89%	21.44%	39.60%	16.53%	37.33%

FINANCIAL POSITION:

Current Assets	1,079,631,770	959,473,694	878,468,092	833,093,406	666,068,574	653,777,689
Current Liabilities	838,581,419	643,117,877	532,481,773	517,174,728	490,314,672	542,499,819
Operating Fixed Assets	1,245,262,713	1,189,920,876	844,614,234	751,415,870	649,682,681	651,592,808
Total Assets	2,345,597,530	2,169,490,899	1,747,347,502	1,617,161,979	1,343,697,481	1,349,195,032
Long Term Debt	409,598,099	400,465,535	158,503,907	203,304,923	248,028,762	320,504,714
Shareholders Equity	935,209,375	924,453,912	897,399,846	741,779,245	488,593,030	402,413,928
Break-up Value Per Share	75.31	74.45	72.27	59.73	39.35	32.41

FINANCIAL RATIOS:

P/E Ratio	16.42	12.13	2.11	1.58	1.43	1.25
Current Ratio	1.29	1.49	1.65	1.61	1.36	1.21
Total Debt to Total Assets Percent	60.13%	57.39%	48.64%	54.13%	63.64%	70.17%
Interest Charges Cover (Times)	1.377	3.292	4.830	5.024	2.120	3.520
Inventory Turnover (Times)	15.952	13.493	12.796	10.319	9.781	10.924
Fixed Assets Turnover (Times)	2.812	2.617	4.172	4.184	4.295	4.172
Total Assets Turnover (Times)	1.493	1.435	2.017	1.944	2.077	2.015

OTHER DATA:

Depreciation and Amortization	123,123,436	91,154,188	80,563,100	66,898,499	67,511,276	35,601,334
Capital Expenditure	186,156,001	452,880,970	144,552,056	140,746,469	57,147,062	398,473,138

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT FIBRES LIMITED** as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat fund established under Section 7 of that Ordinance.

KARACHI
DATED: October 07, 2016

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali 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.

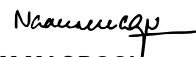
BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,245,262,713	1,181,661,516
Capital work-in-progress	6	-	8,259,360
		<u>1,245,262,713</u>	<u>1,189,920,876</u>
Long term investments	7	1,987,549	2,232,131
Long-term deposits	8	18,715,498	17,864,198
		<u>1,265,965,760</u>	<u>1,210,017,205</u>
CURRENT ASSETS			
Stores, spares and loose tools	9	56,971,130	56,192,388
Stock-in-trade	10	239,201,212	151,757,057
Trade debts	11	489,355,247	320,007,060
Loans and advances	12	5,523,812	19,124,332
Trade deposits and short term prepayments	13	14,691,542	12,091,003
Other receivables	14	627,319	1,013,792
Short term investments	15	53,605,220	206,623,478
Tax refund due from Government	16	21,406,016	32,039,080
Taxation - net	17	14,261,317	8,272,494
Cash and bank balances	18	183,988,955	152,353,010
		<u>1,079,631,770</u>	<u>959,473,694</u>
TOTAL ASSETS		<u><u>2,345,597,530</u></u>	<u><u>2,169,490,899</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2015: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid up capital	19	124,178,760	124,178,760
Reserves	20	811,030,615	800,275,152
		<u>935,209,375</u>	<u>924,453,912</u>
NON-CURRENT LIABILITIES			
Long term financing	21	409,598,099	400,465,535
Liabilities against assets subject to finance lease	22	2,585,326	9,336,071
Deferred taxation	23	159,623,311	192,117,504
		<u>571,806,736</u>	<u>601,919,110</u>
CURRENT LIABILITIES			
Trade and other payables	24	476,174,429	415,389,773
Interest and mark-up accrued	25	36,508,278	33,012,371
Short-term borrowings	26	235,915,022	66,126,996
Current portion of long term liabilities	27	89,983,690	128,588,737
		<u>838,581,419</u>	<u>643,117,877</u>
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		<u><u>2,345,597,530</u></u>	<u><u>2,169,490,899</u></u>

The annexed notes from 1 to 51 form an integral part of these financial statements.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director


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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales - net	29	3,501,765,456	3,113,640,693
Cost of sales	30	(3,317,253,287)	(2,847,729,211)
Gross profit		<u>184,512,169</u>	<u>265,911,482</u>
General and administrative expenses	31	(95,912,613)	(86,735,421)
Distribution cost	32	(16,667,601)	(12,496,359)
Other income	33	38,857,822	30,669,059
Other operating expenses	34	(2,737,661)	(17,007,784)
		<u>(76,460,053)</u>	<u>(85,570,505)</u>
Operating profit		108,052,116	180,340,977
Financial charges	35	(78,338,532)	(54,841,928)
Share of (loss) / profit from associate	7.1	(196,009)	181,934
		<u>(78,534,541)</u>	<u>(54,659,994)</u>
Profit before taxation		29,517,575	125,680,983
Taxation	36	661,680	(81,150,146)
Profit for the year		<u>30,179,255</u>	<u>44,530,837</u>
Earnings per share - basic and diluted	37	<u>2.43</u>	<u>3.59</u>

Appropriations have been reflected in the statements of changes in equity.

The annexed notes from 1 to 51 form an integral part of these financial statements.



IMRAN MAQBOOL
Chief Executive

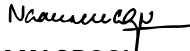

NADEEM MAQBOOL
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Profit for the year	30,179,255	44,530,837
Other comprehensive income		
Items that will be reclassified to profit and loss account subsequently		
Unrealized loss on revaluation of investments classified as available for sale	(796,978)	(875,295)
Transfer to profit and loss account on impairment of investments	-	(4,183,604)
	(796,978)	(5,058,899)
Total comprehensive income for the year	29,382,277	39,471,938

The annexed notes from 1 to 51 form an integral part of these financial statements.


IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director


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CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	37,972,913	407,508,697
Finance cost paid		(74,842,625)	(49,695,773)
Taxes paid		(37,821,340)	(34,466,287)
Net cash (used in) / generated from operating activities		(74,691,052)	323,346,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(186,156,001)	(452,880,970)
Long term deposits		(851,300)	4,308,547
Dividend received		48,573	42,238
Short term investment		162,873,014	(79,884,788)
Proceeds from disposal of operating fixed assets		16,271,701	15,830,000
Net cash used in investing activities		(7,814,013)	(512,584,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		82,019,697	338,896,200
Repayments of long term financing		(97,851,464)	(87,878,570)
Dividend paid		(19,423,792)	(12,070,468)
Repayments of liabilities against assets subject to finance leases		(20,391,457)	(17,210,997)
Short term borrowings - net		169,788,026	(21,163,173)
Net cash generated from financing activities		114,141,010	200,572,992
Net increase in cash and cash equivalents		31,635,945	11,334,656
Cash and cash equivalent at the beginning of the year		152,353,010	141,018,354
Cash and cash equivalent at the end of the year		183,988,955	152,353,010

The annexed notes from 1 to 51 form an integral part of these financial statements.


IMRAN MAQBOOL
Chief Executive

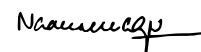

NADEEM MAQBOOL
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves	Total
		Unrealized gain / (loss) on available for sale investment	Unappropriated profit	
Rupees				
Balance as at July 01, 2014	124,178,760	28,482,412	744,738,678	897,399,850
Total comprehensive income for the year				
Profit for the year	-	-	44,530,837	44,530,837
Other comprehensive loss	-	(5,058,899)	-	(5,058,899)
	-	(5,058,899)	44,530,837	39,471,938
Transactions with owners				
Dividend declared	-	-	(12,417,876)	(12,417,876)
Balance as at June 30, 2015	124,178,760	23,423,513	776,851,639	924,453,912
Total comprehensive income for the year				
Profit for the year	-	-	30,179,255	30,179,255
Other comprehensive loss	-	(796,978)	-	(796,978)
	-	(796,978)	30,179,255	29,382,277
Transactions with owners				
Dividend declared	-	-	(18,626,814)	(18,626,814)
Balance as at June 30, 2016	124,178,760	22,626,535	788,404,080	935,209,375

The annexed notes from 1 to 51 form an integral part of these financial statements.


IMRAN MAQBOOL
 Chief Executive


NADEEM MAQBOOL
 Director

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1 STATUS AND NATURE OF BUSINESS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (repealed by Companies Ordinance, 1984) as a public limited company. The Company's shares are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 104 Shadman 1, Lahore. The principal business of the Company is manufacture and sale of yarn. The Company's manufacturing facilities are located at Nooriabad Industrial Estate, District Dadu, in the Province of Sindh, and at Bhikhi, District Sheikhpura in the Province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention. These financial statements are prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company and rounded off to the nearest rupee.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards or interpretations that are effective in current year but not relevant to the Company

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Company has adopted these accounting standards and interpretations which do not have significant impact on the Company's financial statements other than certain disclosure requirement about fair value of financial instruments as per IFRS 13 "Fair Value Measurement".

