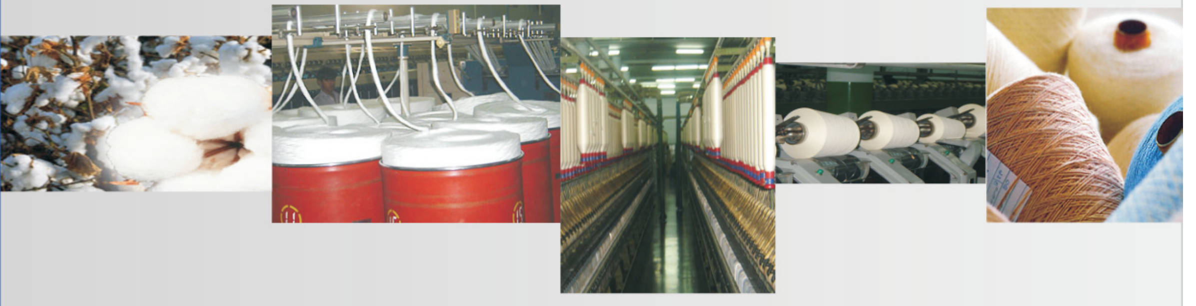
Crescent Fibres



Annual Report 2012

CONTENTS

COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson)
	Imran Maqbool	(Chief Executive)
	Humayun Maqbool	
	Nadeem Maqbool	
	Naila Humayun Maqbool	
	Riaz Masood	
	Shahid Riaz	
Chief Financial Officer	Kamran Rasheed	
Company Secretary	Javaid Hussain	
Audit Committee	Nadeem Maqbool	(Chairman)
	Humayun Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
	Karim Kassam Ali	(Secretary)
Human Resources & Remuneration Committee	Naila Humayun Maqbool	(Chairperson)
	Imran Maqbool	(Member)
	Nadeem Maqbool	(Member)
Auditors	BDO Ebrahim & Company Chartered Accountants	
Legal Advisor	Mohsin Tayebally & Sons	
Registered Office	104 Shadman 1, Lahore-54000 Tel : (042) 3757-9641, 3757-6482 Fax : (042) 3756-0963	
E-mail:	lo@crescentfibres.com	
Website:	www.crescentfibres.com	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the shareholders of **Crescent Fibres Limited** will be held on Wednesday the 31st October, 2012 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, 2012 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, 2012 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 4, 2012
REGISTERED OFFICE
104-Shadman-1, Lahore,

By Order of the Board
JAVAID HUSSAIN
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 20th October, 2012 to 31st October, 2012 (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.

Dear Shareholders,

DIVIDEND MANDATE FORM

This is to inform you that under section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide circular no. 18 of 2012 dated June 05, 2012, we request you, being the registered shareholders of Crescent Fibres Limited, to hereby authorize the Company to credit your cash dividends if any, declared by the Company in future directly in your bank account.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT, THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANT.

Do you wish the future cash dividend declared by the company, if any, is directly credited in your bank account instead of issue of dividend warrants? Please tick "√"any of the following boxes:

YES NO

In case of "YES", please provide the following information:

TRANSFEREE DETAIL	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Code, Name & Address	
Cell number of transferee	
Landline number of transferee if any,	
CNIC number (enclose attested copy also)	

It is stated that the above mentioned information is correct and confirmed, I shall immediately inform the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of Shareholder ___________________

NOTE: PHYSICAL SHAREHOLDERS ARE REQUESTED TO PLEASE SUBMIT THE DIVIDEND MANDATE FORM DULY COMPLETED TO THE SHARE REGISTRAR/COMPANY. IN CASE OF CDC ACCOUNT HOLDER, PLEASE SUBMIT THIS MANDATE FORM TO THE CONCERNED PARTICIPANT/BROKER.

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www.crescentfibres.com

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 a profit of Rs. 73.7 million for the year ended June 30, 2012 as compared to a profit of Rs. 128.6 million for the twelve months ended June 30, 2011. The earnings per share for the period under review was Rs. 5.93.

Crescent Fibres Limited
Summarized Financial Results

Rupees in millions	Year Ended 30-Jun-12		Year Ended 30-Jun-11	
	Rs.	% of Sales	Rs.	% of Sales
Sales	2,790.4	100.0%	2,718.5	100.0%
Cost of Sales	(2,515.1)	90.1%	(2,437.7)	89.7%
Gross Profit	275.3	9.9%	280.8	10.3%
Distribution Cost	(11.2)	0.4%	(10.5)	0.4%
Administrative Expenses	(62.1)	2.2%	(56.8)	2.1%
Other Expenses	(12.4)	0.4%	(12.2)	0.4%
Other Income	16.0	0.6%	20.2	0.7%
Profit from Operations	205.7	7.4%	221.5	8.1%
Financial Charges / Other	(97.0)	3.5%	(62.8)	2.3%
Profit before Taxation	108.7	3.9%	158.7	5.8%
Taxations	(35.0)	1.3%	(30.1)	1.1%
Profit/(Loss) After Taxes	73.7	2.6%	128.6	4.7%
Earnings per Share	5.93		10.36	

After several difficult years, textile demand saw a strong revival starting in 2010 and this had a positive impact on the profitability of the local spinning industry in the last few years. The strong demand combined with limited world cotton stocks drove the prices of this raw material to all time highs eventually leading to widespread demand destruction which in turn led to a sharp decline in both finished goods and raw material prices starting in March 2011. From March to August 2011, cotton prices declined more than 50% sending shockwaves through the entire textile chain. As a result, the last quarter of the fiscal year ending 2011 as well as the first two quarters of the fiscal year ending 2012 proved to be very difficult for the textile industry. Manufacturers saw a significant decline in demand and profitability as the markets adjusted to the sharp rise, and then fall in raw material prices.

The Company did not show any profits for the first half of the period under review. However, demand started to remerge at the start of the third quarter and this combined with lower raw material prices led to much improved profitability. Overall, sales were higher by 2.6% as compared to the year ending June 2011 with a gross margin of 9.9% as compared to 10.3% in the previous year. In spite of inflationary pressures, distribution and administrative expenses were controlled and were more or less unchanged as a percentage of sales relative to last year. The operating margin in the period under review was 7.4% as compared to 8.1% for the year ended June 30, 2011. During the year, interest rates maintained their high levels. The total financial charges paid were higher due to the assumption of long term debt to finance the installation of 12,096 spindles which came online in May 2011. Overall, the net margin for the period under review was 2.6% as compared to 4.7% for the year ended June 30, 2011.

In the financial statements, the auditors have observed that they have not been furnished requisite documentation regarding short term financing aggregating Rs 12 million. The Management is pursuing the lending institution to resolve this issue but believes that adequate provision for this liability and mark-up has been made in the books of account.

During the year, The Board accepted the resignation of Mr. Ubaidullah, Internal Auditor, and approved the appointment of Mr. Karim Kassam Ali as Internal Auditor at a gross monthly remuneration of Rs.43000 and other benefits as per Company policy.

DIVIDEND

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

FUTURE OUTLOOK

Owing to extensive monetary easing, there has been a marked improvement in market sentiment and economic activity in both developing and advanced countries. However, the after effects of the financial crisis of 2008 are still being felt in the global economy and this combined with the Euro Zone crisis and a slow down in China will continue to be a drag on growth. As a result global growth over the next several years is estimated to be approximately 3% which is well below the average for the last two decades. For the foreseeable future, the economic environment will be characterized by uncertainty and volatility.

The textile industry's outlook is also uncertain given a challenging global economic and operating environment, fickle demand growth and volatility in raw material prices. Other challenges include the shortage and high cost of energy, high interest rates and inflationary trend in the cost of all major inputs. However, we feel that the lower raw material prices will spur demand sufficiently to ensure profitability at least for the next couple of quarters.

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, reduction in mark-up rates, and improved law and order.

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 presently fairly its state of affairs, the results of its operations, cash flows and changes in equity.
(b) Proper books of account 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 thereon has been adequately disclosed.
(e) The system of internal control adopted by the Management is sound in design. Efforts are underway to ensure its effective implementation.
(f) There are no significant doubts with regard to the Company's ability to continue as a going concern.
(g) Key financial and operating 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, 2012 was Rs. 58.918 million.

