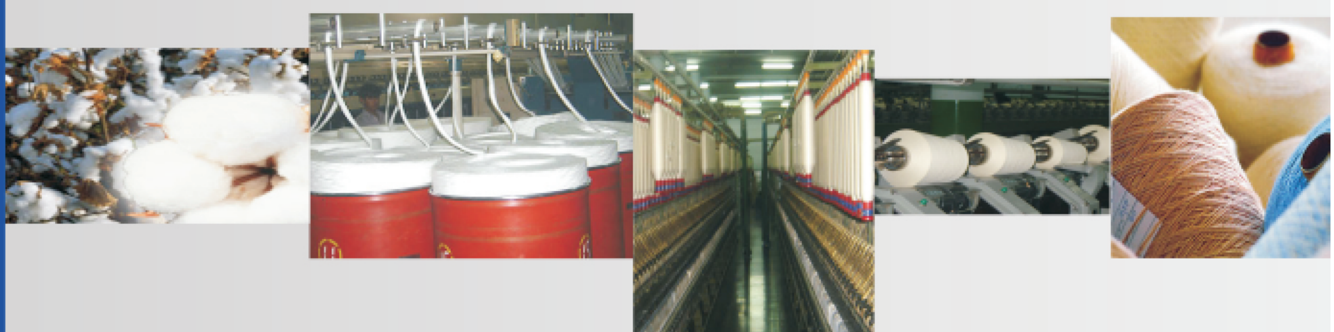
Crescent Fibres



Annual Report 2015

CONTENTS

COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson, Non-Executive Director)
	Imran Maqbool	(Chief Executive, Executive Director)
	Humayun Maqbool	(Executive Director)
	Jahanzeb Saeed Khan	(Independent, Non-Executive Director)
	Nadeem Maqbool	(Non-Executive Director)
	Naila Humayun Maqbool	(Non-Executive Director)
	Riaz Masood	(Executive Director)
Chief Financial Officer	Kamran Rasheed	
Company Secretary	Javaid Hussain	
Audit Committee	Jahanzeb Saeed Khan	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
Human Resources & Remuneration Committee	Naila Humayun Maqbool	(Chairperson)
	Humayun Maqbool	(Member)
	Nadeem Maqbool	(Member)
Auditors	BDO Ebrahim & Company Chartered Accountants	
Legal Advisor	Mohsin Tayebally & Sons	
Registered Office	104 Shadman 1, Lahore - 54000 Tel : (042) 35960871-4 Lines Fax : (042) 35960004	
E-mail:	lo@crescentfibres.com	
Website:	www.crescentfibres.com	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting of the shareholders of Crescent Fibres Limited will be held on Saturday the 31st October, 2015 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, 2015 together with Auditors and Directors reports thereon.
2. To approve payment of cash dividend @ 15% i.e. Rs. 1.50 per share for the year ended June 30, 2015 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 05, 2015
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 22nd October, 2015 to 31st October, 2015 (both days inclusive).
2. In view of SECP directives to withhold Dividend Warrants of those members or their authorized persons, who have not yet provided an attested copy of their CNIC, shareholders are once again requested to provide attested copies of their CNICs directly to the Company. Corporate entities are requested to provide their National Tax Number (NTN).
3. A member eligible to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be valid must be received by the company duly completed not less than 48 hours before the Meeting.
4. CDC shareholders are requested to bring with them their National Identity Cards alongwith participants' ID number and their account numbers at the time of Annual General Meeting in order to facilitate identification. In case of corporate entity, a certified copy of the resolution passed by the Board of Directors/valid Power of Attorney with the specimen signature of the nominee be produced at the time of meeting.
5. Pursuant to SECP Notification S.R.O 787(I)/ 2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting request.
6. Pursuant to the provisions of Finance Act, 2015, effective July 01, 2015, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

   1. Rate of tax deduction for filer of income tax returns 12.50%
   2. Rate of tax deduction for non filer of income tax returns 17.50%

   The FBR has clarified that where the shares are held in joint names, each account/joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportion to the Company latest by 22nd October, 2015, in the following format:

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

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

MISSION STATEMENT

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

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

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

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

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

DIRECTORS' REPORT

The Company reported after tax profit of Rs.44.5 million for the year ended June 30, 2015 as compared to a profit of Rs. 175.7 million for the twelve months ended June 30, 2014. The earnings per share for the period under review was Rs. 3.59.