	Effective date (annual periods beginning on or after)
IFRS 10 Consolidated Financial Statements	January 1, 2015
IFRS 11 Joint Arrangements	January 1, 2015
IFRS 12 Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13 Fair Value Measurement	January 1, 2015
IAS 27 Separate Financial Statements (Revised 2011)	January 1, 2015
IAS 28 Investments in Associates and Joint Ventures (Revised 2011)	January 1, 2015

**Effective date
(annual periods
beginning on or
after)**

3.2 Amendments not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 10	Consolidated Financial Statements - Amendments regarding application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 7	Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	January 01, 2017
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

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The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2016 are as follows:

Annual Improvements to IFRSs (2012 – 2014) Cycle:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 19 Employee Benefits
- IAS 34 Interim Financial Reporting

3.3 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 First Time Adoption of International Financial Reporting
- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

a) Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except freehold land which is stated at cost.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates specified in the respective note and after taking into account residual value. Leasehold land is amortized over the term of lease.

Depreciation on additions during the year is charged on pro-rata basis when the assets are available for use. Similarly the depreciation on deletion is charged on pro-rata basis up to the period when the asset is derecognized.

The assets residual values and useful lives are reviewed, and adjusted if significant, at each balance sheet date. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized.

Gains and losses if any, on disposal of property, plant and equipment are included in profit and loss account currently.

b) Leased

Finance leases

Assets held under finance leases are recognized as assets of the Company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged at rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of the assets at the end of the lease term.

Income arising from sale and lease back transactions, if any, is deferred and amortized equally over the lease period.

Operating leases

Lease payments under operating leases (net of any incentives received from the lessor) are charged to profit and loss account on a straight line basis over the respective lease term.

c) Capital work in progress

Capital work-in-progress are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

4.2 Intangible assets

An intangible asset is stated at cost less accumulated amortization and impairment loss, if any. Amortization is charged to income applying the straight line method over the useful life of the asset. Amortization is charged on additions during the year from the month in which the asset is acquired and in respect of disposals during the year upto the month in which the asset is disposed off.

Cost associated with maintaining intangible assets are recognized as an expense as and when incurred.

Gains and losses if any, on disposal of intangible assets are included in profit and loss account currently.

The carrying value of intangible asset is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

4.3 Impairment losses

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account.

The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

4.4 Investments in associates - equity method

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting.

These investments are initially recognized at cost and thereafter, the carrying amount is increased or decreased to recognize the Company's share of profit and loss of associates. Share of post acquisition profit and loss of associates is accounted for in the Company's profit and loss account. Distribution received from investee reduces the carrying amount of investment.

The changes in the associate's equity which have not been recognized in the associates' profit and loss account, are recognised directly in the equity of the Company.

4.5 Stores, spares and loose tools

These are stated at lower of cost and net realisable value. Cost is determined using moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Adequate provision is made for slow moving and obsolete items.

4.6 Stock in trade

These are valued at the lower of cost and net realizable value applying the following basis:

Raw material	-	At weighted average cost
Work in progress	-	Average manufacturing cost
Finished goods	-	Average manufacturing cost
Waste	-	Net realizable value

Goods in transit are stated at invoice price plus other charges paid thereon up to the balance sheet date.

Cost of work in process and finished goods comprises of cost of direct material, labour and appropriate portion of manufacturing overheads. Adequate provision is made for slow moving and obsolete items.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to realize.

4.7 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount being the fair value of the consideration to be received in future. An estimated provision is made against debts considered doubtful of recovery, whereas debts considered irrecoverable are written off.

4.8 Taxation

Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years and tax credit, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.9 Cash and bank balance

Cash in hand and at bank are carried at nominal amounts.

4.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.11 Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.12 Borrowings and their cost

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

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

4.13 Employee retirement benefits

a) Defined contribution plan

The Company operates an approved provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and the employees in accordance with the rules of the Scheme.

b) Compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue.

4.14 Revenue recognition

Revenue comprises of the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue from sale of goods is shown net of sales tax and sales discounts, if any.

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of revenue can be measured reliably. The revenue arising from different activities of the Company is recognized on the following basis:

- Sale of goods are recorded when the risks and rewards are transferred, that is, on dispatch of goods to customers. However, export goods are considered sold when shipped on board.
- Scrap sales are recognized on delivery to customers at realized amounts.
- Rental income is recognized on accrual basis.
- Profit on bank deposits, loans and advances is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- Dividend income is recognized when the right to receive is established.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, cash in transit and balances with banks.

4.16 Financial instruments

4.16.1 Financial assets

All the financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account currently.

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- **Investments at fair value through profit or loss**

A non-derivative financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in profit and loss when incurred.

Investments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the balance sheet, which are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'loans and deposits', 'other receivables' and 'cash and cash equivalents' in the balance sheet.

Subsequent to initial recognition, these financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

- **Held to maturity**

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention to hold to maturity.

These investments are stated at amortised cost. Amortisation of premium / discount, if any, on the acquisition of investments is carried out using the effective yield method.

- **Available for sale**

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the investment matures or management intends to dispose of the financial assets within twelve months of the balance sheet date.

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognized directly in equity. Gains or losses on available for sale investments are recognised in equity through other comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in the equity is included in current year's profit and loss account.

All investments classified as available for sale are initially recognized at cost inclusive of transaction costs and subsequently quoted investments are marked to market using the last quoted rate at the close of the financial year. Fair value of unquoted investments is estimated based on appropriate valuation method if it is practicable to determine it.

Fair value of listed securities are the quoted prices on stock exchange at balance sheet date.

The Company follows trade date accounting for regular way of purchase and sales of securities, except for sale and purchase of securities in futures market, which are accounted for at settlement date.

4.16.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respect of carrying amounts is recognized in the profit and loss account.

4.17 Offsetting of financial assets and financial liabilities

Financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.18 Foreign currency translation

Transactions in foreign currencies are translated into Pak rupees at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognized in the profit and loss account.

4.19 Related party transactions

All transactions with related parties are carried out by the Company at an arms' length price method and the transfer price is determined in accordance with the comparable uncontrolled price method.

4.20 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

4.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the year in which it is approved by the shareholders.

4.22 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period.

4.23 Segment

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 transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

4.24 Significant accounting judgements and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Property, plant and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

b) Stores, spares, loose tools and stock-in-trade

The Company has made estimates for realizable amount of slow moving and obsolete stores, spares, loose tools and stock-in-trade to determine provision for slow moving and obsolete items. Any future change in estimated realizable amounts might affect carrying amount of stores, spares and stock-in-trade with corresponding affect on amounts recognized in profit and loss account as provision/reversal.

c) Provision for taxation

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the Income Tax Department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

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5 PROPERTY, PLANT AND EQUIPMENT

5.1 Reconciliation of the carrying amount of operating fixed assets:

Description	Owned										Leased		Total	
	Freehold land	Leasehold Land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Tools and equipment	Electric installation	Service equipment	Leased plant and machinery		Leased vehicles
Net carrying value basis year ended June 30, 2016														
Opening net book value (NBV)	2,896,444	2,689,389	74,976,634	63,458,331	959,482,290	1,042,478	13,559,366	1,359,964	637,887	11,994,013	37,446	41,269,621	8,277,653	1,181,661,516
Additions / transfer (at cost) (Note 5.1.1)	43,368,000	-	4,952,021	26,219,925	109,334,915	-	8,390,500	-	-	-	-	-	2,160,000	194,415,361
Transfer from leased assets to own assets (NBV)	-	-	-	-	20,359,995	-	1,557,933	-	-	-	-	(20,359,995)	(1,557,933)	-
Disposals (NBV)	-	-	-	-	(6,399,162)	-	(1,291,566)	-	-	-	-	-	-	(7,690,728)
Depreciation charge	-	(34,128)	(3,905,289)	(3,391,416)	(106,760,356)	(104,248)	(3,524,555)	(271,993)	(63,789)	(1,199,401)	(7,490)	(2,090,962)	(1,769,809)	(123,123,436)
Closing net book value	46,254,444	2,655,261	76,023,366	86,286,840	976,017,682	938,230	18,691,678	1,087,971	574,098	10,794,612	29,956	18,818,664	7,109,911	1,245,262,713
Gross carrying value basis year ended June 30, 2016														
Cost	46,254,444	3,378,971	149,243,666	115,667,567	1,715,647,957	6,267,694	48,056,821	8,579,182	4,498,949	33,369,117	1,033,627	30,737,632	11,961,060	2,174,696,677
Accumulated depreciation / impairment	-	(743,710)	(73,220,300)	(29,380,727)	(739,630,275)	(63,229,454)	(29,365,143)	(7,491,211)	(3,924,851)	(22,574,505)	(1,003,671)	(11,918,968)	(4,851,149)	(929,433,964)
Net book value	46,254,444	2,635,261	76,023,366	86,286,840	976,017,682	938,230	18,691,678	1,087,971	574,098	10,794,612	29,956	18,818,664	7,109,911	1,245,262,713
Depreciation rate (% per annum)	-	1%	5%	5%	10%	10%	20%	20%	10%	10%	20%	10%	20%	20%
Net carrying value basis year ended June 30, 2015														
Opening net book value (NBV)	2,896,444	2,703,517	78,922,772	5,949,271	667,409,159	1,159,309	12,013,833	1,593,581	708,764	6,360,014	46,809	51,953,202	12,354,317	844,069,992
Additions / transfer (at cost)	-	-	57,806,524	57,806,524	377,680,084	-	696,744	155,000	-	6,450,000	-	-	2,377,500	445,165,852
Transfer from leased assets to own assets (NBV)	-	-	-	-	6,098,067	-	4,731,468	-	-	-	-	(6,098,067)	(4,731,468)	-
Disposals (NBV)	-	-	-	-	(15,871,927)	-	(487,013)	(61,200)	-	-	-	-	-	(16,420,140)
Depreciation charge	-	(34,128)	(3,946,138)	(297,464)	(75,833,093)	(115,831)	(3,395,666)	(327,417)	(70,877)	(816,001)	(9,363)	(4,585,514)	(1,722,696)	(91,154,188)
Closing net book value	2,896,444	2,669,389	74,976,634	63,458,331	959,482,290	1,042,478	13,559,366	1,359,964	637,887	11,994,013	37,446	41,269,621	8,277,653	1,181,661,516
Gross carrying value basis year ended June 30, 2015														
Cost	2,896,444	3,378,976	144,291,643	89,447,642	1,590,671,113	6,267,694	39,399,954	8,579,182	4,498,949	33,369,116	1,033,627	51,097,627	11,358,993	1,986,290,950
Accumulated depreciation / impairment	-	(709,587)	(69,315,009)	(25,989,311)	(631,188,823)	(5,225,206)	(25,840,588)	(7,219,218)	(3,861,062)	(21,375,103)	(996,181)	(9,828,006)	(3,081,340)	(604,629,434)
Net book value	2,896,444	2,669,389	74,976,634	63,458,331	959,482,290	1,042,478	13,559,366	1,359,964	637,887	11,994,013	37,446	41,269,621	8,277,653	1,181,661,516
Depreciation rate (% per annum)	-	1%	5%	5%	10%	10%	20%	20%	10%	10%	20%	10%	20%	20%