(k) During the year 4 meetings of the Board of Directors were held. Attendance was as follows:

    1. Imran Maqbool, Chief Executive Officer (4)
    2. Humayun Maqbool (4)
    3. Khawar Maqbool (4)
    4. Nadeem Maqbool (4)
    5. Naila Maqbool (4)
    6. Riaz Masood (3)
    7. Shahid Riaz (3)

(l) Pattern of Shareholding is included elsewhere in the annual report.

(m) 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 – 50,000 shares
Humayun Maqbool – 50,000 shares
Nadeem Maqbool – 50,000 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

IMRAN MAQBOOL
Chief Executive Officer

October 04, 2012

BDO

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Karachi-74200
Pakistan

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2012 prepared by the Board of Directors of **CRESCENT FIBRES LIMITED** (the Company) to comply with the Listing Regulations of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code of Corporate Governance.

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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, the Listing Regulations of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited require the Company to place before the Board of Directors for their consideration and approval 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 of Corporate Governance, for the year ended June 30, 2012.

KARACHI

DATED: OCTOBER 04, 2012

CHARTERED ACCOUNTANTS
Engagement partner: Zulfikar Ali Causer

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

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of the Stock Exchanges of Pakistan 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 Code in the following manner.

1. The company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Executive Directors	Khawer Maqbool,Imran Maqbool,Humayun Maqbool, Riaz Masood,Shahid Riaz
Non-Executive Directors	Nadeem Maqbool,Naila Humayun Maqbool

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 directors 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 member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year no casual vacancy has been occurred.

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 Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified on clause (xi) of CCG,two Directors of the Company are exempted from the requirement of directors' training program and rest of the Directors to be trained within specified time.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, 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 directors including the chairman of the committee.

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 directors and the chairman of the committee is a non-executive director.

18. The board has set up an effective internal audit function.

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 or 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 company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material principles enshrined in the CCG have been complied.

On behalf of the Board of Directors

Imran Maqbool

IMRAN MAQBOOL
CHIEF EXECUTIVE

4th October, 2012

FINANCIAL SUMMARY

OPERATING RESULTS:	JUNE 2012	JUNE 2011	JUNE 2010	JUNE 2009	JUNE 2008	JUNE 2007
Net Sales	2,790,421,868	2,718,476,154	1,769,385,178	1,427,452,866	1,237,568,671	1,179,651,638
Cost of Sales	2,515,100,271	2,437,710,090	1,512,825,424	1,318,432,874	1,150,932,207	1,063,071,594
Distribution and admin. Expenses	73,217,593	67,275,551	58,083,996	49,659,317	49,547,869	46,985,373
Financial Charges	97,052,678	62,998,292	42,049,313	54,524,472	32,037,671	36,773,875
Other operating expenses	12,432,450	12,160,834	13,589,612	1,016,980	895,799	1,992,687
Other operating income - Net	16,042,023	20,222,177	10,946,935	9,720,926	12,897,912	7,032,934
Share of associate profit	5,827	172,946	257,785	(307,537)	473,904	973,904
Pre-Tax Profit/ (Loss)	108,666,726	158,726,510	154,041,552	13,232,612	17,526,941	38,834,947
Taxation	35,006,439	30,104,412	43,296,811	772,533	6,234,224	5,087,517
Net Income	73,660,287	128,622,098	110,744,741	12,460,079	11,292,718	33,747,431
PER SHARE RESULTS AND RETURN:						
Share Price	8.50	12.95	8.25	6.15	14.85	15.55
Earning Per Share	5.93	10.36	8.92	1.00	0.91	2.72
Dividend Per Share	1.00		1.00		-	
Net Income Sales Percent	2.64%	4.73%	6.26%	0.87%	0.91%	2.86%
Return on Average Assets Percent	5.47%	12.31%	16.10%	1.85%	1.52%	4.59%
Return on Average Equity Percent	16.53%	37.33%	47.44%	6.08%	4.50%	16.24%
FINANCIAL POSITION:						
Current Assets	666,068,574	653,777,689	446,102,403	342,589,416	401,686,714	448,794,315
Current Liabilities	490,314,672	542,499,819	372,166,926	386,290,983	384,328,681	363,649,060
Operating Fixed Assets	649,682,681	651,592,808	274,157,920	282,340,414	300,962,706	310,947,544
Total Assets	1,343,697,481	1,349,195,032	740,827,012	635,048,098	711,823,443	774,443,547
Long Term Debt	248,028,762	320,504,714	19,549,227	29,482,313	61,537,754	103,555,574
Shareholders Equity	488,593,030	402,413,928	286,678,039	180,225,355	229,579,421	271,855,206
Break-up Value Per Share	39.35	32.41	23.09	14.51	18.49	23.03
FINANCIAL RATIOS:						
P/E Ratio	1.43	1.25	0.93	6.13	16.33	5.72
Current Ratio	1.36	1.21	1.20	0.89	1.05	1.23
Total Debt to Total Assets Percent	63.64%	70.17%	61.30%	71.62%	67.75%	64.90%
Interest Charges Cover (Times)	2.12	3.52	4.66	1.24	1.55	2.06
Inventory Turnover (Times)	9.78	10.92	9.65	8.61	7.20	6.86
Fixed Assets Turnover (Times)	4.30	4.17	6.45	5.06	4.11	3.79
Total Assets Turnover (Times)	2.08	2.01	2.39	2.25	1.74	1.52
OTHER DATA:						
Depreciation and Amortization	67,511,276	35,601,334	28,151,353	29,842,625	31,263,483	32,759,733
Capital Expenditure	57,147,062	398,473,138	22,257,973	9,141,345	14,543,689	20,601,351

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT FIBRES LIMITED** as at June 30, 2012 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:

The balance under the head of short term borrowings includes an amount of Rs. 12.000 million and mark up accrued thereon amounting to Rs. 20.385 million for which supporting information has not been furnished to us. No provision for markup has been recorded on this balance during the year. Further, we have not received independent confirmation of these balances from the financial institution. These balances have been presented in the financial statements as per the books of accounts. In the absence of any supporting information, we are unable to confirm the existence and completeness of these balances and the related mark up expenses.

Except for the adjustments in respect of the matter stated above:

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) except for the adjustments in respect of the matter stated above, 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, 2012 and of the profit, comprehensive income, its 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 04, 2012

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, 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	649,682,681	651,592,808
Capital work-in-progress	6	-	821,325
		649,682,681	652,414,133
Intangible assets	7	386,220	772,440
Long term advances	8	-	23,020,850
Long term investments	9	2,471,332	2,549,980
Long-term deposits	10	25,088,674	16,659,940
		677,628,907	695,417,343
CURRENT ASSETS			
Stores, spares and loose tools	11	36,315,787	40,238,916
Stock-in-trade	12	216,963,164	220,754,623
Trade debts	13	246,765,232	290,634,718
Loans and advances	14	5,919,658	4,866,196
Trade deposits and short term prepayments	15	4,087,509	3,929,299
Other receivables	16	799,030	4,991,314
Short term investments	17	41,796,516	34,916,373
Tax refund due from Government	18	15,496,848	14,038,684
Taxation - net	30	28,928,079	-
Cash and bank balances	19	68,996,751	39,407,566
		666,068,574	653,777,689
TOTAL ASSETS		1,343,697,481	1,349,195,032
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2011: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid up capital	20	124,178,760	124,178,760
Reserves	21	364,414,270	278,235,168
		488,593,030	402,413,928
NON-CURRENT LIABILITIES			
Long term financing	22	248,028,762	320,504,714
Liabilities against assets subject to finance lease	23	23,529,579	26,262,064
Deferred income	24	-	231,820
Deferred taxation	25	93,231,438	57,282,687
		364,789,779	404,281,285
CURRENT LIABILITIES			
Trade and other payables	26	226,568,584	216,967,652
Interest and markup accrued	27	33,070,905	43,860,062
Short-term financing	28	141,476,328	269,435,724
Current portion of long term liabilities	29	89,198,855	12,142,127
Taxation - net	30	-	94,254
		490,314,672	542,499,819
CONTINGENCIES AND COMMITMENTS	31		
TOTAL EQUITY AND LIABILITIES		1,343,697,481	1,349,195,032