Crescent Fibres Limited
Summarized Financial Results

Rupees in millions	Year Ended 30-Jun-15		Year Ended 30-Jun-14	
	Rs.	% of Sales	Rs.	% of Sales
Sales	3,113.6	100.0%	3,524.1	100.0%
Cost of Sales	(2,847.7)	91.5%	(3,097.1)	87.9%
Gross Profit	265.9	8.5%	427.0	12.1%
Distribution Cost	(12.5)	0.4%	(11.8)	0.3%
Administrative Expenses	(86.7)	2.8%	(76.4)	2.2%
Other Expenses	(17.0)	0.5%	(21.2)	0.6%
Other Income	30.7	1.0%	22.4	0.6%
Profit from Operations	180.3	5.8%	340.1	9.6%
Financial Charges / Other	(54.6)	1.8%	(70.6)	2.0%
Profit before Taxation	125.7	4.0%	269.5	7.6%
Taxations	(81.2)	2.6%	(93.8)	2.7%
Profit/(Loss) After Taxes	44.5	1.4%	175.7	5.0%
Earnings per Share	3.59		14.15	

The textile industry had to face a multitude of problems in the current year. These included a global growth slow down, falling commodity prices, increased financial market volatility, a marked slow down in the Chinese growth rate, devaluation of regional currencies, and rising cost of inputs among others. These factors created a recessionary trend in the industry leading to lower demand, decreased end product prices and lower margins. Overall, sales decreased by 11.6% as compared to the year ending June 2014 with a gross margin of 8.5% as compared to 12.1% in the previous year. Distribution and administrative expenses at 3.2% of sales were slightly higher as compared to last year largely due to lower sales prices. The operating margin in the period under review was 5.8% as compared to 9.6% for the year ended June 30, 2014. The State Bank adopted a looser monetary policy during the year. As a result, the average mark-up rates paid by the company were slightly lower than the previous year. Owing to this, financial charges as a percentage of sales were 2.6% in the period under review as compared o 2.7% for the previous period. Overall, the net margin for the year was 1.4% as compared to 5.0% for the year ended June 30, 2014. The financial statements include impairment charges of Rs. 15.1 million to accurately reflect valuation of raw material stock, stores, spares, & loose tools, trade debts and investments. Towards the end of the fiscal year, the Company completed addition of 8,256 spindles at it facility in Nooriabad.

DIVIDEND

The Board of Director's has approved a final cash dividend of 15% which translates to Rs. 1.50 per share.

COMMITTEES

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

Audit Committee

Jahanzeb Saeed Khan, Chairman (Independent, Non-Executive)
Humayun Maqbool, member (Executive)
Nadeem Maqbool, Member (Non-Executive)

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

Human Resource and Remuneration Committee

Naila Humayun Maqbool, Chairperson (Non-Executive)
Humayun Maqbool, Member (Executive)
Nadeem Maqbool, Member (Non-Executive)

FUTURE OUTLOOK

The global economic situation remains fragile with slow growth in the developed countries and a slow down in emerging and developing economies. The factors contributing to this include lower commodity prices, tighter external financial conditions, structural bottlenecks, rebalancing in China, increased market and exchange rate volatility and economic distress related to geopolitical factors.

The outlook for textiles is likely to remain negative in the near term. The uncertain global economic situation, particularly the slowdown and currency devaluation in China, is likely to keep demand for end products weak and end prices low. Apart from market dynamics, the Pakistani textile industry faces several other challenges. The primary challenge is that of energy. Not only does the textile industry pay the highest tariff in the region it has to face productivity and efficiency losses due to unreliable supply. The benefit of lower oil prices has not been completely passed on to the industry and this combined with rising cost of other inputs has rendered our industry uncompetitive. The situation is further exacerbated by the strong government support being offered to our regional competitors in the form of subsidies and export incentives. Other factors contributing to the recessionary conditions include an expected reduction in the size of the cotton crop and the valuation of the rupee as compared to the currencies of competing countries.