5.1.1 During the year, the Company has acquired land measuring - 04 Maria (commercial), located at Plot No. 53, Block - Q, Phase - 7C, Defense Housing Authority, Lahore Cantt against consideration amounting to Rs. 42,550 million.

5.2 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer / insurer	Address
Vehicles	590,000	471,854	118,146	270,000	Negotiation	Mr. Imran Mithani	Flat# 104, Plot# K-4, Karimabad Colony, Block 3, F.B. Area, Karachi.
	519,000	378,696	140,304	395,000	Negotiation	M/S Harvester Services Private Limited	Suite# 806-808-810-812, 8th Floor, Business Centre, Mumtaz Hasan Road, Off. I.I. Chundrigar Road, Karachi.
	56,000	27,059	28,941	56,000	Negotiation	Mr. Nasir s/o Wazir Ali	Flat# B-2, Alyabad Colony, Block 8, F.B. Area, Karachi.
	41,500	20,053	21,447	41,500	Negotiation	Mr. Naeemullah s/o Azamullah	Intelligence Colony, M.T. Khan Road, Flat# 71-A, Karachi.
	1,280,000	1,039,344	240,656	638,000	Negotiation	Robina Kausar	Chak# 338, J.B. Nawan Lahore, Post Office Khas, Teh. Gojra, District Toba Tek Singh.
	1,370,000	1,126,970	243,030	921,200	Negotiation	Mr. M. Ramzan s/o M. Latif	House# P-982, Usman Town, Millat Road, Post Office Noorpur, Faisalabad.
	1,846,000	1,346,959	499,041	1,350,000	Negotiation	Mr. Abdul Qadeer s/o M. Talib	P - 1844, Street 14, Farooqabad, Mansoorabad, Faisalabad.
Plant and machinery	5,702,500	4,410,935	1,291,565	3,671,700	Insurance claim	M/S Premier Insurance Limited	State Life Building 2A, 5th Floor Wallace Road, Karachi.
	11,000,000	4,600,838	6,399,162	12,600,000			
Total - 2016	11,000,000	4,600,838	6,399,162	12,600,000			
	16,702,500	9,011,773	7,690,727	16,271,700			
Total - 2015	68,298,484	51,878,344	16,420,140	15,830,000			

	Note	2016 Rupees	2015 Rupees
5.3	The depreciation charge for the year has been allocated as follows:		
	30	117,445,344	85,583,216
	31	<u>5,678,092</u>	<u>5,570,972</u>
		<u>123,123,436</u>	<u>91,154,188</u>

6 CAPITAL WORK-IN-PROGRESS

Description	Cost			As at June 30, 2016
	As at July 01, 2015	Additions during the year	Transferred to operating fixed assets	
	Rupees			
Building / improvements on leasehold land	3,551,625	22,668,301	26,219,926	-
Building / improvements on freehold land	4,707,736	244,014	4,951,750	-
Total - 2016	<u>8,259,361</u>	<u>22,912,315</u>	<u>31,171,676</u>	-
Total - 2015	<u>544,242</u>	<u>65,521,642</u>	<u>57,806,524</u>	<u>8,259,360</u>

7 LONG TERM INVESTMENT

Investment in associated company	7.1	<u>1,987,549</u>	<u>2,232,131</u>
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7.1 Investment in associated company
Premier Insurance Limited
57,801 shares of Rs. 10 each (2015 : 48,573 shares of Rs.10/- each)

Cost of investment	930	930
Accumulated share of post acquisition profit - net of dividend received	2,231,201	2,091,505
Share of (loss) / profit for the year	(196,009)	181,934
Dividend received during the year	(48,573)	(42,238)
	<u>1,986,619</u>	<u>2,231,201</u>
	<u>1,987,549</u>	<u>2,232,131</u>

Market value of investment in associate was Rs. 1,416,125 (2015: Rs. 1,356,644).

Interim financial statements of associated company for the period ended June 30, 2016 (reviewed) have been used for the purpose of application of equity method.

The percentage of equity held in associate is 0.1383% (2015: 0.1395%).

Summarised financial information of Premier Insurance Limited as of June 30, 2016 is set out below:

	Note	2016 Rupees	2015 Rupees
Total assets		4,129,280,000	3,179,824,000
Total liabilities		2,705,078,000	1,580,397,000
Net assets		1,424,202,000	1,599,427,000
Underwriting results		(79,455,000)	65,581,000
Investment income		90,673,000	188,969,000
(Loss) / profit after tax		(140,237,000)	130,167,000
Company's share of associate's net assets		1,987,549	2,232,131

8 LONG-TERM DEPOSITS

Security deposits

Leases		5,584,820	4,904,720
Others		13,130,678	12,959,478
	8.1	<u>18,715,498</u>	<u>17,864,198</u>

8.1 These deposits do not carry any interest or markup and are not recoverable within one year.

9 STORES, SPARES AND LOOSE TOOLS

Stores		28,563,185	32,326,492
Spares		31,801,626	26,348,500
Loose tools		62,969	75,300
		<u>60,427,780</u>	<u>58,750,292</u>
Less: Provision for slow moving items	9.2	(3,456,650)	(2,557,904)
		<u>56,971,130</u>	<u>56,192,388</u>

9.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

9.2 Provision for slow moving stores and spares comprises:

Balance at the beginning of the year		2,557,904	1,741,340
Provision recognized during the year	30	898,746	816,564
Balance at the end of the year		<u>3,456,650</u>	<u>2,557,904</u>

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	Note	2016 Rupees	2015 Rupees
10 STOCK IN TRADE			
Raw material			
In hand	10.1	147,082,605	79,802,785
Work-in-process		48,983,183	53,827,612
Finished goods		43,135,424	18,126,660
		<u>239,201,212</u>	<u>151,757,057</u>
10.1	The corresponding figure of raw material included inventories amounting to Rs. 68.970 million which were carried at net realizable value.		
11 TRADE DEBTS			
(Secured - considered good)		1,098,998	423,500
(Unsecured - considered good)	11.1	488,256,249	319,583,560
(Unsecured - considered doubtful)		4,585,028	4,585,028
		<u>493,940,275</u>	<u>324,592,088</u>
Less: Provision for doubtful debts	11.2	(4,585,028)	(4,585,028)
		<u>489,355,247</u>	<u>320,007,060</u>
11.1	This includes a balance amounting to Rs. 0.228 million (2015: Rs. 3.470 million) due from Suraj Cotton Mills Limited, an associated company.		
11.2 Provision for doubtful debts			
Opening balance		4,585,028	3,761,816
Provision for the year		-	823,212
Closing balance		<u>4,585,028</u>	<u>4,585,028</u>
11.3	The aging of related party balances at the balance sheet date is as follows:		
Not past due		-	3,315,000
Past due by 1 - 30 days		228,389	154,620
		<u>228,389</u>	<u>3,469,620</u>

	Note	2016 Rupees	2015 Rupees
12 LOANS AND ADVANCES			
Loans to staff			
Unsecured	12.1	943,000	490,000
Advances (unsecured)			
To suppliers / contractors	12.2	1,305,615	3,590,153
Against imports	12.3	3,275,197	15,044,179
		<u>4,580,812</u>	<u>18,634,332</u>
		<u>5,523,812</u>	<u>19,124,332</u>

- 12.1 These loans are granted to employees of the Company which do not carry mark-up in accordance with their terms of employment.
- 12.2 This represents advances to suppliers / contractors in the normal course of business and does not carry any interest or mark-up.
- 12.3 This represents advances against imports for raw material in the normal course of business and does not carry any interest or mark-up.