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

IMRAN MAQBOOL
CHIEF EXECUTIVE

NADEEM MAQBOOL
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Sales - net	32	2,790,421,868	2,718,476,154
Cost of sales	33	(2,515,100,271)	(2,437,710,090)
Gross profit		275,321,597	280,766,064
General and administrative expenses	34	(62,061,729)	(56,814,202)
Distribution cost	35	(11,155,864)	(10,461,349)
Other operating income	36	16,042,023	20,222,177
Other operating expenses	37	(12,432,450)	(12,160,834)
		(69,608,020)	(59,214,208)
Operating profit		205,713,577	221,551,856
Financial charges	38	(97,052,678)	(62,998,292)
Share of profit of associate	9.1	5,827	172,946
		(97,046,851)	(62,825,346)
Profit before taxation		108,666,726	158,726,510
Taxation	39	(35,006,439)	(30,104,412)
Profit for the year		73,660,287	128,622,098
Earning per share - basic and diluted	40	5.93	10.36

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

IMRAN MAQBOOL
CHIEF EXECUTIVE

Nadeem Maqbool

NADEEM MAQBOOL
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
Profit for the year	73,660,287	128,622,098
Other comprehensive income		
Unrealized gain on revaluation of investments classified as available for sale	12,518,815	(468,436)
Total comprehensive income for the year	86,179,102	128,153,662

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

Imran Maqbool

IMRAN MAQBOOL
CHIEF EXECUTIVE

Nadeem Maqbool

NADEEM MAQBOOL
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	339,873,550	83,883,446
Finance cost paid		(107,841,835)	(46,360,449)
Taxes paid		(28,080,274)	(33,706,953)
Net cash generated from operating activities		203,951,441	3,816,044
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(57,147,062)	(398,473,138)
Long term deposits		(8,428,734)	(9,609,230)
Dividend received		84,475	105,596
Long term advances		23,020,850	(23,020,850)
Proceeds from disposal of operating fixed assets		10,412,885	31,368,875
Net cash used in investing activities		(32,057,586)	(399,628,747)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	302,696,550
Repayments of long term financing		(2,241,063)	(19,066,534)
Deferred revenue		231,820	(231,821)
Dividend paid		-	(12,019,230)
Repayments of liabilities against assets subject to finance leases		(12,336,031)	(6,984,049)
Short term borrowings - net		(127,959,396)	121,896,531
Net cash generated from / (used in) financing activities		(142,304,670)	386,291,448
Net increase / (decrease) in cash and cash equivalents		29,589,185	(9,521,255)
Cash and cash equivalent at the beginning of the year		39,407,566	48,928,821
Cash and cash equivalent at the end of the year		68,996,751	39,407,566

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, 2012

	Issued, subscribed and paid-up capital	Capital reserve: Unrealized gain / (loss) on available for sale investment	Revenue reserves: Unappropriated profit	Total
	Rupees			
Balance as at July 01, 2010	124,178,760	(4,119,975)	166,619,357	286,678,142
Dividend paid during the year	-	-	(12,417,876)	(12,417,876)
Total comprehensive (loss) income for the year	-	(468,436)	128,622,098	128,153,662
Balance as at June 30, 2011	124,178,760	(4,588,411)	282,823,579	402,413,928
Total comprehensive income for the year	-	12,518,815	73,660,287	86,179,102
Balance as at June 30, 2012	124,178,760	7,930,404	356,483,866	488,593,030

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

Imran Maqbool

IMRAN MAQBOOL
CHIEF EXECUTIVE

Nadeem Maqbool

NADEEM MAQBOOL
DIRECTOR

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 all the Stock Exchanges in Pakistan. 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 Sheikhupura in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance and of the said directives have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IAS-39 "Financial Instruments: Recognition and Measurement", wherever applicable.

These financial statements have been 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.

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

3.1 Amendments that are effective in current year but not relevant to the Company

The Company has adopted the amendments to the following accounting standards which became effective during the year:

		Effective date (annual periods beginning on or after)
	Conceptual Framework for Financial Reporting	September 2010
IFRS 1	First time Adoption of International Financial Reporting Standards	July 01, 2011
IFRS 7	Financial Instruments: Disclosures	July 01, 2011
IAS 24	Related Party Disclosures	January 01, 2011
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 01, 2011

In May 2010, International Accounting Standards Board issued amendments to various accounting standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

Issued in May 2010		**Effective date (annual periods beginning on or after)**
IFRS 1	First time A doption of International Financial	January 01, 2011
IFRS 7	Financial Instruments: Disclosures	January 01, 2011
IAS 1	Presentation of Financial Statements	January 01, 2011
IAS 34	Interim Financial Reporting	January 01, 2011
IFRIC 13	Customer Loyalty Programmes	January 01, 2011

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 1	First-time Adoption of International Financial Reporting Standards - Amendments for government loan with a below-market rate of interest when transitioning to IFRSs and amendments resulting from Annual Improvements 2009-2011 Cycle (repeat application, borrowing costs)	January 01, 2013
IFRS 7	Financial Instruments Disclosures - Amendments related to the offsetting of assets and liabilities and deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	January 01, 2013
IFRS 9	Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements	January 01, 2015
IFRS 9	Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	January 01, 2015
IAS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 01, 2012
IAS 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information)	January 01, 2013
IAS 12	Income Taxes - Limited scope amendment (recovery of underlying assets)	January 01, 2012
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment)	January 01, 2013
IAS 19	Employee Benefits - Amended standard resulting from the post-employment benefits and termination benefits projects	January 01, 2013

IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities	January 01, 2014
IAS 32	Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions)	January 01, 2013
IAS 34	Interim Financial Reporting - Amendments resulting from Annual Improvements 2009-2011 Cycle (interim reporting of segment assets)	January 01, 2013

Standards or interpretations not yet effective

The following International Financial Reporting Standards or interpretations issued by IASB would be effective from the dates mentioned below against the respective standard or interpretation:

		Effective date (annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements	January 01, 2013
IFRS 11	Joint Arrangements	January 01, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13	Fair Value Measurement	January 01, 2013
IAS 27	Separate Financial Statements	January 01, 2013
IAS 28	Investments in Associates and Joint Ventures	January 01, 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Company expects that the adoption of the above amendments and interpretations of the standards 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 income 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 income 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 income 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 represents expenditure on property, plant and equipment which are in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for use. Capital work in progress is stated at cost less any identified impairment losses.

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 income 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

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard (IAS 39) "Financial Instruments: Recognition and Measurement" at the time of the purchase and classifies these investments as fair value through profit or loss account, held to maturity or available for sale.

Investments are being categorized as follows:

a) 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.

b) 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.

c) Available for sale

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 directly in equity 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.

4.5 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

Sales are recorded on dispatch of goods. However, export goods are considered sold when shipped on board.

Scrap sales are recognized when delivery is made to customers.

Rental income is recognized on accrual basis.

Income from bank deposits, loans and advances is recognized on accrual basis.

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

All the financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All the financial assets and financial liabilities recognized are initially measured at cost, which is the fair value of the consideration given or received respectively. In subsequent periods, these are measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statement associated with each item. Any gain or loss on recognition / derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

4.17 Offsetting of financial assets and financial liabilities

Financial assets 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 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.