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

CORPORATE GOVERNANCE & FINANCIAL REPORTING FRAMEWORK

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

(a) The financial statements prepared by the Management 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, 2015 was Rs. 50.974 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. Jahanzeb Saeed Khan (4)
    4. Khawar Maqbool (4)
    5. Nadeem Maqbool (4)
    6. Naila Humayun Maqbool (4)
    7. Riaz Masood (2)

(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:

Riaz Masood – 18,500 shares

AUDITORS

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

APPRECIATION

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

Imran Maqbool

IMRAN MAQBOOL
Chief Executive Officer

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **CRESCENT FIBRES LIMITED**(the Company) for the year ended June 30, 2015 to comply with the requirements of Listing Regulation No. 35of Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited, where the Company is listed.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the paragraph 23 of the Statement of Compliance.

Three out of seven directors are executive directors which exceeds the limits specified by the Listing Regulation No. 35(i)(d).

KARACHI
DATED: October 05, 2015

CHARTERED ACCOUNTANTS
Engagement Partner: Qasim E. Causer

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

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

Name of Company : Crescent Fibres Limited
Year ended: June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulation No. 35 of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

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

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident director of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of 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 Chairperson and in her absence, by a director elected by the board for this purpose and board met at least once in every quarter. Written notice of the board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified in clause 5.19.7, three directors of the Company are exempted from the requirement of director's training program. One Director has completed the training program, and rest of the directors to be trained within specified time.

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

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

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

13. The director, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises three members, of whom two are non executive director and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non executive director and the chairperson of the committee is a non executive director.

18. The board has set up an effective internal audit function which is headed by a cost and management accountant who is suitably qualified and experienced for the purpose and is well conversant with the policies and procedures of the Company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors of the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period' prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to director, employees and stock exchanges.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. Currently, three out of seven directors are executive directors and this exceeds the limit set by regulations.

24. We Confirm that all other material principles enshrined in the CCG have been complied with except for the above paragraph, towards which reasonable progress is being made by the company.