13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits	13.1	-	7,144,010
Bank guarantee and LC margin	13.2	7,221,481	4,609,582
Short term prepayments		<u>7,470,061</u>	<u>337,411</u>
		<u>14,691,542</u>	<u>12,091,003</u>

- 13.1 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.
- 13.2 This represents short term bank guarantee and Letter of Credit (LC) margin in the normal course of business and does not carry any interest or mark-up.

14 OTHER RECEIVABLES

(Considered good)			
Other receivables		<u>627,319</u>	<u>1,013,792</u>

			2016 Rupees	2015 Rupees
15	SHORT TERM INVESTMENTS	Note		
	Available for sale	15.1	52,405,220	55,423,478
	Held to maturity	15.2	1,200,000	151,200,000
			<u>53,605,220</u>	<u>206,623,478</u>
15.1	Available for sale			
	At cost		42,427,600	44,648,880
	Cumulative fair value gain		22,626,535	23,423,513
	Impairment loss		(12,648,915)	(12,648,915)
			<u>9,977,620</u>	<u>10,774,598</u>
		15.1.1	<u>52,405,220</u>	<u>55,423,478</u>
15.1.1	Details of available for sale investments are as under:			
	Number of shares		Market value	
	2016	2015	2016	2015
	Quoted - At fair value			
	1,389,541	1,389,541	The Crescent Textile Mills Limited	27,068,259
	1,031	1,031	Crescent Cotton Mills Limited	29,388,792
	285,357	285,357	Jubilee Spinning and Weaving Mills Limited	46,395
	1,289,278	1,289,278	Shakarganj Mills Limited	1,215,621
	50,060	50,060	Crescent Jute Products Limited	1,218,474
	479,739	479,739	Samba Bank Limited	20,138,522
				141,670
				135,162
				2,566,605
	Unquoted - At breakup value			
	25,000	25,000	Crescent Modaraba Management Company Limited	124,750
	533,623	533,623	Crescent Bahuman Limited	140,065
				-
				-
			<u>52,405,220</u>	<u>55,423,478</u>
15.2	Held to maturity			
	Term deposit certificates	15.2.1	1,200,000	151,200,000

15.2.1 These term deposit certificates carry mark-up at rates ranging from 5.67% to 7.52% per annum (2015: 5.05% to 10% per annum).

	Note	2016 Rupees	2015 Rupees
16 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		17,577,181	32,039,080
Income tax refundable		<u>3,828,835</u>	<u>-</u>
		<u>21,406,016</u>	<u>32,039,080</u>
17 TAXATION - NET			
Advance income tax		46,093,830	33,542,878
Provision for taxation		<u>(31,832,513)</u>	<u>(25,270,384)</u>
		<u>14,261,317</u>	<u>8,272,494</u>
18 CASH AND BANK BALANCES			
Cash in hand		2,887,624	878,030
Cash with banks			
In current accounts	18.1	<u>151,791,035</u>	<u>119,654,400</u>
In saving accounts	18.2	<u>29,310,296</u>	<u>31,820,580</u>
		<u>181,101,331</u>	<u>151,474,980</u>
		<u>183,988,955</u>	<u>152,353,010</u>

18.1 Cash with bank in current accounts do not carry any interest or markup. This includes Rs. 4,994 (2015: Rs. 4,994) placed in Burj Bank Limited under an arrangement permissible under Shariah.

18.2 The balance in saving accounts carry markup at average rates ranging from 4% to 6% per annum (2015: 4% to 6% per annum).

19 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of ordinary shares of Rs. 10/- each

2016	2015		2016	2015
9,128,510	9,128,510	Fully paid in cash	91,285,100	91,285,100
535,533	535,533	Fully paid issued to financial institution against conversion of loan	5,355,330	5,355,330
<u>2,753,833</u>	<u>2,753,833</u>	Fully paid bonus shares	<u>27,538,330</u>	<u>27,538,330</u>
<u>12,417,876</u>	<u>12,417,876</u>		<u>124,178,760</u>	<u>124,178,760</u>
		Shares held by associated undertakings		
<u>27,825</u>	<u>27,825</u>		<u>278,250</u>	<u>278,250</u>

	Note	2016 Rupees	2015 Rupees
20 RESERVES			
Capital reserve			
Unrealized gain on available for sale investment		22,626,535	23,423,513
Revenue reserves			
Unappropriated profit		788,404,080	776,851,639
		<u>811,030,615</u>	<u>800,275,152</u>
21 LONG TERM FINANCING			
From banking companies - secured			
Term finance 1	21.1	8,103,331	16,206,665
Term finance 2	21.2	-	68,664,130
Term finance 3	21.3	30,555,556	33,333,334
Term finance 4	21.4	40,299,778	51,814,000
Term finance 5	21.5	32,937,300	32,937,300
Term finance 6	21.6	59,359,000	59,359,000
Term finance 7	21.7	245,499,597	212,639,900
Term finance 8	21.8	47,000,000	-
Term finance 9	21.9	27,168,000	33,960,000
		490,922,562	508,914,329
Less: Current portion shown under current liabilities	27	81,324,463	108,448,794
		<u>409,598,099</u>	<u>400,465,535</u>
21.1	This facility has been obtained from MCB Bank Limited for generator to meet the power requirement of Textile Unit-2 expansion located at Bhikhi. The rate of mark-up is 11.20% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 4.5 years after a grace period of 18 months with installments starting from January 2013. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 36.465 million (2015: Rs. 36.465 million).		
21.2	This facility has been obtained from MCB Bank Limited for expansion of Textile Unit 2 located at Bhikhi. The rate of mark-up is 6 months KIBOR + 2.5% and is payable semi-annually over a period of 4.5 years after a grace period of 18 months. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 270.365 million (2015: Rs. 270.365 million).		

- 21.3 This facility has been obtained from Bank Islami Limited (formerly KASB Bank Limited) to finance plant and machinery for BMR and capacity expansion in Textile Unit 1 located at Nooriabad under an arrangement permissible under Shariah. The rate of mark-up is 3 months KIBOR + 3.5% and is payable quarterly over a period of 4.5 years after a grace period of 6 months. The finance facility is secured against pari passu charge over fixed assets of the Company including land, building, plant and machinery with 30% margin and personal guarantee of Directors of the Company. The sanctioned limit of the facility is Rs. 50 million (2015: Rs. 50 million).
- 21.4 This facility has been obtained from MCB Bank Limited for expansion of Textile Unit 2 located at Bhikhi. The rate of mark-up is 6 months KIBOR + 2.5% and is payable semi-annually over a period of 4.5 years after a grace period of 18 months. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 51.814 million (2015: Rs. 51.814 million).
- 21.5 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bhikhi. The rate of mark-up is 9.00% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from July 2016. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is Rs. 32.937 million (2015: Rs. 32.937 million).
- 21.6 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bhikhi. The rate of mark-up is 6 months KIBOR + 2.5% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from July 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 59.359 million (2015: Rs. 59.359 million).
- 21.7 This facility has been obtained from UBL Bank Limited for extension of Textile Unit 1 located at Nooriabad. The rate of mark-up is 6 months KIBOR + 2.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from May 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million. The sanctioned limit of the facility is Rs. 300 million (2015: Rs. 300 million).

- 21.8 This facility has been obtained from UBL Bank Limited a long term facility to import of plant and machinery. The rate of mark-up is 4.50% as per State Bank of Pakistan LTF scheme and is payable semi-annually over a period of 4.5 years after a grace period of 18 months with installments starting from February 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million (2015: nil).
- 21.9 This facility has been obtained from Standard Chartered Bank Limited for generator to meet the power requirement of Textile Unit-1 expansion located at Nooriabad. The rate of mark-up is 6% as per State Bank of Pakistan LTF scheme and is payable in 15 quarterly installments starting from July 2015. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over plant and machinery of the Company aggregating to Rs. 62.50 million. The sanctioned limit of the facility is Rs. 50 million (2015: Rs. 50 million).

	Note	2016 Rupees	2015 Rupees
22 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES			
Secured			
Balance as July 01		29,476,014	49,665,758
Additions during the year		2,160,000	2,377,500
		<u>31,636,014</u>	<u>52,043,258</u>
Payments / adjustments during the year		<u>(20,391,461)</u>	<u>(22,567,244)</u>
		11,244,553	29,476,014
Less: Payable within one year shown under current liabilities	27	<u>(8,659,227)</u>	<u>(20,139,943)</u>
		<u><u>2,585,326</u></u>	<u><u>9,336,071</u></u>

This represents finance leases entered into with financial institutions for plant and machinery, vehicles and office equipment. Financing rates ranging from 9.17% to 17% (2015: 9.17% to 18.50%) per annum have been used as a discounting factor. At the end of the lease period the ownership of assets shall be transferred to the Company on payment of residual values of the assets. These facilities are secured by security deposit and personal guarantees of directors and hypothecation charge on leased assets.