5 OPERATING FIXED ASSETS

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	Leased office equipment	
	Rupees														
Net carrying value basis year ended June 30, 2012															
Opening net book value (NBV)	2,896,444	2,805,901	69,258,175	7,006,397	511,510,347	1,446,675	7,511,378	1,777,941	972,242	8,724,298	91,426	24,911,621	12,349,723	330,240	651,592,808
Additions / transfer (at cost)	-	-	1,645,967		54,532,194	-	1,624,500	165,726	-	-	-	8,212,885	8,232,500	-	74,413,772
Transfer from leased assets to own assets (NBV)	-	-	-	-	-	-	386,826	-	-	-	-	-	(386,826)	-	-
Disposals (NBV)	-	-	-	-	(8,212,885)	-	(985,956)	-	-	-	-	-	-	-	(9,198,841)
Depreciation charge	-	(34,128)	(3,426,255)	(414,406)	(53,790,253)	(144,668)	(1,494,348)	(377,368)	(97,224)	(872,429)	(18,286)	(3,175,569)	(3,214,076)	(66,048)	(67,125,058)
Closing net book value	2,896,444	2,771,773	67,477,887	6,591,991	504,039,403	1,302,007	7,042,400	1,566,299	875,018	7,851,869	73,140	29,948,937	16,981,321	264,192	649,682,681
Gross carrying value basis year ended June 30, 2012															
Cost	2,896,444	3,378,976	125,552,404	31,641,118	1,021,252,283	6,365,440	17,632,209	7,367,182	4,498,949	26,919,116	1,033,627	35,850,459	24,363,500	645,000	1,309,396,707
Accumulated depreciation / impairment	-	(607,203)	(58,074,517)	(25,049,127)	(517,212,880)	(5,063,433)	(10,589,809)	(5,800,883)	(3,623,931)	(19,067,247)	(960,487)	(5,901,522)	(7,382,179)	(380,808)	(659,714,026)
Net book value	2,896,444	2,771,773	67,477,887	6,591,991	504,039,403	1,302,007	7,042,400	1,566,299	875,018	7,851,869	73,140	29,948,937	16,981,321	264,192	649,682,681
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, 2011															
Opening net book value (NBV)	2,896,444	2,840,029	33,147,121	7,442,614	198,444,111	1,607,417	6,215,439	1,780,771	1,080,269	3,726,299	105,285	4,864,764	9,594,565	412,800	274,157,928
Additions (at cost)	-	-	38,021,167	-	360,607,453	-	2,484,000	377,609	-	6,036,273	-	22,000,000	6,793,500	-	436,320,002
Transfer from leased assets to own assets (NBV)	-	-	-	-	-	-	1,685,048	-	-	-	-	-	(1,685,048)	-	-
Disposals (NBV)	-	-	-	-	(21,899,499)	-	(1,006,984)	-	-	(377,305)	-	-	-	-	(23,283,788)
Depreciation charge	-	(34,128)	(1,910,113)	(436,217)	(25,641,718)	(160,742)	(1,866,125)	(380,439)	(108,027)	(660,969)	(13,859)	(1,953,143)	(2,353,294)	(82,560)	(35,601,334)
Closing net book value	2,896,444	2,805,901	69,258,175	7,006,397	511,510,347	1,446,675	7,511,378	1,777,941	972,242	8,724,298	91,426	24,911,621	12,349,723	330,240	651,592,808
Gross carrying value basis year ended June 30, 2011															
Cost	2,896,444	3,378,976	123,906,437	31,641,118	974,932,974	6,365,440	19,142,709	7,201,457	4,498,949	26,919,116	1,033,627	27,637,574	16,793,000	645,000	1,246,992,821
Accumulated depreciation / impairment	-	(573,075)	(54,648,262)	(24,634,721)	(463,422,627)	(4,918,765)	(11,631,331)	(5,423,516)	(3,526,707)	(18,194,818)	(942,201)	(2,725,953)	(4,443,277)	(314,760)	(595,400,013)
Net book value	2,896,444	2,805,901	69,258,175	7,006,397	511,510,347	1,446,675	7,511,378	1,777,941	972,242	8,724,298	91,426	24,911,621	12,349,723	330,240	651,592,808
Depreciation rate (% per annum)	-	1%	5%	5%	10%	10%	20%	20%	10%	10%	20%	10%	20%	20%	

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

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer / insurer	Address
	Rupees						
Vehicles	840,500	530,180	310,320	450,000	Negotiation	Farkhanda Maqbool	81-P, Jauhar Town, Lahore.
	849,000	592,824	256,176	550,000	Negotiation	Zafar Hussain	Shadi Kachala Po Ghazipur Tehsil Jalapour Pirwala, Multan.
	555,000	447,803	107,197	300,000	Negotiation	Muhammad Bashir	House # E21 Model Town Govt Quarter's, Lahore.
	555,000	451,926	103,074	310,000	Negotiation	Muhammad Bashir	House # E21 Model Town Govt Quarter's, Lahore.
	997,500	788,309	209,191	590,000	Negotiation	Khalil Ahmed	Siwa Aasil Post office Mustafbad, Lahore.
	3,797,000	2,811,042	985,958	2,200,000			
Plant and machinery	8,212,885	-	8,212,885	8,212,885	Sale and lease back	First UDL Modaraba	NICL Building, 8th floor, Off-Shahra-e-Faisal, Karachi.
Total - 2012	12,009,885	2,811,042	9,198,843	10,412,885			
Total - 2011	62,906,874	39,623,087	23,283,787	31,368,875			

	Note	2012 Rupees	2011 Rupees

5.3 The depreciation charge for the year has been allocated as follows:

	Note	2012 Rupees	2011 Rupees
Cost of sales	33	61,810,265	30,744,313
General and administrative expenses	34	5,314,793	4,857,018
		67,125,058	35,601,331

6 CAPITAL WORK-IN-PROGRESS

Description	Cost			
	As at July 01, 2011	Additions during the year	Transferred to operating fixed assets	As at June 30, 2012
	Rupees			
Building / improvements on leasehold land	821,325	824,642	1,645,967	-
Total - 2012	821,325	824,642	1,645,967	-
Total - 2011	9,874,689	357,549,925	366,603,289	821,325

7 INTANGIBLE ASSETS

	Note	2012 Rupees	2011 Rupees
Net carrying value basis			
Opening book value		772,440	1,158,660
Amortization charge	7.1	(386,220)	(386,220)
Closing net book value		386,220	772,440
Gross carrying value basis			
Cost		1,931,100	1,931,100
Accumulated amortization		(1,544,880)	(1,158,660)
Net book value		386,220	772,440
Amortization rate per annum		20%	20%

7.1 The amortization charge for the year has been allocated as follows:

	Note	2012 Rupees	2011 Rupees
General and administrative expenses	34	386,220	386,220

8 LONG TERM ADVANCES

		2012 Rupees	2011 Rupees
Advance against plant and machinery		-	23,020,850

		Note	2012 Rupees	2011 Rupees
9	**LONG TERM INVESTMENT**			
	In associated undertaking	9.1	2,471,332	2,549,980
9.1	In associated undertaking			
	Premier Insurance Limited			
	84,477 shares of Rs. 5 each (2011: 84,477 shares)			
	Cost of investment		930	930
	Accumulated share of post acquisition profit - net of dividend received		2,549,050	2,481,700
	Share of profit for the year		5,827	172,946
	Dividend received during the year		(84,475)	(105,596)
			2,470,402	2,549,050
			2,471,332	2,549,980

Market value of investment in associate was Rs. 591,339 (2011: Rs. 704,538).

Interim financial statements of associated company for the period ended June 30, 2012 (reviewed) have been used for the purpose of application of equity method.

The percentage of equity held in associate is 0.1395% (2011: 0.1395%).

Summarised financial information of Premier Insurance Limited as of June 30, 2012 is set out below:

	2012	2011
Total assets	3,473,154,000	3,247,085,000
Total liabilities	1,701,590,000	1,419,142,000
Net assets	1,771,564,000	1,827,943,000
Underwriting results	(34,515,000)	7,141,000
Investment income	42,969,000	86,901,000
Profit / (Loss) after tax	(11,762,000)	123,985,000
Company's share of associate's net assets	2,471,332	2,549,980

10 LONG-TERM DEPOSITS

	2012	2011
Security deposits		
Leases	15,314,444	10,090,598
Others	9,774,230	6,569,342
	25,088,674	16,659,940

	Note	2012 Rupees	2011 Rupees
11 STORES, SPARES AND LOOSE TOOLS			
Stores		18,804,070	24,467,778
Spares		17,993,688	16,020,852
Loose tools		66,964	47,651
		36,864,722	40,536,281
Less: Provision for slow moving items		(548,935)	(297,365)
		36,315,787	40,238,916

11.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable.

12 STOCK IN TRADE

		2012 Rupees	2011 Rupees
Raw material			
In hand		152,146,191	96,124,081
Work-in-process		47,945,678	63,291,818
Finished goods		16,871,295	61,338,724
		216,963,164	220,754,623

12.1 The corresponding carrying amount of raw material includes inventories amounting to Rs. 96.124 million which were carried at net realizable value.