On behalf of the Board of Directors

Imran Maqbool

IMRAN MAQBOOL
CHIEF EXECUTIVE

October 05, 2015

FINANCIAL SUMMARY

OPERATING RESULTS:	JUNE 2015	JUNE 2014	JUNE 2013	JUNE 2012	JUNE 2011	JUNE 2010
Net Sales	3,113,640,693	3,524,062,023	3,143,650,003	2,790,421,868	2,718,476,154	1,769,385,178
Cost of Sales	2,847,729,211	3,097,094,499	2,699,445,832	2,515,100,271	2,437,710,090	1,512,825,424
Distribution and admin. Expenses	99,231,780	88,119,585	81,921,483	73,217,593	67,275,551	58,083,996
Financial Charges	54,841,928	70,360,421	70,834,987	97,052,678	62,998,292	42,049,313
Other operating expenses	17,007,784	21,157,052	24,497,107	12,432,450	12,160,834	13,589,612
Other operating income - Net	30,669,059	22,370,359	18,032,470	16,042,023	20,222,177	10,946,935
Share of associate profit	181,934	(249,847)	39,904	5,827	172,946	257,785
Pre-Tax Profit/ (Loss)	125,680,983	269,450,978	285,022,968	108,666,726	158,726,510	154,041,552
Taxation	81,150,146	93,752,354	41,422,094	35,006,439	30,104,412	43,296,811
Extraordinary item						
Net Income	44,530,837	175,698,624	243,600,874	73,660,287	128,622,098	110,744,741
PER SHARE RESULTS AND RETURN:						
Share Price	43.50	29.80	31.05	8.50	12.95	8.25
Earning Per Share	3.59	14.15	19.62	5.93	10.36	8.92
Dividend Per Share	1.50	1.00	1.50	1.00	-	1.00
Net Income Sales Percent	1.43%	4.99%	7.75%	2.64%	4.73%	6.26%
Return on Average Assets Percent	2.27%	10.44%	16.45%	5.47%	12.31%	16.10%
Return on Average Equity Percent	4.89%	21.44%	39.60%	16.53%	37.33%	47.44%
FINANCIAL POSITION:						
Current Assets	959,473,694	878,468,092	833,093,406	666,068,574	653,777,689	446,102,403
Current Liabilities	643,117,877	532,481,773	517,174,728	490,314,672	542,499,819	372,166,926
Operating Fixed Assets	1,189,920,876	844,614,234	751,415,870	649,682,681	651,592,808	274,157,920
Total Assets	2,169,490,899	1,747,347,502	1,617,161,979	1,343,697,481	1,349,195,032	740,827,012
Long Term Debt	400,465,535	158,503,907	203,304,923	248,028,762	320,504,714	19,549,227
Shareholders Equity	924,453,912	897,399,846	741,779,245	488,593,030	402,413,928	286,678,039
Break-up Value Per Share	74.45	72.27	59.73	39.35	32.41	23.09
FINANCIAL RATIOS:						
P/E Ratio	12.13	2.11	1.58	1.43	1.25	0.93
Current Ratio	1.49	1.65	1.61	1.36	1.21	1.20
Total Debt to Total Assets Percent	57.39%	48.64%	54.13%	63.64%	70.17%	61.30%
Interest Charges Cover (Times)	3.292	4.830	5.024	2.120	3.520	4.663
Inventory Turnover (Times)	13.493	12.796	10.319	9.781	10.924	9.652
Fixed Assets Turnover (Times)	2.617	4.172	4.184	4.295	4.172	6.454
Total Assets Turnover (Times)	1.435	2.017	1.944	2.077	2.015	2.388
OTHER DATA:						
Depreciation and Amortization	91,154,188	80,563,100	66,898,499	67,511,276	35,601,334	28,151,353
Capital Expenditure	452,880,970	144,552,056	140,746,469	57,147,062	398,473,138	22,257,973

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT FIBRES LIMITED** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) in our opinion proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objectives of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat fund established under Section 7 of that Ordinance.

KARACHI

DATED: October 05, 2015

CHARTERED ACCOUNTANTS
Engagement Partner: Qasim E. Causer

BDO Ebrahim & Co. Chartered Accountants

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,181,661,516	844,069,992
Capital work-in-progress	6	8,259,360	544,242
		1,189,920,876	844,614,234
Long term investments	7	2,232,131	2,092,435
Long-term deposits	8	17,864,198	22,172,745
		1,210,017,205	868,879,414
CURRENT ASSETS			
Stores, spares and loose tools	9	56,192,388	47,246,835
Stock-in-trade	10	151,757,057	166,893,810
Trade debts	11	320,007,060	357,821,427
Loans and advances	12	19,124,332	5,429,012
Trade deposits and short term prepayments	13	12,091,003	8,970,365
Other receivables	14	1,013,792	614,351
Short term investments	15	206,623,478	126,388,052
Tax refund due from Government	16	32,039,080	24,085,886
Taxation - net	27	8,272,494	-
Cash and bank balances	17	152,353,010	141,018,354
		959,473,694	878,468,092
TOTAL ASSETS		2,169,490,899	1,747,347,506
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2014: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid up capital	18	124,178,760	124,178,760
Reserves	19	800,275,152	773,221,090
		924,453,912	897,399,850
NON-CURRENT LIABILITIES			
Long term financing	20	400,465,535	158,503,907
Liabilities against assets subject to finance lease	21	9,336,071	27,323,522
Deferred taxation	22	192,117,504	131,638,454
		601,919,110	317,465,883
CURRENT LIABILITIES			
Trade and other payables	23	415,389,773	293,393,819
Interest and mark-up accrued	24	33,012,371	27,866,216
Short-term borrowings	25	66,126,996	87,290,169
Current portion of long term liabilities	26	128,588,737	121,735,028
Taxation - net	27	-	2,196,541
		643,117,877	532,481,773
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		2,169,490,899	1,747,347,506

The annexed notes from 1 to 49 form an integral part of these financial statements.