The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	2016			2015		
	Upto one year	One to five years	Total	Upto one year	One to five years	Total
	Rupees			Rupees		
Minimum lease payments	9,094,960	2,686,182	11,781,142	21,687,825	9,654,472	31,342,297
Financial charges not due	(435,733)	(100,856)	(536,589)	(1,547,882)	(318,401)	(1,866,283)
Present value of minimum lease payments	8,659,227	2,585,326	11,244,553	20,139,943	9,336,071	29,476,014
Payable within one year shown under current liabilities	(8,659,227)	-	(8,659,227)	(20,139,943)	-	(20,139,943)
	-	2,585,326	2,585,326	-	9,336,071	9,336,071

	Note	2016 Rupees	2015 Rupees
23 DEFERRED TAXATION			
Deferred taxation is composed of:			
Taxable temporary differences:			
Accelerated tax depreciation allowance		191,678,387	203,678,438
Deductible temporary differences:			
Lease rentals		(3,633,557)	(9,275,196)
Turnover tax		(25,928,598)	-
Provision for doubtful debts		(1,421,359)	(1,467,209)
Provision for slow moving items		(1,071,562)	(818,529)
		(32,055,076)	(11,560,934)
		159,623,311	192,117,504
24 TRADE AND OTHER PAYABLES			
Creditors	24.1	161,184,930	139,466,466
Accrued liabilities	24.2	269,408,400	231,734,296
Payable to provident fund		1,732,055	2,071,007
Workers' Profit Participation Fund	24.3	1,585,262	7,080,581
Due to Chief Executive and Directors		4,145,363	4,657,632
Advance from customer		18,933,719	13,039,303
Unclaimed dividend		2,308,176	1,794,478
Withholding tax payable		3,842,881	1,289,223
Workers' Welfare Fund		10,300,222	9,964,613
Other liabilities		2,732,946	4,292,174
		476,174,429	415,389,773

- 24.1 This includes balance amounting to Rs. 15.461 million (2015: Rs. 12.338 million) due to an associated company.
- 24.2 This includes an amount of Rs. 77.661 million payable in respect of Gas Infrastructure Development Cess.

	Note	2016 Rupees	2015 Rupees
24.3 Workers' Profit Participation Fund balance comprises as follows:			
Balance as at July 01,		7,080,581	14,471,052
Add: Allocation for the year		1,585,262	7,080,581
Interest on funds utilized in the Company's business		373,433	858,666
		<u>9,039,276</u>	<u>22,410,299</u>
Less: Amount paid during the year		<u>(7,454,014)</u>	<u>(15,329,718)</u>
		<u>1,585,262</u>	<u>7,080,581</u>

25 INTEREST AND MARKUP ACCRUED

Mark-up accrued on secured:

Long-term financing		9,116,418	10,102,050
Short-term borrowings		27,391,860	22,910,321
		<u>36,508,278</u>	<u>33,012,371</u>

26 SHORT-TERM BORROWINGS

From conventional banking companies - secured

Running / cash finance	26.1	223,915,022	54,126,996
Bills discounting	26.2	12,000,000	12,000,000
		<u>235,915,022</u>	<u>66,126,996</u>

- 26.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs. 985 million (2015: Rs. 885 million). The rate of mark up on these finance facilities ranges between 1 month and 3 months KIBOR plus 1.35% to 2.50% per annum (2015: 1 month and 3 months KIBOR plus 1.5% to 2.75% per annum) and is payable quarterly.

The Company has a facility for opening letters of credit under mark-up arrangements amounting to Rs. 200 million (2015: Rs. 200 million) from a commercial bank. The unutilized balance at the end of the year was Rs. 200 million (2015: Rs. 188.31 million).

These financing facilities are secured by way of pledge and floating charge over the current assets and personal guarantee of Directors and lien on import documents.

- 26.2 In prior year, the management of the Company had determined that the liabilities relating to short term borrowings and mark-up accrued thereon amounting to Rs. 12.000 million and Rs. 20.385 million up to June 30, 2012, respectively, were payable to a financial institution (now Samba Bank Limited). No provision for mark-up had been recorded on this balance since June 30, 2012. The Company had received a nil balance certificate from the Bank and no claim had 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. The facility was subject to discounting charges at the rate of 8.00% (2015: 8.00%) per annum and is secured against personal guarantee of Directors and demand promissory note.

	Note	2016 Rupees	2015 Rupees
27 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	21	81,324,463	108,448,794
Liabilities against assets subject to finance leases	22	8,659,227	20,139,943
		<u>89,983,690</u>	<u>128,588,737</u>

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

- a) Guarantees have been issued by banking companies in normal course of business amounting to Rs. 60.992 million (2015: Rs. 37.873 million).
- b) Crescent Cotton Mills Limited has filed a case against the 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, management is confident that the balance amount shall not be payable.

28.2 Commitments

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

Letters of credit against import of plant and machinery amounting to Rs. 2.123 million (2015: Rs. 85.568 million).

Letters of credit against import of raw material is nil (2015: Rs. 2.846 million).

	Note	2016 Rupees	2015 Rupees
29 SALES - NET			
Export - yarn		8,896,235	6,739,078
Local			
Yarn		3,503,998,616	3,162,479,022
Waste		17,267,349	14,502,711
		3,521,265,965	3,176,981,733
Trading - local		106,105,948	22,638,505
		3,636,268,148	3,206,359,316
Less: Sales tax		95,899,454	59,611,861
		3,540,368,694	3,146,747,455
Brokerage and commission		(38,603,238)	(33,106,762)
		<u>3,501,765,456</u>	<u>3,113,640,693</u>
30 COST OF SALES			
Material consumed	30.1	2,167,821,334	1,808,908,725
Salaries, wages and other benefits	30.2	321,319,106	274,214,230
Packing material consumed		57,604,001	47,993,496
Stores, spares and loose tools consumed		74,761,914	68,529,964
Provision for slow moving items		898,746	816,564
Power and fuel		461,425,504	496,282,338
Depreciation	5.3	117,445,344	85,583,216
Repairs and maintenance		7,082,311	6,329,119
Insurance		10,603,169	7,597,577
Other manufacturing overheads		20,115,338	17,453,304
Manufacturing cost		<u>3,239,076,767</u>	<u>2,813,708,533</u>

	Note	2016 Rupees	2015 Rupees
Opening work-in-process		53,827,612	61,331,833
Closing work-in-process		(48,983,183)	(53,827,612)
		<u>4,844,429</u>	<u>7,504,221</u>
Cost of goods manufactured		3,243,921,196	2,821,212,754
Cost of goods purchased for trading		98,340,855	21,387,733
		<u>3,342,262,051</u>	<u>2,842,600,487</u>
Opening stock of finished goods		18,126,660	23,255,384
Closing stock of finished goods		(43,135,424)	(18,126,660)
		<u>(25,008,764)</u>	<u>5,128,724</u>
		<u><u>3,317,253,287</u></u>	<u><u>2,847,729,211</u></u>
30.1	Material consumed		
Opening stock		79,802,785	82,306,593
Purchases including related expenses		2,235,101,154	1,806,404,917
		<u>2,314,903,939</u>	<u>1,888,711,510</u>
Closing stock		(147,082,605)	(79,802,785)
		<u><u>2,167,821,334</u></u>	<u><u>1,808,908,725</u></u>

30.2 Salaries, wages and other benefits include Rs. 10.040 million (2015: Rs. 8.400 million) in respect of staff retirement benefits.

31 GENERAL AND ADMINISTRATIVE EXPENSES

Directors' remuneration		14,249,500	14,060,000
Staff salaries and other benefits	31.1	33,268,308	31,138,939
Repairs and maintenance		2,430,297	2,253,705
Vehicles running and maintenance		5,664,500	5,839,497
Insurance		2,863,678	1,083,210
Printing and stationery		780,711	788,995
Telephone and postage		1,403,818	1,384,323
Traveling and conveyance		4,789,840	7,489,433
Fee and subscription		2,836,310	1,363,048
Legal and professional charges		1,722,196	1,651,350
Depreciation	5.3	5,678,092	5,570,972
Utilities		3,058,908	3,454,077
Rent, rates and taxes		12,695,871	4,999,786
Entertainment		2,041,901	2,257,826
Donation	31.2	129,000	215,000
Others		2,299,683	3,185,260
		<u><u>95,912,613</u></u>	<u><u>86,735,421</u></u>

- 31.1 Salaries and other benefits include Rs. 2.081 million (2015: Rs. 2.077 million) in respect of staff retirement benefits.
- 31.2 This represents donation paid to Maqbool Trust, an associated undertaking in which Directors are interested.