13 TRADE DEBTS

	Note	2012 Rupees	2011 Rupees
(Secured - considered good)		2,389,176	8,832,276
(Unsecured - considered good)	13.1	244,376,056	281,802,442
(Unsecured - considered doubtful)		1,872,794	4,604,894
		248,638,026	295,239,612
Less: Provision for doubtful debts	13.2	(1,872,794)	(4,604,894)
		246,765,232	290,634,718

13.1 This includes balance amounting to Rs. 7.459 million (2011: nil) due to associated undertakings.

13.2 Provision for doubtful debts

		2012 Rupees	2011 Rupees
Opening balance		4,604,894	4,604,894
Trade debts written off during the year		(2,732,100)	-
Closing balance		1,872,794	4,604,894

	Note	2012 Rupees	2011 Rupees
14 LOANS AND ADVANCES			
Loans to staff			
Unsecured		31,000	145,500
Advances (unsecured)			
To suppliers / contractors		211,828	2,450,540
Against imports		5,664,830	2,240,154
Against expenses		12,000	30,002
		5,888,658	4,720,696
		5,919,658	4,866,196
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Short term deposits		500,000	500,000
Bank guarantee and LC margin		3,059,711	2,850,992
Short term prepayments		527,798	578,307
		4,087,509	3,929,299
16 OTHER RECEIVABLES			
(Considered good)			
Other receivables	16.1	799,030	4,991,314

16.1 The corresponding figure includes receivables from associated undertakings namely, Amil Exports and Sameer Enterprises amounting to Rs. 3.000 million and Rs. 0.620 million respectively.

	Note	2012 Rupees	2011 Rupees
17 SHORT TERM INVESTMENTS			
Available for sale			
In shares		41,178,797	41,178,797
Cumulative fair value gain / (loss)		7,930,404	(4,588,411)
Impairment loss		(7,312,685)	(1,674,013)
		617,719	(6,262,424)
	17.1	41,796,516	34,916,373

17.1 Available for sale

Number of shares 2012	Number of shares 2011		Market value 2012	Market value 2011
		Quoted - At fair value		
1,271,633	1,271,633	The Crescent Textile Mills Limited	11,317,534	19,799,326
1,031	1,031	Crescent Sugar Mills & Distillery Limited	22,187	11,269

Number of shares			Market value	
2012	2011		2012	2011
		Quoted - At fair value		
285,357	285,357	Jubilee Spinning and Weaving Mills Limited	333,868	1,101,478
1,289,278	1,289,278	Shakarganj Mills Limited	16,605,901	8,174,023
50,060	50,060	Crescent Jute Products limited	48,558	30,036
850,855	850,855	Samba Bank Limited	1,956,967	1,454,962
		Unquoted - At breakup value		
25,000	25,000	Crescent Modaraba Management Company Limited	142,544	138,957
533,623	533,623	Crescent Bahuman Limited	11,368,958	4,206,323
			41,796,516	34,916,373

	Note	2012 Rupees	2011 Rupees
18 TAX REFUND DUE FROM GOVERNMENT			
Sales tax refundable		15,496,848	14,038,684
19 CASH AND BANK BALANCES			
Cash in hand		598,611	472,163
Cash with banks			
In current accounts		38,912,159	17,240,310
In saving accounts	19.1	29,485,981	21,695,093
		68,398,140	38,935,403
		68,996,751	39,407,566

19.1 The balance in saving accounts carry profit at rate of 5% (2011: 5%) per annum.

			Note	2012 Rupees	2011 Rupees

20 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of ordinary shares of Rs. 10/- each 2012	2011		2012 Rupees	2011 Rupees
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
2,753,833	2,753,833	Fully paid bonus shares	27,538,330	27,538,330
12,417,876	12,417,876		124,178,760	124,178,760
59,745	59,745	Shares held by associated undertakings	597,450	597,450

21 RESERVES

	2012 Rupees	2011 Rupees
Capital reserve		
Unrealized gain / (loss) on available for sale investment	7,930,404	(4,588,411)
Revenue reserves		
Unappropriated profit	356,483,866	282,823,579
	364,414,270	278,235,168

22 LONG TERM FINANCING

	Note	2012 Rupees	2011 Rupees
From banking companies - secured			
Term finance 1	22.1	-	1,741,063
Term finance 2	22.2	36,465,000	36,465,000
Term finance 3	22.3	269,865,000	270,365,000
		306,330,000	308,571,063
Less: Current portion shown under current liabilities	29	71,975,952	1,741,063
		234,354,048	306,830,000
From Directors - unsecured	22.4	13,674,714	13,674,714
		248,028,762	320,504,714

22.1 This facility was obtained from NIB Bank Limited amounting to Rs. 30.600 million for import of generator. The rate of mark-up was 7% per annum and was payable quarterly. The finance facility was secured against first pari passu mortgage / hypothecation / floating charge amounting to Rs. 49.171 million on fixed assets including land, building, plant and machinery and personal guarantees of Sponsors. The finance facility was repayable in twenty quarterly installments commencing from June 2006. The facility has been fully paid during the year.

22.2 This facility has been obtained from MCB Bank Limited for generator to meet the power requirement of Textile Unit-2 expansion located at Bikhi. 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.

22.3 This facility has been obtained from MCB Bank Limited for expansion of Textile Unit 2 located at Bikhi. 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. 430 million.

22.4 The loan is interest free and unsecured. The loan is not repayable within 12 months of the balance sheet date.

	Note	2012 Rupees	2011 Rupees
23 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES			
Secured			
Balance as July 01		36,663,128	14,853,677
Additions during the year		16,425,385	28,793,500
		53,088,513	43,647,177
Payments / adjustments during the year		(12,336,031)	(6,984,049)
		40,752,482	36,663,128
Less: Payable within one year shown under current liabilities	29	(17,222,903)	(10,401,064)
		23,529,579	26,262,064

This represents finance leases entered into with financial institutions for plant and machinery, vehicles and office equipment. Financing rates ranging from 16.63% to 19.45% (2011: 16.63% to 19.01%) 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:

	2012			2011		
	Upto one year	One to five years	Total	Upto one year	One to five years	Total
	Rupees			Rupees		
Minimum lease payments outstanding	20,526,932	24,606,311	45,133,243	14,489,406	28,791,742	43,281,148
Financial charges not due	(3,304,029)	(1,076,732)	(4,380,761)	(4,088,342)	(2,529,678)	(6,618,020)
Present value of minimum lease payments	17,222,903	23,529,579	40,752,482	10,401,064	26,262,064	36,663,128
Payable within one year shown under current liabilities	(17,222,903)	-	(17,222,903)	(10,401,064)	-	(10,401,064)
	-	23,529,579	23,529,579	-	26,262,064	26,262,064

	Note	2012 Rupees	2011 Rupees
24 DEFERRED INCOME			
Deferred gain on sale and leaseback	24.1	231,820	463,641
Less: Current portion shown under current liabilities		(231,820)	(231,821)
		-	231,820

24.1 The Company has entered into sale and lease back with Orix Leasing Pakistan Limited for a period of three years. The gain arising on this transaction is deferred over the lease period of three years.