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool

NADEEM MAQBOOL
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales - net	29	3,113,640,693	3,524,062,023
Cost of sales	30	(2,847,729,211)	(3,097,094,499)
Gross profit		265,911,482	426,967,524
General and administrative expenses	31	(86,735,421)	(76,350,219)
Distribution cost	32	(12,496,359)	(11,769,362)
Other income	33	30,669,059	22,370,359
Other operating expenses	34	(17,007,784)	(21,157,052)
		(85,570,505)	(86,906,274)
Operating profit		180,340,977	340,061,250
Financial charges	35	(54,841,928)	(70,360,421)
Share of profit / (loss) from associate	7.1	181,934	(249,847)
		(54,659,994)	(70,610,268)
Profit before taxation		125,680,983	269,450,982
Taxation	36	(81,150,146)	(93,752,354)
Profit for the year		44,530,837	175,698,628
Earnings per share - basic and diluted	37	3.59	14.15

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

The annexed notes from 1 to 49 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, 2015

	2015 Rupees	2014 Rupees
Profit for the year	44,530,837	175,698,628
Other comprehensive income		
Items that will be reclassified to profit and loss account subsequently		
Unrealized loss on revaluation of investments		
classified as available for sale	(875,295)	(1,451,209)
Transfer to profit and loss account on impairment of investments	(4,183,604)	-
	(5,058,899)	(1,451,209)
Total comprehensive income for the year	39,471,938	174,247,419

The annexed notes from 1 to 49 form an integral part of these financial statements.

IMRAN MAQBOOL
Chief Executive

NADEEM MAQBOOL
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	407,508,697	405,032,515
Finance cost paid		(49,695,773)	(72,690,976)
Taxes paid		(34,466,287)	(35,058,782)
Net cash generated from operating activities		323,346,637	297,282,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(452,880,970)	(144,552,056)
Long term deposits		4,308,547	2,696,953
Dividend received		42,238	84,477
Short term investment		(79,884,788)	(12,300,000)
Proceeds from disposal of operating fixed assets		15,830,000	4,525,000
Net cash used in investing activities		(512,584,973)	(149,545,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		338,896,200	51,814,000
Repayments of long term financing		(87,878,570)	(76,767,461)
Dividend paid		(12,070,468)	(18,045,188)
Repayments of liabilities against assets subject to finance leases		(17,210,997)	(35,647,589)
Short term borrowings - net		(21,163,173)	928,960
Net cash generated from / (used in) financing activities		200,572,992	(77,717,278)
Net increase in cash and cash equivalents		11,334,656	70,019,853
Cash and cash equivalent at the beginning of the year		141,018,354	70,998,501
Cash and cash equivalent at the end of the year		152,353,010	141,018,354

The annexed notes from 1 to 49 form an integral part of these financial statements.

Imran Maqbool
IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool
NADEEM MAQBOOL
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	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, 2013	124,178,760	29,933,621	587,666,864	741,779,245
Total comprehensive income for the year				
Profit for the year	-	-	175,698,628	175,698,628
Other comprehensive loss	-	(1,451,209)	-	(1,451,209)
	-	(1,451,209)	175,698,628	174,247,419
Transactions with owners				
Dividend declared	-	-	(18,626,814)	(18,626,814)
Balance as at June 30, 2014	124,178,760	28,482,412	744,738,678	897,399,850
Total comprehensive income for the year				
Profit for the year	-	-	44,530,837	44,530,837
Other comprehensive loss	-	(5,058,899)	-	(5,058,899)
	-	(5,058,899)	44,530,837	39,471,938
Transactions with owners				
Dividend declared	-	-	(12,417,876)	(12,417,876)
Balance as at June 30, 2015	124,178,760	23,423,513	776,851,639	924,453,912

The annexed notes from 1 to 49 form an integral part of these financial statements.