	2016	2015
	Rupees	Rupees
32 DISTRIBUTION COST		
Ocean freight	19,070	23,975
Local freight and insurance	15,818,120	12,061,399
Shipping expenses	-	15,105
Other	830,411	395,880
	<u>16,667,601</u>	<u>12,496,359</u>

33 OTHER OPERATING INCOME

Gain on disposal of property, plant and equipment		8,580,973	-
Gain on sale of investments - net	33.1	9,854,756	10,745,767
Dividend income	33.2	2,014,834	1,591,602
Interest on bank deposits	33.3	1,545,483	3,015,130
Rental income		16,861,776	15,316,560
		<u>38,857,822</u>	<u>30,669,059</u>

33.1 Gain on sale of investments - net

MCB Pakistan Sovereign Fund		2,781,664	-
MCB DCF Income Fund		2,735,129	2,635,533
MCB Cash Management Optimizer Fund		4,400,977	5,263,501
MCB Pakistan Stock Market Fund		(276,964)	-
MCB Pakistan Income Enhancement Fund		755,121	-
Pakistan Cash Management Fund		314,830	-
Shakarganj Mills Limited		(1,228,748)	-
Crescent Textile Mills Limited		372,747	2,846,733
	33.1.1	<u>9,854,756</u>	<u>10,745,767</u>

33.1.1 Gain on sale of investments earned from Shariah non-compliant arrangements.

33.2 Dividend income received on the shares of the Crescent Textile Mills limited.

33.3 Interest on bank deposits earned under interest/mark up arrangements.

	Note	2016 Rupees	2015 Rupees
34 OTHER OPERATING EXPENSES			
Auditors' remuneration:			
Statutory audit		425,000	390,000
Half yearly review		100,000	75,000
Special reports and sundry services		25,000	22,000
		<u>550,000</u>	<u>487,000</u>
Impairment in available for sale investment		-	5,336,230
Loss on disposal of property, plant and equipment		-	590,140
Provision for doubtful debts		-	823,212
Workers' Welfare Fund		602,399	2,690,621
Workers' Profit Participation Fund		1,585,262	7,080,581
		<u>2,737,661</u>	<u>17,007,784</u>

35 FINANCIAL CHARGES			
Mark-up / interest on:			
Long-term financing		48,577,573	32,189,789
Lease finances		1,640,691	3,910,432
Short-term financing		23,028,818	11,228,338
Workers' Profit Participation Fund		373,433	858,666
		<u>73,620,515</u>	<u>48,187,225</u>
LC discounting charges		4,718,017	6,654,703
		<u>78,338,532</u>	<u>54,841,928</u>

36 TAXATION			
Current	36.1	31,832,513	-
Prior	36.3	-	20,671,096
		<u>31,832,513</u>	<u>20,671,096</u>
Deferred		(32,494,193)	60,479,050
	36.2	<u>(661,680)</u>	<u>81,150,146</u>

36.1 The current year's total tax liability of the Company amounting to Rs. 35.404 million is fully covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001. This has been partially adjusted against tax credit of Rs 8.781 million under section 65B at the rate 10% on the cost of plant and machinery capitalised during the year.

36.2 The numerical reconciliation between average tax rate and the applicable tax rate has not been presented during the year in these financial statements as the total tax liability of the Company is covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001.

- 36.3 The Additional Commissioner Inland Revenue (ACIR) amended the assessment u/s 122(5A) of the Income Tax Ordinance, 2001 for the Tax Year 2012 and 2013 and created a net demand of Rs. 1.9 million after making various additions to the income of the Company and by disallowing benefit of minimum tax u/s 113(2)(c) of the Income Tax Ordinance in the light of Sindh High Court Order. The aforesaid amount has been deposited by the Company under protest. As a consequence, refund amounting to Rs. 49.275 million has been deleted by the tax authorities. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] based of advice of legal counsel.
- 36.4 Finance Act, 2015 introduced a new section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed reserves from Tax Year 2015, according to which, tax at the rate of ten percent of undistributed profits on every public company other than a scheduled bank or a Modaraba (deeming it to be taxable income), that derive profits in a tax year but does not distribute cash dividends within six months of the end of the said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital, so much of its reserves as exceed hundred percent of paid up capital shall be treated as income of the Company. Provided that for Tax Year 2016, cash dividends may be distributed before the due date mentioned in sub section (2) of section 18, for filing of return for Tax Year 2016.

The foresaid provisions shall not apply to a Company which distributes profit equal to either forty percent of its after tax profits or fifty percent of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company's undistributed reserves are in excess of hundred percent of the paid up capital and requisite dividend has not been distributed by the year end, therefore, the Company shall be obligated to tax if the Company has not distributed requisite dividend within the prescribed time frame. However, if the Company doesn't distribute the cash dividend within the prescribed time and period, the Company will face tax implications.

The management intends to distribute cash dividend within the prescribed time limit.

	2016 Rupees	2015 Rupees
37 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year	<u>30,179,255</u>	<u>44,530,837</u>
Weighted average number of ordinary shares outstanding	<u>12,417,876</u>	<u>12,417,876</u>
Earnings per share - basic and diluted	<u>2.43</u>	<u>3.59</u>

38 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Crescent Fibres Limited - Employees Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

38.1 The Trustees have intimated that the size of the Fund at year end was Rs. 115.752 million.

38.2 As intimated by the Trustees, the cost of the investments made at year end was Rs. 56.073 million which is equal of 48.44% of the total fund size. The fair value of the investments was Rs. 57.021 million at that date which is equal of 49.260% of the total fund size. The category wise break up of investment as per section 227 of the Companies Ordinance, 1984 is given below:

	Rupees	Percentage
Defense Saving Certificates	16,255,500	14.04%
Term deposit	38,900,000	33.61%
Listed securities (Mutual fund)	918,240	0.79%
	<u>56,073,740</u>	<u>48.44%</u>

38.3 According to the Trustees, investments out of provident fund have been made in accordance with the provisions of section 227 of Companies Ordinance, 1984 and the rules made thereunder.

39 CASH GENERATED FROM OPERATIONS

	2016 Rupees	2015 Rupees
Profit before taxation	29,517,575	125,680,983
Adjustment for non-cash charges and other items:		
(Gain) / loss on disposal of operating fixed assets	(8,580,973)	591,140
Financial charges	78,338,532	54,841,928
Depreciation	123,123,436	91,154,188
Impairment in available for sale investment	-	5,336,230
Gain on sale of investments	(9,854,756)	(10,745,767)
Loss / (profit) on share of profit from associate	196,009	(181,934)
Provision for slow moving items	898,746	816,564
Provision for doubtful debts	-	823,212
	<u>184,120,994</u>	<u>142,635,561</u>
Profit before working capital changes	213,638,569	268,315,545
Working capital changes	39.1 (175,665,656)	139,193,152
	<u>37,972,913</u>	<u>407,508,697</u>

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	2016 Rupees	2015 Rupees
39.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,677,488)	(9,762,117)
Stock in trade	(87,444,155)	15,136,753
Trade debts	(169,348,187)	36,991,155
Loans and advances	13,600,520	(13,695,320)
Trade deposits and short term prepayments	(2,600,539)	(3,120,638)
Other receivables	386,473	(399,441)
Tax refund due from the Government	10,633,064	(7,953,194)
	<u>(236,450,312)</u>	<u>17,197,198</u>
Increase in current liabilities		
Trade and other payables	60,784,656	121,995,954
	<u>(175,665,656)</u>	<u>139,193,152</u>

40 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company were as follows:

	2016				2015			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	3,682,758	6,144,486	6,670,476	16,497,720	3,459,310	6,299,314	6,252,388	16,011,012
House rent	1,657,240	2,765,015	2,865,101	7,287,356	1,556,690	2,744,686	2,680,994	6,982,370
Company's contribution to Provident Fund Trust	368,276	614,451	667,047	1,649,774	345,931	609,931	625,240	1,581,102
Reimbursable expenses	550,468	970,564	272,904	1,793,936	454,933	802,118	264,902	1,521,953
Total	<u>6,258,742</u>	<u>10,494,516</u>	<u>10,475,528</u>	<u>27,228,786</u>	<u>5,816,864</u>	<u>10,456,049</u>	<u>9,823,524</u>	<u>26,096,437</u>
Number of persons	<u>1</u>	<u>2</u>	<u>5</u>	<u>8</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>8</u>

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

- 40.1 The Chief Executive, three Directors and some executives are also provided with free use of the Company's maintained cars.
- 40.2 Aggregate amount charged in these financial statements in respect of Directors fee is Rs. 0.200 million (2015: Rs. 0.200 million).