25 DEFERRED TAXATION

		2012	2011
Deferred taxation is composed of:			
Taxable temporary differences:			
Accelerated tax depreciation allowance		147,888,563	146,041,643
Deductible temporary differences:			
Lease rentals		(14,263,369)	(12,832,095)
Investment credit 2011		(8,173,455)	(31,077,514)
Investment credit 2012		(4,631,931)	-
Turnover tax 2011		(26,932,892)	(26,932,892)
Tax losses		-	(16,304,742)
Provision for doubtful debts		(655,478)	(1,611,713)
		(54,657,125)	(88,758,956)
		93,231,438	57,282,687

26 TRADE AND OTHER PAYABLES

	Note	2012	2011
Creditors	26.1	111,492,038	117,472,185
Accrued liabilities		85,868,284	72,257,786
Payable to provident fund		991,924	1,276,763
Workers' Profit Participation Fund	26.2	5,751,175	8,524,517

	Note	2012 Rupees	2011 Rupees
Due to Chief Executive and Directors		3,790,945	3,614,693
Advance from customer		12,170,550	8,904,446
Unclaimed dividend		592,573	593,023
Withholding tax payable		220,900	739,811
Workers' welfare fund		3,844,919	3,239,317
Current portion of deferred gain on sale and leaseback		231,820	231,821
Other liabilities		1,613,456	113,290
		226,568,584	216,967,652

26.1 This includes balance amounting to Rs. 13.452 million (2011: Rs. 12.858 million) due to associated undertakings.

26.2 Workers' profit participation fund balance comprises as follows:

	2012 Rupees	2011 Rupees
Balance as at July 01,	8,524,517	8,364,927
Add: Allocation for the year	5,751,175	8,524,517
Interest on funds utilized in the Company's business	692,978	694,065
	14,968,670	17,583,509
Less: Amount paid during the year	(9,217,495)	(9,058,992)
	5,751,175	8,524,517

27 INTEREST AND MARKUP ACCRUED

	2012 Rupees	2011 Rupees
Mark-up accrued on secured:		
Long-term financing	3,636,050	11,897,561
Short-term financing	29,434,855	31,962,501
	33,070,905	43,860,062

28 SHORT-TERM FINANCING

	Note	2012 Rupees	2011 Rupees
From banking companies - secured			
Running / cash finance	28.1	129,476,328	257,435,724
Bills discounting	28.2	12,000,000	12,000,000
		141,476,328	269,435,724

28.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs. 410 million (2011: Rs. 422 million). The rate of mark up on these finance facilities ranges between 1 month and 3 months KIBOR plus 1% to 4% per annum (2011: 3 month KIBOR plus 1% to 4% per annum) and is payable quarterly.

The Company also has a facility for opening letters of credit under mark-up arrangements amounting to Rs. 170 million (2011: Rs. 180 million) from a commercial bank. The unutilized balance at the end of the year was Rs. 122.265 million (2011: Rs. 23.271 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.

28.2 Facility amounting to Rs. 12 million (2011: Rs. 12 million) is subject to discounting charges at the rate of 8.00% (2011: 8.00%) per annum and is secured against personal guarantee of Directors and demand promissory note.

	Note	2012 Rupees	2011 Rupees
29 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	22	71,975,952	1,741,063
Liabilities against assets subject to finance leases	23	17,222,903	10,401,064
		89,198,855	12,142,127
30 TAXATION - NET			
Provision for taxation		1,372,770	28,690,238
Advance income tax		(30,300,849)	(28,595,984)
		(28,928,079)	94,254

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

a) Guarantees have been issued by banking companies in normal course of business amounting to Rs. 31 million (2011: Rs. 26 million).

b) Crescent Sugar Mills and Distillery Limited has filed a case against Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has a recorded liability of Rs.17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company is confident that the balance amount shall not be payable.

c) Through the Finance Act, 2008 an amendment was made to the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby Workers' Welfare Fund was computed at two percent of higher of accounting profit before tax and taxable income. Prior to the said amendment, the Workers' Welfare Fund was computed at two percent of taxable income.

During the year, the Lahore High Court has struck down the aforementioned amendments to the WWF Ordinance. Management is of the opinion that since the amendments have been struck down, the amendments to the Ordinance are not applicable to the Company. Accordingly, provision in respect of Workers' Welfare Fund has been made for the current year on the basis of two percent of taxable income. Had the provision for Workers' Welfare Fund been made on two percent of higher of accounting profit before tax and taxable income, the provision for Workers' Welfare Fund and the corresponding liability would have been higher by Rs. 1.683 million.

31.2 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. 19.437 million (2011: Rs. 6.838 million).

Letters of credit against raw material and normal consumption amounting to Rs. 8.297 million (2011: Rs. 0.271 million).

	Note	2012 Rupees	2011 Rupees
32 SALES - NET			
Export - yarn		29,194,392	59,544,406
Local			
Yarn		2,742,941,581	2,650,629,900
Waste		29,036,574	26,044,296
		2,771,978,155	2,676,674,196
		2,801,172,547	2,736,218,602
Brokerage and commission		(27,501,532)	(34,357,448)
		2,773,671,015	2,701,861,154
Trading - local		16,750,853	16,615,000
		2,790,421,868	2,718,476,154
33 COST OF SALES			
Material consumed	33.1	1,845,600,381	2,042,818,334
Salaries, wages and other benefits	33.2	157,712,931	132,472,313
Packing material consumed		31,815,806	26,452,007
Stores, spares and loose tools consumed		53,214,698	45,896,902
Provision for slow moving items		251,570	297,365
Power and fuel		271,469,382	181,147,852
Depreciation	5.3	61,810,265	30,744,313
Repairs and maintenance		4,460,387	5,801,386
Insurance		6,344,307	5,229,280
Other manufacturing overheads		11,066,524	9,248,501
Manufacturing cost		2,443,746,251	2,480,108,253
Opening work-in-process		63,291,818	34,949,665
Closing work-in-process		(47,945,678)	(63,291,818)
		15,346,140	(28,342,153)
Cost of goods manufactured		2,459,092,391	2,451,766,100
Cost of goods purchased for trading		14,820,451	13,910,000
		2,473,912,842	2,465,676,100

	Note	2012 Rupees	2011 Rupees
Opening stock of finished goods		61,338,724	33,372,714
Insurance claim		(3,280,000)	-
Closing stock of finished goods		(16,871,295)	(61,338,724)
		41,187,429	(27,965,010)
		2,515,100,271	2,437,710,090

33.1 Material consumed

Opening stock		96,124,081	90,153,084
Purchases including related expenses		1,901,622,491	2,048,789,331
		1,997,746,572	2,138,942,415
Closing stock		(152,146,191)	(96,124,081)
		1,845,600,381	2,042,818,334

33.2 Salaries, wages and other benefits include Rs. 3.987 million (2011: Rs. 3.505 million) in respect of staff retirement benefits.

34 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2012 Rupees	2011 Rupees
Directors' remuneration		12,679,752	12,679,752
Staff salaries and other benefits	34.1	20,578,869	18,013,254
Repairs and maintenance		1,992,752	1,810,078
Vehicles running and maintenance		4,978,400	4,481,269
Insurance		1,234,160	1,438,220
Printing and stationery		890,124	940,019
Telephone and postage		1,517,779	1,299,817
Traveling and conveyance		3,325,164	2,422,740
Fees and subscription		954,075	1,145,377
Legal and professional charges		805,900	777,760
Depreciation	5.3	5,314,793	4,857,018
Amortization	7.1	386,218	386,218
Utilities		2,777,441	2,661,631
Rent, rates and taxes		946,648	339,635
Entertainment		1,602,054	1,288,342
Others		2,077,600	2,273,072
		62,061,729	56,814,202

34.1 Salaries and other benefits include Rs. 1.920 million (2011: Rs. 1.765 million) in respect of staff retirement benefits.

	Note	2012 Rupees	2011 Rupees
35 DISTRIBUTION COST			
Ocean freight		473,502	1,439,294
Local freight and insurance		9,531,621	7,163,180
Shipping expenses		232,103	402,626
Other		918,638	1,456,249
		11,155,864	10,461,349

	Note	2012 Rupees	2011 Rupees
36 OTHER OPERATING INCOME			
Gain on disposal of fixed assets	36.1	1,445,862	7,621,453
Interest on bank deposits		672,080	361,598
Dividend income		-	1,907,450
Rental income		11,073,780	10,433,270
Gain / (loss) on scrap sales		5,325	(101,594)
Liabilities no longer payable written back		2,844,976	-
		16,042,023	20,222,177

36.1 Gain on disposal of fixed assets include Rs. 0.231 million (2011: Rs. 0.231 million) in respect of sale and lease back with Orix Leasing Pakistan Limited for a period of three years. The gain arising on this transaction is deferred over the lease period of three years.