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool

NADEEM MAQBOOL
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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 InternationalFinancial Reporting Standards (IFRS) issued by the InternationalAccounting 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 under the historical cost convention, except for revaluation of certain property, plant and equipment and recognition of certain employees retirement benefits at present value.

These financial statements are prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

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

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

The Company has adopted the following accounting standards and interpretations which became effective during the year:

		Effective date (annual periods beginning on or after)
IFRIC 21	Levies	January 01, 2014

3.2 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)
IFRS 2	Share-based Payment - Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition')	July 01, 2014
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration) and 2011-2013 Cycle (scope exception for joint ventures)	July 01, 2014
IFRS 8	Operating Segments - Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)	July 01, 2014
IFRS 10	Consolidated Financial Statements - Amendments for investment entities	January 01, 2014
IFRS 12	Disclosure of Interests in Other Entities - Amendments for investment entities	January 01, 2014

		Effective date (annual periods beginning on or after)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)	July 01, 2014
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	July 01, 2014
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	July 01, 2014
IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)	July 01, 2014
IAS 27	Separate Financial Statements - Amendments for investment entities	January 01, 2014
IAS 32	Financial Instruments - Presentation - Amendments relating to the offsetting of assets and liabilities	January 01, 2014
IAS 36	Impairment of Assets - Amendments arising from recoverable amount disclosures for non financial assets	January 01, 2014
IAS 38	Intangible Assets - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)	July 01, 2014
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for novation's of derivatives	January 01, 2014
IAS 40	Investment Property - Amendments resulting from Annual Improvements 2011-2013 Cycle (interrelationship between IFRS 3 and IAS 40)	July 01, 2014

3.3 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:

		Effective date (annual periods beginning on or after)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations: Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (Servicing Contracts and Applicability of the offsetting amendments in condensed interim financial statements)	January 01, 2016
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2015
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016

		Effective date (annual periods beginning on or after)
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 19	Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2016
IAS 39	Financial Instruments: Recognition and Measurement: Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	January 01, 2018
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

3.4 Standards or interpretations not yet effective

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

a) Owned

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

Depreciation is charged to 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 in associates - equity method

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

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

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

4.5 Stores, spares and loose tools

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

4.6 Stock in trade

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

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

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

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

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

4.7 Trade debts and other receivables

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

4.8 Taxation

Current

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

Deferred

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

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

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

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

4.9 Cash and bank balance

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

4.10 Trade and other payables

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

4.11 Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligationas 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

4.16.1 Financial assets

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

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

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

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

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

- **Loans and receivables**

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

- **Held to maturity**

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

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

- **Available for sale**

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

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognized directly in equity. Gains or losses on available for sale investments are recognised 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.

4.16.2 Financial liabilities

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

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

4.17 Offsetting of financial assets and financial liabilities

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

4.18 Foreign currency translation

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

Foreign exchange differences are recognized in the profit and loss account.