41 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, local associated companies, staff retirement funds, Directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

Relation with the Company	Nature of transaction	2016 Rupees	2015 Rupees
Associated companies / undertaking	Sale of yarn / Cotton	54,031,967	34,388,076
	Insurance premium	24,562,640	11,748,128
	Dividend received	48,573	42,238
	Rent received	440,376	400,020
	Donation paid	110,000	120,000
Retirement benefit plan	Contribution to provident fund	12,249,038	10,477,145
Directors	Rent paid	4,020,000	4,020,000
	Dividend paid	6,117,998	6,117,998
Key management personnel	Remuneration and other benefits	27,278,786	26,096,437

41.1 Year end balances

Receivable from associated company	228,389	3,469,620
Payable to associated company	15,461,385	12,338,123
Payable to provident fund	1,732,055	2,071,007

42 CAPACITY AND PRODUCTION

Spinning units	2016			2015		
	Unit - I	Unit - II	Total	Unit - I	Unit - II	Total
Number of spindles installed	28,608	38,448	67,056	28,616	38,448	67,064
Number of spindles worked	28,608	38,448	67,056	20,360	38,448	58,808
Number of shifts per day	3	3	3	3	3	3
Installed capacity after conversion into 20/s count - Kgs	11,083,232	14,895,417	25,978,649	11,086,331	14,188,513	25,274,844
Actual production of yarn after conversion into 20/s count - Kgs	9,663,207	11,647,190	21,310,397	7,451,433	11,144,577	18,596,010

43 YIELD / MARK UP RATE RISK

Yield / mark-up rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market yield / mark-up rates. Sensitivity to yield / mark-up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is exposed to yield / mark-up rate risk in respect of the following:

		2016					
Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk			Sub- total	Not exposed to yield / mark-up rate risk	
		Maturity upto one year	Maturity over one year to five years	Maturity over five years			
%		Rupees					
Financial assets							
Available for sale carried at fair value							
Investments	52,405,220	-	-	-	-	52,405,220	
Held to maturity carried at amortized cost							
Investments	5.67% to 7.52%	1,200,000	1,200,000	-	-	1,200,000	
Loans and receivables carried at amortized cost							
Loans	-	943,000	-	-	-	943,000	
Trade debts	-	489,355,247	-	-	-	489,355,247	
Trade deposits	-	25,936,979	7,221,481	18,715,498	-	25,936,979	
Other receivables	-	627,319	-	-	-	627,319	
Cash and bank balances	-	183,988,956	29,310,296	-	-	29,310,296	
		754,456,721	37,731,777	18,715,498	-	56,447,275	
Financial liabilities							
Financial liabilities carried at amortized cost							
Long-term financing	9% - 13.30%	490,922,562	81,324,463	409,598,099	-	490,922,562	
Liabilities against assets subject to finance leases	9.50% - 18.50%	11,244,553	8,659,227	2,585,326	-	11,244,553	
Trade and other payables	-	441,511,870	-	-	-	441,511,870	
Interest and markup accrued	-	36,508,278	-	-	-	36,508,278	
Short-term borrowings	8.58% - 12.13%	235,915,022	235,915,022	-	-	235,915,022	
		(1,216,102,285)	(325,898,712)	(412,183,425)	-	(738,082,137)	
		(461,645,564)	(288,166,935)	(393,467,927)	-	(681,634,861)	
On balance sheet gap							
Off balance sheet items							
Guarantees on behalf of the Company		60,992,000	-	-	-	60,992,000	
Letter of credit for capital expenditure		2,123,000	-	-	-	2,123,000	
		63,115,000	-	-	-	63,115,000	
Total gap		(524,760,564)	(288,166,935)	(393,467,927)	-	(681,634,861)	
		2015					
Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk			Sub- total	Not exposed to yield / mark-up rate risk	
		Maturity upto one year	Maturity over one year to five years	Maturity over five years			
%		Rupees					
Financial assets							
Available for sale carried at fair value							
Investments	55,423,478	-	-	-	-	55,423,478	
Held to maturity carried at amortized cost							
Investments	5.05% to 10%	151,200,000	151,200,000	-	-	151,200,000	
Loans and receivables carried at amortized cost							
Loans	-	490,000	-	-	-	490,000	
Trade debts	-	320,007,060	-	-	-	320,007,060	
Trade deposits	-	29,617,790	11,753,592	17,864,198	-	29,617,790	
Other receivables	-	1,013,792	-	-	-	1,013,792	
Cash and bank balances	-	152,353,010	31,820,580	-	-	31,820,580	
		710,105,129	194,774,172	17,864,198	-	212,638,370	
Financial liabilities							
Financial liabilities carried at amortized cost							
Long-term financing	9% - 13.30%	508,914,328	108,448,794	400,465,535	-	508,914,328	
Liabilities against assets subject to finance leases	9.50% - 18.50%	29,476,014	20,139,943	9,336,071	-	29,476,014	
Trade and other payables	-	384,016,051	-	-	-	384,016,051	
Financial charges payable	-	33,012,371	-	-	-	33,012,371	
Short-term borrowings	8% - 16.31%	66,126,996	66,126,996	-	-	66,126,996	
		(1,021,545,760)	(194,715,733)	(409,801,606)	-	(604,517,338)	
		(311,440,631)	58,439	(391,937,408)	-	(391,878,968)	
On balance sheet gap							
Off balance sheet items							
Guarantee issued on behalf of the Company		37,873,000	-	-	-	37,873,000	
Letter of credit for import of raw material		2,846,000	-	-	-	2,846,000	
Letter of credit for capital expenditure		85,568,000	-	-	-	85,568,000	
		126,287,000	-	-	-	126,287,000	
Total gap		(460,201,410)	(4,551,143)	(409,801,606)	-	(414,352,748)	

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

44.1 Risk management policies

The Company's operations expose it to financial risk mainly due to changes in foreign exchange rates. Risk management is carried out by the management under policies approved by Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

44.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2016 Rupees	2015 Rupees
Deposits	25,936,979	29,617,790
Investments	53,605,220	206,623,478
Trade debts	489,355,247	320,007,060
Loans	943,000	490,000
Other receivables	627,319	1,013,792
Bank balances	181,101,331	151,474,980
	<u>751,569,096</u>	<u>709,227,100</u>

The aging of trade receivables at the reporting date is:

Not past due	255,992,077	169,152,834
Past due 1-30 days	92,274,010	67,532,877
Past due 30-90 days	105,087,915	79,607,335
Past due 90 days	36,001,245	3,714,014
	<u>489,355,247</u>	<u>320,007,060</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary sales made to certain customers are secured through letters of credit.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. Rating of banks ranges from A-3 to A1+.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year, no assets have been impaired (2015: stock of cotton amounting to Rs. 68.970 million, store, spares and loose tools amounting to Rs. 58.750 million, trade debts amounting to Rs. 324.592 million and investment classified as available for sale amounting to Rs. 55.423 million against which impairment amounting to Rs. 4.276 million, Rs. 2.558 million, Rs. 4.585 million and Rs. 8.578 million respectively has been recorded).

44.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
	Rupees						
2016							
Long term financing	490,922,562	544,025,851	31,202,854	79,644,422	134,783,395	298,395,180	-
Liabilities against assets subject to finance leases	11,244,553	11,781,142	5,077,900	4,452,793	972,822	1,277,627	-
Trade and other payables	441,511,870	441,511,870	441,511,870	-	-	-	-
Interest and markup accrued	36,508,278	36,508,278	36,508,278	-	-	-	-
Short-term borrowings	235,915,022	235,915,022	235,915,022	-	-	-	-
	<u>1,216,102,285</u>	<u>1,269,742,163</u>	<u>750,215,924</u>	<u>84,097,215</u>	<u>135,756,217</u>	<u>299,672,807</u>	<u>-</u>
	Carrying amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
	Rupees						
2015							
Long term financing	508,914,328	671,611,896	81,883,133	78,509,396	122,111,952	345,555,891	43,551,524
Liabilities against assets subject to finance leases	29,476,014	31,342,296	11,865,875	9,821,950	9,244,930	409,541	-
Trade and other payables	384,016,051	384,016,051	384,016,051	-	-	-	-
Financial charges payable	33,012,371	33,012,371	33,012,371	-	-	-	-
Short-term financing	66,126,996	66,126,996	66,126,996	-	-	-	-
	<u>1,021,545,760</u>	<u>1,186,109,610</u>	<u>576,904,426</u>	<u>88,331,346</u>	<u>131,356,882</u>	<u>345,965,432</u>	<u>43,551,524</u>

44.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holding of financial instruments.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company exposure to foreign currency risk as follows:

	2016 Rupees	2015 Rupees
Outstanding letter of credit	<u>2,123,115</u>	<u>88,414,000</u>

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. At the balance sheet date the interest rate profile of the Company's interest -bearing financial instruments is as follows:

	2016 Effective rate (In percent)	2015 Effective rate (In percent)	2016 Carrying amount Rupees	2015 Carrying amount Rupees
Financial liabilities				
Fixed rate instrument				
Long term finance	4.5%-11.2%	11.20%	<u>115,208,631</u>	<u>16,206,665</u>
Short term borrowings	8%	8%	<u>12,000,000</u>	<u>12,000,000</u>
Variable rate instruments				
Long term finance	8.76%-10.51%	9.00%-13.13%	<u>375,713,931</u>	<u>492,707,664</u>
Short term borrowings	7.50%-9.60%	8.58%-12.13%	<u>223,915,022</u>	<u>54,126,996</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for prior year.

	Profit and loss	
	100 bp increase	100 bp decrease
As at June 30, 2016		
Cash flow sensitivity - Fixed rate financial liabilities	(1,272,086)	1,272,086
Cash flow sensitivity - Variable rate financial liabilities	(5,996,290)	5,996,290
As at June 30, 2015		
Cash flow sensitivity - Fixed rate financial liabilities	(282,067)	282,067
Cash flow sensitivity - Variable rate financial liabilities	(5,468,347)	5,468,347

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

c) Market risk

Market price risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Exposure

The Company has exposure to market price risk in available for sale securities.

Risk management

The Company's policy is to manage price risk through diversification and selection of financial instruments within specified limits.

	2016 Rupees	2015 Rupees
As at June 30, 2016, the fair value of equity securities exposed to price risk were as follows:		
Available for sale investment	<u>52,405,220</u>	<u>54,481,437</u>

The following analysis illustrates the sensitivity of the profit for the year and the share holders' equity to an increase or decrease of 5% in the fair values of the Company's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equity securities at each statement of assets and liabilities date, with all other variables held constant.