	Note	2012 Rupees	2011 Rupees
37 OTHER OPERATING EXPENSES			
Auditors' remuneration:			
Statutory audit		340,000	300,000
Half yearly review		75,000	75,000
Special reports and sundry services		22,000	22,000
		437,000	397,000
Impairment loss on available for sale investment		5,638,673	-
Workers' Welfare Fund		605,602	3,239,317
Workers' Profit Participation Fund		5,751,175	8,524,517
		12,432,450	12,160,834

	Note	2012 Rupees	2011 Rupees
38 FINANCIAL CHARGES			
Mark-up / interest on:			
Long-term financing		45,791,480	8,838,771
Lease finances		5,008,524	3,078,383
Short-term financing		35,219,305	37,549,560
Workers' Profit Participation Fund		692,978	694,065
		86,712,287	50,160,779

	Note	2012 Rupees	2011 Rupees
Bank charges and commission		1,868,127	1,196,125
LC discounting charges		8,472,264	11,641,388
		97,052,678	62,998,292

39 TAXATION

	Note	2012 Rupees	2011 Rupees
Current		1,372,770	28,690,238
Prior		(2,315,082)	(4,088,146)
		(942,312)	24,602,092
Deferred		35,948,751	5,502,320
	39.1	35,006,439	30,104,412

39.1 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.

40 EARNINGS PER SHARE - BASIC AND DILUTED

	2012 Rupees	2011 Rupees
Profit for the year	73,660,287	128,622,098
Weighted average number of ordinary shares outstanding	12,417,876	12,417,876
Earnings per share - basic and diluted	5.93	10.36

41 CASH GENERATED FROM OPERATIONS

	Note	2012 Rupees	2011 Rupees
Profit before taxation		108,666,726	158,726,510
Adjustment for non-cash charges and other items:			
Gain on disposal of operating fixed assets		(1,445,862)	(7,621,453)
Financial charges		97,052,678	62,998,292
Depreciation		67,125,058	35,601,334
Amortization		386,220	386,220
Impairment of available for sale investments		5,638,673	-
Gain on share of profit of associate		(5,827)	(172,946)
		168,750,940	91,191,447
Profit before working capital changes		277,417,666	249,917,957
Working capital changes	41.1	62,455,884	(166,034,511)
		339,873,550	83,883,446

	2012 Rupees	2011 Rupees
41.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	3,671,559	(13,405,632)
Stock in trade	3,791,459	(62,279,160)
Trade debts	43,869,486	(140,150,728)
Loans and advances	(1,053,462)	6,457,762
Trade deposits and short term prepayments	(158,210)	335,737
Other receivables	4,192,284	(2,012,980)
Tax refund due from the Government	(1,458,164)	(6,609,877)
	52,854,952	(217,664,878)
Increase in current liabilities		
Trade and other payables	9,600,932	51,630,367
	62,455,884	(166,034,511)

42 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:

	2012				2011			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	2,151,720	6,592,800	4,264,399	13,008,919	2,151,720	6,592,800	2,162,070	10,906,590
House rent	968,274	2,966,760	1,825,415	5,760,449	968,274	2,966,760	972,932	4,907,966
Company's contribution to Provident Fund Trust	215,172	659,280	426,440	1,300,892	215,172	659,280	216,207	1,090,659
Reimburseable expenses	395,488	1,165,800	178,500	1,739,788	355,756	1,000,892	161,363	1,518,011
Total	3,730,654	11,384,640	6,694,754	21,810,048	3,690,922	11,219,732	3,512,572	18,423,226
Number of persons	1	4	4	9	1	4	4	9

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

42.1 The Chief Executive, three Directors and some executives are also provided with free use of the Company's maintained cars.

42.2 Aggregate amount charged in these financial statements in respect of Directors fee is Rs. 45,000 (2011: Rs. 40,000).

43 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	2012 Rupees	2011 Rupees
Associated companies	Sale of yarn	144,446,600	3,355,000
	Insurance premium	8,821,130	7,526,834
	Insurance claim received	-	-
	Dividend received	84,475	105,596
	Rent received	165,240	151,776
Retirement benefit plan	Contribution to provident fund	5,896,643	5,270,551

43.1 The status of outstanding balances of related parties as at June 30, 2012 are included in "Trade debts" (note 13), "Other receivables" (note 16) and "Trade and other payables" (note 26) respectively.

44 CAPACITY AND PRODUCTION

Spinning units	2012			2011		
	Unit - I	Unit - II	Total	Unit - I	Unit - II	Total
Number of spindles installed	20,360	35,456	55,816	20,360	35,456	55,816
Number of spindles worked	20,360	35,456	55,816	20,360	29,571	49,931
Number of shifts per day	3	3	3	3	3	3
Installed capacity after conversion into 20/s count - Kgs	7,887,815	13,723,868	21,611,683	7,887,815	11,456,315	19,344,130
Actual production of yarn after conversion into 20/s count - Kgs	6,807,784	10,166,223	16,974,007	7,145,187	6,742,198	13,887,385

45 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:

	2012						
	Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk				Not exposed to yield / mark-up rate risk
			Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub- total	
	%	Rupees					
Financial assets							
Investments	-	44,267,848	-	-	-	-	44,267,848
Deposits	-	13,333,941	-	-	-	-	13,333,941
Loans	-	31,000	-	-	-	-	31,000
Trade debts	-	246,765,232	-	-	-	-	246,765,232
Other receivables	-	799,030	-	-	-	-	799,030
Cash and bank balances	-	68,996,751	68,398,140	-	-	68,398,140	598,611
		374,193,802	68,398,140	-	-	68,398,140	305,795,662
Financial liabilities							
Long-term financing	11.20% - 14.45%	320,004,714	71,975,952	234,354,048	-	306,330,000	13,674,714
Liabilities against assets subject to finance leases	16.63% - 19.45%	40,752,482	17,222,903	23,529,579	-	40,752,482	-
Trade and other payables	-	204,349,220	-	-	-	-	204,349,220
Interest and markup accrued	-	33,070,905	-	-	-	-	33,070,905
Short-term financing	8% - 16.31%	141,476,328	141,476,328	-	-	141,476,328	-
		(739,653,649)	(230,675,183)	(257,883,627)	-	(488,558,810)	(251,094,839)
On balance sheet gap		(365,459,847)	(162,277,043)	(257,883,627)	-	(420,160,670)	54,700,823
Off balance sheet items							
Guarantees on behalf of the Company		31,000,000	-	-	-	-	31,000,000
Letter of credit for consumption		8,297,000	-	-	-	-	8,297,000
Construction obligation		-	-	-	-	-	-
Letter of credit for capital expenditure		19,437,000	-	-	-	-	19,437,000
		58,734,000	-	-	-	-	58,734,000
Total gap		(424,193,847)	(162,277,043)	(257,883,627)	-	(420,160,670)	(4,033,177)

	2011						
	Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk				Not exposed to yield / mark-up rate risk
			Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub- total	
	%	Rupees					
Financial assets							
Investments	-	34,916,373	-	-	-	-	34,916,373
Deposits		9,420,334					9,420,334
Trade debts	-	290,634,718	-	-	-	-	290,634,718
Other receivables	-	4,991,314	-	-	-	-	4,991,314
Cash and bank balances	-	39,407,566	21,695,093	-	-	21,695,093	17,712,473
		379,370,305	21,695,093	-	-	21,695,093	357,675,212
Financial liabilities							
Long-term financing	7% - 16.14%	322,245,777	1,741,063		306,830,000	308,571,063	13,674,714
Liabilities against assets subject to finance leases	16.63% - 19.01%	36,663,128	10,401,064	26,262,064	-	36,663,128	-
Trade and other payables		216,967,652	-	-	-	-	216,967,652
Financial charges payable		43,860,062	-	-	-	-	43,860,062
Short-term financing	8% - 17.52%	269,435,724	269,435,724	-	-	269,435,724	-
		(889,172,343)	(281,577,851)	(26,262,064)	(306,830,000)	(614,669,915)	(274,502,428)
On balance sheet gap		(509,802,038)	(259,882,758)	(26,262,064)	(306,830,000)	(592,974,822)	83,172,784
Off balance sheet items							
Guarantee issued on behalf of Company		26,000,000	-	-	-	-	26,000,000
Letter of credit for consumption		271,000	-	-	-	-	271,000
Construction obligation		1,100,000	-	-	-	-	1,100,000
Letter of credit for capital expenditure		6,800,000	-	-	-	-	6,800,000
		34,171,000	-	-	-	-	34,171,000
Total gap		(543,973,038)	(259,882,758)	(26,262,064)	(306,830,000)	(592,974,822)	49,001,784

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

46.1 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 polices 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.