4.19 Related party transactions

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

4.20 Share capital

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

4.21 Dividend and appropriation to reserves

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

4.22 Earnings per share

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

4.23 Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

4.24 Significant accounting judgements and critical accounting \ estimates / assumptions

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

a) Property, plant and equipment

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

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

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

c) Provision for taxation

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

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, 2015															
Opening net book value (NBV)	2,896,444	2,703,517	78,922,772	5,949,271	667,409,159	1,158,309	12,013,833	1,593,581	708,764	6,360,014	46,809	51,953,202	12,354,317	-	844,069,992
Additions / transfer (at cost)	-	-	-	57,806,524	377,680,084	-	696,744	155,000	-	6,450,000	-	-	2,377,500	-	445,165,852
Transfer from leased assets to own assets (NBV)	-	-	-	-	6,098,067	-	4,731,468	-	-	-	-	(6,098,067)	(4,731,468)	-	-
Disposals (NBV)	-	-	-	-	(15,871,927)	-	(487,013)	(61,200)	-	-	-	-	-	-	(16,420,140)
Depreciation charge	-	(34,128)	(3,946,138)	(297,464)	(75,833,093)	(115,831)	(3,395,666)	(327,417)	(70,877)	(816,001)	(9,363)	(4,585,514)	(1,722,696)	-	(91,154,188)
Closing net book value	2,896,444	2,669,389	74,976,634	63,458,331	959,482,290	1,042,478	13,559,366	1,359,964	637,887	11,994,013	37,446	41,269,621	8,277,653	-	1,181,661,516
Gross carrying value basis year ended June 30, 2015															
Cost	2,896,444	3,378,976	144,291,643	89,447,642	1,590,671,113	6,267,684	39,399,954	8,579,182	4,498,949	33,369,116	1,033,627	51,097,627	11,358,993	-	1,986,290,950
Accumulated depreciation / impairment	-	(709,587)	(69,315,009)	(25,989,311)	(631,188,823)	(5,225,206)	(25,840,588)	(7,219,218)	(3,861,062)	(21,375,103)	(996,181)	(9,828,006)	(3,081,340)	-	(804,629,434)
Net book value	2,896,444	2,669,389	74,976,634	63,458,331	959,482,290	1,042,478	13,559,366	1,359,964	637,887	11,994,013	37,446	41,269,621	8,277,653	-	1,181,661,516
Depreciation rate (% per annum)	-	1%	5%	5%	10%	10%	20%	20%	10%	10%	20%	10%	20%	20%	
Net carrying value basis year ended June 30, 2014															
Opening net book value (NBV)	2,896,444	2,737,645	65,107,121	6,262,391	574,016,885	1,287,011	10,984,753	1,369,914	787,516	7,066,682	58,512	52,089,839	12,743,714	211,354	737,619,781
Additions / transfer (at cost)	-	-	17,736,111	-	139,693,292	-	-	374,500	-	-	-	24,455,705	5,986,500	-	188,246,108
Transfer from leased assets to own assets (NBV)	-	-	-	-	20,178,413	-	4,055,535	211,354	-	-	-	(20,178,413)	(4,055,535)	(211,354)	-
Disposals (NBV)	-	-	-	-	(1,212,866)	-	(19,931)	-	-	-	-	-	-	-	(1,232,797)
Depreciation charge	-	(34,128)	(3,920,460)	(313,120)	(65,266,565)	(128,702)	(3,006,524)	(362,187)	(78,752)	(706,668)	(11,703)	(4,413,929)	(2,320,362)	-	(80,563,100)
Closing net book value	2,896,444	2,703,517	78,922,772	5,949,271	667,409,159	1,158,309	12,013,833	1,593,581	708,764	6,360,014	46,809	51,953,202	12,354,317	-	844,069,992
Gross carrying value basis year ended June 30, 2014															
Cost	2,896,444	3,378,976	144,291,643	31,641,118	1,270,927,128	6,267,684	32,520,211	8,524,182	4,498,949	26,919,116	1,033,627	59,310,512	17,213,993	-	1,609,423,583
Accumulated depreciation / impairment	-	(675,459)	(65,368,871)	(25,691,847)	(603,517,969)	(5,109,375)	(20,506,378)	(6,930,601)	(3,790,185)	(20,559,102)	(986,818)	(7,357,310)	(4,859,676)	-	(765,353,591)
Net book value	2,896,444	2,703,517	78,922,772	5,949,271	667,409,159	1,158,309	12,013,833	1,593,581	708,764	6,360,014	46,809	51,953,202	12,354,317	-	844,069,992
Depreciation rate (% per annum)	-	1%	5%	5%	10%	10%	20%	20%	10%	10%	20%	10%	20%	20%	