	2016 Rupees	2015 Rupees
Price sensitivity	<u>2,620,261</u>	<u>2,724,072</u>

44.5 Financial instruments by category

Financial assets		
Available for sale carried at fair value		
Investments	52,405,220	55,423,478
Held to maturity carried at amortized cost		
Investments	1,200,000	151,200,000
Loans and receivables carried at amortized cost		
Loans	943,000	490,000
Trade debts	489,355,247	320,007,060
Trade deposits	25,936,979	29,617,790
Other receivables	627,319	1,013,792
Cash and bank balances	183,988,956	152,353,010
	<u>754,456,721</u>	<u>710,105,129</u>
Financial liabilities		
Financial liabilities carried at amortized cost		
Long-term financing	490,922,562	508,914,328
Liabilities against assets subject to finance leases	11,244,553	29,476,014
Trade and other payables	441,536,870	384,016,051
Interest and markup accrued	36,508,278	33,012,371
Short-term borrowings	235,915,022	66,126,996
	<u>1,216,127,285</u>	<u>1,021,545,760</u>

45 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.

As at June 30, 2016, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Rupees				
Available for sale				
Shares	52,280,470	-	124,750	52,405,220

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 breakup value which approximates the fair value of the investment.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

46 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2016 by the Board of Directors of the Company.

48 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Board of Directors of the Company in their meeting held on October 07, 2016 has recommended cash dividend for the year ended June 30, 2016 at 10% i.e. Rs. 1.00 per ordinary share subject to approval of shareholders in Annual General Meeting of the Company to be held on 31st October 2016.

49 NUMBER OF EMPLOYEES

	2016	2015
	No. of employees	
Number of employees as at June 30	1,035	1,016
Average number of employees during the year	1,052	1,025


50 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison, the effect of which is not material.

51 GENERAL

Figures have been rounded off to the nearest rupee.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

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PATTERN OF SHAREHOLDING AS AT JUNE 30, 2016

FORM-34

SHAREHOLDERS	FROM	TO	TOTAL SHARES	PERCENTAGE
687	1	100	22,077	0.18
436	101	500	98,798	0.80
98	501	1,000	68,033	0.55
137	1,001	5,000	278,344	2.24
35	5,001	10,000	252,982	2.04
12	10,001	15,000	151,611	1.22
15	15,001	20,000	252,762	2.04
6	20,001	25,000	132,762	1.07
7	25,001	30,000	199,510	1.61
6	30,001	35,000	192,340	1.55
6	35,001	40,000	225,328	1.81
4	40,001	45,000	170,626	1.37
2	45,001	50,000	91,170	0.73
1	50,001	55,000	51,173	0.41
2	55,001	60,000	118,233	0.95
1	60,001	65,000	65,000	0.52
2	65,001	70,000	136,106	1.10
2	70,001	75,000	145,420	1.17
2	75,001	80,000	157,277	1.27
1	140,001	145,000	143,217	1.15
1	150,001	155,000	153,580	1.24
1	315,001	320,000	317,058	2.55
1	350,001	355,000	351,657	2.83
1	450,001	455,000	452,100	3.64
1	630,001	635,000	633,015	5.10
1	850,001	855,000	852,681	6.87
1	880,001	885,000	883,417	7.11
1	1,305,001	1,310,000	1,306,831	10.52
1	1,330,001	1,335,000	1,330,400	10.71
1	1,345,001	1,350,000	1,347,875	10.85
1	1,835,001	1,840,000	1,836,493	14.79
1,473			12,417,876	100

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Categories of Shareholder

Directors, Chief Executive Officer, Their Spouse and Children

Chief Executive		
IMRAN MAQBOOL	1,347,875	10.85
Directors		
HUMAYUN MAQBOOL	1,330,400	10.71
KHAWAR MAQBOOL	1,836,493	14.79
NADEEM MAQBOOL	1,306,831	10.52
NAILA HUMAYUN MAQBOOL	500	0.00
MANSOOR RIAZ	883,417	7.11
JAHANZEB SAEED KHAN	500	0.00
ASMA IMRAN MAQBOOL W/O. IMRAN MAQBOOL	6,501	0.05
NAZIA MAQBOOL W/O. NADEEM MAQBOOL	3,399	0.03
SAMEER MANSOOR RIAZ S/O. MANSOOR RIAZ	6,463	0.05
	6,722,379	54.13

Associated Companies, Undertakings & Related Parties

CRESCENT POWER TEC LIMITED	27,825	0.22
	27,825	0.22

NIT & ICP (Name Wise Detail)

INVESTMENT CORPORATION OF PAKISTAN	5,662	0.05
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Banks, DFI's, NBFIs

Banks, DFI's, NBFIs	130,408	1.05
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Insurance Companies

Insurance Companies	1,102	0.01
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Modaraba and Mutual Funds

Modaraba and Mutual Funds	16,621	0.13
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Other Companies

Other Companies	1,602,165	12.90
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General Public

Local	3,911,714	31.50
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TOTAL NUMBER OF SHARES	12,417,876	100
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Shareholders More Than 5%

KHAWAR MAQBOOL	1,836,493	14.79
IMRAN MAQBOOL	1,347,875	10.85
HUMAYUN MAQBOOL	1,330,400	10.71
NADEEM MAQBOOL	1,306,831	10.52
MANSOOR RIAZ	883,417	7.11
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	852,681	6.87
BASHIR AHMAD	633,015	5.10

Trade in Shares of the Company carried out by Directors, Executives, their Spouse(s) and Minor Children

Mr. Imran Maqbool, Chief Executive purchased 11,000 shares during the year.
 Mr. Humayun Maqbool, Director purchased 8,000 shares during the year.
 Mr. Riaz Masood, Ex-Director purchased 30,500 shares during the year.



**Crescent
Fibres**

FORM OF PROXY

CDC Participant ID #	Sub Account # / Folio #	CNIC No.	Share Holding
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I/We _____
of _____

being a member of **CRESCENT FIBRES LIMITED**, hereby appoint _____

_____ or

failing him _____ (being

a member of the Company) as my/our proxy to attend, act and vote for me/us and on my/our

behalf at the 39th Annual General Meeting of the Company to be held on Monday the

31st October, 2016 at 9.30 a.m. at Registered office of the Company 104 -Shadman-1, Lahore and

at any adjournment thereof.

Witnesses:

1. Signature: _____
 Name : _____
 C.N.I.C. : _____
 Address : _____

2. Signature: _____
 Name : _____
 C.N.I.C. : _____
 Address : _____

Please affix here Revenue Stamps of Rs. 5/- _____ Members' Signature

Date:

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instruments appointing a proxy, together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, 104 -Shadman-1, Lahore, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:
 - i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, 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 a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the company.

کریسنٹ فائبرز لمیٹڈ

پراکسی فارم (مختار نامہ)

حصہ دار (شیر ہولڈنگ)	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	سب اکاؤنٹ (ذیلی کھاتہ) نمبر	سی ڈی سی شرکت آئی ڈی نمبر

میں/ہم _____ ساکن _____
 بحیثیت رکن کریسنٹ فائبرز لمیٹڈ، محترم _____ یا اس _____
 کی غیر موجودگی میں _____
 کمپنی کے رکن) کو اپنے/ہمارے ایما پر مورخہ 31 اکتوبر، 2016 بروز صبح 9:30 بجے بمقام کمپنی کے رجسٹرڈ آفس 104 شادمان-1، لاہور پر منعقد ہونے والے کریسنٹ فائبرز لمیٹڈ کے 39 ویں سالانہ اجلاس عام میں
 حق رائے دہی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرنا ہوں/کرتے ہیں۔
 آج بروز _____ بتاریخ _____ 2016ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

1:	دستخط:	_____
نام:	_____	_____
پتہ:	_____	_____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	_____	_____
2:	دستخط:	_____
نام:	_____	_____
پتہ:	_____	_____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	_____	_____

5/- روپے کارسیدی ٹکٹ یہاں چسپاں کریں

دستخط رکن
 کمپنی کے نمونہ دستخط سے مہماں ہونے چاہئیں۔

نوٹ:

- اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن، پراکسی مقرر کر سکتا ہے۔
- پراکسی اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہوں) تقرری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختار نامہ کی نوٹریبل تصدیق کا پٹی، کمپنی کے شیر رجسٹرڈ دفتر 104 شادمان-1، لاہور میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کروائے جانے چاہئیں۔
- سی ڈی سی اکاؤنٹ ہولڈرز کو پراکسی تقرری کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے مورخہ 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔
 - بصورت افراد، اکاؤنٹ ہولڈر اور/یا سب اکاؤنٹ ہولڈرز جن کی سیکورٹیز اینڈ ایکسچینج کمیشن تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرنا ہوگئے۔
 - پراکسی فارم پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
 - تنفیض اوتز اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق منقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرنا ہوگی۔
 - پراکسی، اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا/گی۔
 - بصورت کارپوریٹ اسٹاکٹی، بورڈ کی قرارداد/مختار نامہ مع پراکسی ہولڈر کے دستخط (اگر پبلسٹک فرم انہیں کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرنا ہوگا۔