46.2 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:

	2012 Rupees	2011 Rupees
Deposits	13,333,941	17,159,940
Trade debts	246,765,232	290,634,718
Loans	31,000	145,500
Other receivables	799,030	4,991,314
Bank balances	68,398,140	38,935,403
	329,327,343	351,866,875

The aging of trade receivables at the reporting date is:

	2012 Rupees	2011 Rupees
Not past due	227,245,120	251,849,960
Past due 1-30 days	11,790,939	14,913,147
Past due 30-90 days	4,990,092	6,756,288
Past due 90 days	2,222,701	4,078,457
	246,248,851	277,597,852

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 A2 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 other than stock in trade amounting to Rs. 216.964 (2011: Rs. 292.123 million), store, spares and loose tools amounting to Rs. 36.865 million and investments amounting to Rs. 41.179 million against which impairment amounting to nil (2011: Rs. 71.368 million), Rs. 0.549 (2011: Rs. 0.297 million) and Rs. 5.639 million (2011: Rs. 1.674 million) respectively has been recorded.

46.3 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			
2012							
Long term financing	320,004,714	419,457,020	49,198,557	63,552,474	107,062,030	185,969,246	13,674,714
Liabilities against assets subject to finance leases	40,752,482	36,855,798	9,248,723	9,248,723	18,358,352	-	-
Trade and other payables	204,349,220	204,349,220	204,349,220	-	-	-	-
Interest and markup accrued	33,070,905	33,070,905	33,070,905	-	-	-	-
Short-term financing	141,476,328	141,476,328	141,476,328	-	-	-	-
	739,653,649	835,209,271	437,343,733	72,801,197	125,420,382	185,969,246	13,674,714

	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			
2011							
Long term financing	322,245,777	536,156,586	30,847,600	32,484,878	126,021,536	295,708,185	51,094,387
Liabilities against assets subject to finance leases	36,663,128	43,281,148	7,914,014	7,914,014	15,828,029	11,625,091	-
Trade and other payables	204,084,078	204,084,078	204,084,078	-	-	-	-
Financial charges payable	43,860,062	43,860,062	43,860,062	-	-	-	-
Short-term financing	269,435,724	269,435,724	269,435,724	-	-	-	-
	876,288,769	1,096,817,598	556,141,478	40,398,892	141,849,565	307,333,276	51,094,387

46.4 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:

	2012 Rupees	2011 Rupees
Outstanding letter of credit	27,735,000	7,108,668

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:

Financial liabilities	2012 Effective rate (In percent)	2011 Effective rate (In percent)	2012 Carrying amount Rupees	2011
Fixed rate instrument				
Long term finance	11.20%	7%-11.20%	36,465,000	38,206,063
Short term borrowings	8%	8%	12,000,000	12,000,000
Variable rate instruments				
Long term finance	14.45%-16.30%	14.85%-16.14%	269,865,000	270,365,000
Short term borrowings	16.63%-19.45%	14.09%-17.52%	129,476,328	257,435,724

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, 2012		
Cash flow sensitivity - Fixed rate financial liabilities	(484,650)	484,650
Cash flow sensitivity - Variable rate financial liabilities	(3,993,413)	3,993,413

	2012 Rupees	2011 Rupees
As at June 30, 2011		
Cash flow sensitivity - Fixed rate financial liabilities	(502,061)	502,061
Cash flow sensitivity - Variable rate financial liabilities	(5,278,007)	5,278,007

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.

As at June 30, 2012, the fair value of equity securities exposed to price risk were as follows:

Available for sale investment	41,796,516	34,916,373

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.

Available for sale investment	2,089,826	1,745,819

47 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.

48 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.

49 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4th October, 2012 by the Board of Directors of the Company.

50 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the year ended June 30, 2012 the Board of Directors of the Company has declared a final distribution of Rs. 1 per share (i.e. 10%) in cash, amounting to total profit distribution of Rs. 12.418 million in its meeting held on October 04, 2012 subject to approval of shareholders in Annual General Meeting of the Company to be held on October 31, 2012.

51 GENERAL

51.1 Figures have been rounded off to the nearest rupee.

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

Imran Maqbool

IMRAN MAQBOOL
CHIEF EXECUTIVE

NADEEM MAQBOOL
DIRECTOR

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2012

FORM-34

SHAREHOLDERS	FROM	TO	TOTAL SHARES	PERCENTAGE
657	1	100	21,814	0.18
453	101	500	101,074	0.81
112	501	1,000	75,982	0.61
154	1,001	5,000	320,072	2.58
36	5,001	10,000	254,796	2.05
16	10,001	15,000	202,292	1.63
11	15,001	20,000	182,232	1.47
6	20,001	25,000	132,962	1.07
8	25,001	30,000	226,449	1.82
6	30,001	35,000	192,340	1.55
4	35,001	40,000	145,258	1.17
4	40,001	45,000	170,110	1.37
3	45,001	50,000	136,829	1.10
2	50,001	55,000	104,726	0.84
3	55,001	60,000	171,932	1.38
2	65,001	70,000	136,106	1.10
2	70,001	75,000	145,945	1.18
1	75,001	80,000	79,321	0.64
1	115,001	120,000	115,819	0.93
1	150,001	155,000	153,580	1.24
1	175,001	180,000	175,999	1.42
1	185,001	190,000	187,711	1.51
1	255,001	260,000	258,558	2.08
1	350,001	355,000	351,657	2.83
1	460,001	465,000	462,790	3.73
1	630,001	635,000	633,015	5.10
1	760,001	765,000	760,600	6.13
1	1,030,001	1,035,000	1,030,308	8.30
1	1,205,001	1,210,000	1,206,831	9.72
1	1,210,001	1,215,000	1,214,375	9.78
1	1,240,001	1,245,000	1,242,400	10.00
1	1,820,001	1,825,000	1,823,993	14.69
1,494			**12,417,876**	**100**

Categories of Shareholder

Directors, Chief Executive Officer, Their Spouse and Childern

Chief Executive		
IMRAN MAQBOOL	1,214,375	9.78
Directors		
HUMAYUN MAQBOOL	1,242,400	10.00
KHAWAR MAQBOOL	1,823,993	14.69
NADEEM MAQBOOL	1,206,831	9.72
NAILA HUMAYUN MAQBOOL	500	0.00
RIAZ MASOOD	258,558	2.08
SHAHID RIAZ MASOOD	10,151	0.08
ASMA ANWAR W/O. IMRAN MAQBOOL	6,501	0.05
NAZIA MAQBOOL W/O. NADEEM MAQBOOL	3,399	0.03
SHAHEEN RIAZ W/O. RIAZ MASOOD	45,941	0.37
	5,812,649	**46.81**
Associated Companies, Undertakings & Related Parties		
CRESCENT POWER TEC LIMITED	27,825	0.22
SHAMS TEXTILE MILLS LIMITED	31,920	0.26
	59,745	**0.48**
NIT & ICP (Name Wise Detail)		
INVESTMENT CORPORATION OF PAKISTAN	5,967	0.05
Banks, DFI's, NBFI's		
Banks, DFI's, NBFI's	1,269,393	10.22
Insurance Companies		
Insurance Companies	177,101	1.43
Modaraba and Mutual Funds		
Modaraba and Mutual Funds	21,871	0.18
Other Companies		
Other Companies	514,285	4.14
General Public		
Local	4,556,865	36.70
TOTAL NUMBER OF SHARES	**12,417,876**	**100**
Shareholders More Than 10%		
KHAWAR MAQBOOL	1,823,993	14.69
HUMAYUN MAQBOOL	1,242,400	10.00

FORM OF PROXY

CDC Participant ID #	Sub Account # / Folio #	NIC No.	Share Holding

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 35th Annual General Meeting of the Company to be held on Wednesday the 31st October, 2012 at 9.30 a.m. at Registered office of the Company 104 -Shadman-1, Lahore and at any adjournment thereof.

Witnesses:

1. Signature: ____________________
   Name : ____________________
   N.I.C. : ____________________
   Address: ____________________
   ____

2. Signature: ____________________
   Name : ____________________
   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 NIC numbers shall be mentioned on the form.
iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
iv) The proxy shall produce his original NIC or original passport at the time of the meeting.
v) In case of 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.