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

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer / insurer	Address
	Rupees						
Vehicles	662,000	473,848	188,152	355,000	Negotiation	Mr. Rana Intikhab Ahmed	Siddiqya colony, Plot no. 17, Badami baag,
	1,387,500	1,088,640	298,860	450,000	Negotiation	Ms. Madiha Hussaini	A/56, Al-Hilal society, University Road, Karachi
	2,049,500	1,562,488	487,012	805,000			
Plant and machinery	23,604,188	15,356,770	8,247,418	3,500,000	Negotiation	United Spinning Mills	Plot no. A-1, Hali Road, Hyderabad
	12,544,796	7,628,406	4,916,390	7,700,000	Negotiation	Mekotex (Private) Limited	Plot no. 495,501 and 504, Landhi main National Highway, Karachi
	100,000	38,800	61,200	25,000	Negotiation	Bilal Computer	Regal Trade Square, Regal Chowk, Saddar, Karachi
	15,000,000	13,645,940	1,354,060	1,900,000	Negotiation	Olympia Blended Fibre Mills Limited	Monno House-3, Montgomery Road, Lahore
	15,000,000	13,645,940	1,354,060	1,900,000	Negotiation	Rafique Spinning Mills Limited	19-km Sheikhupura, 193-R-B Sarihwala, Faisalabad
	66,248,984	50,315,856	15,933,128	15,025,000			
Total - 2015	68,298,484	51,878,344	16,420,140	15,830,000			
Total - 2014	15,784,935	14,552,132	1,232,803	4,525,000			

	Note	2015 Rupees	2014 Rupees

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

	Note	2015 Rupees	2014 Rupees
Cost of sales	30	85,583,216	74,733,622
General and administrative expenses	31	5,570,972	5,829,478
		91,154,188	80,563,100

6 CAPITAL WORK-IN-PROGRESS

Description	Cost			
	As at July 01, 2014	Additions during the year	Transferred to operating fixed assets	As at June 30, 2015
	Rupees			
Building / improvements on leasehold land	544,242	65,521,642	57,806,524	8,259,360
Total - 2015	544,242	65,521,642	57,806,524	8,259,360
Total - 2014	13,796,089	4,484,264	17,736,111	544,242

7 LONG TERM INVESTMENT

	Note	2015 Rupees	2014 Rupees
In associated undertaking	7.1	2,232,131	2,092,435

7.1 In associated undertaking

Premier Insurance Limited

48,573 shares of Rs. 10 each (2014: 84,477 shares)

	2015 Rupees	2014 Rupees
Cost of investment	930	930
Accumulated share of post acquisition profit - net of dividend received	2,091,505	2,425,829
Share of profit / (loss) for the year	181,934	(249,847)
Dividend received during the year	(42,238)	(84,477)
	2,231,201	2,091,505
	2,232,131	2,092,435

Market value of investment in associate was Rs. 1,356,644 (2014: Rs. 887,009).

Interim financial statements of associated company for the period ended June 30, 2015 (reviewed) have been used for the purpose of application of equity method.

The percentage of equity held in associate is 0.1395% (2014: 0.1395%).

Summarised financial information of Premier Insurance Limited as of June 30, 2015 is set out below:

	Note	2015 Rupees	2014 Rupees
Total assets		3,179,824,000	3,320,180,000
Total liabilities		1,580,397,000	1,820,226,982
Net assets		1,599,427,000	1,499,953,018
Underwriting results		65,581,000	(58,544,000)
Investment income		188,969,000	82,553,000
Profit / (loss) after tax		130,167,000	(179,102,000)
Company's share of associate's net assets		2,232,131	2,092,434

8 LONG-TERM DEPOSITS

Security deposits		
Leases	4,904,720	11,335,480
Others	12,959,478	10,837,265
	17,864,198	22,172,745

9 STORES, SPARES AND LOOSE TOOLS

Stores		32,326,492	24,907,655
Spares		26,348,500	24,018,138
Loose tools		75,300	62,382
		58,750,292	48,988,175
Less: Provision for slow moving items	9.2	(2,557,904)	(1,741,340)
		56,192,388	47,246,835

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

9.2 Provision for slow moving stores and spares comprises:

Balance at the beginning of the year		1,741,340	991,651
Provision recognized during the year	27	816,564	749,689
Balance at the end of the year		2,557,904	1,741,340

	Note	2015 Rupees	2014 Rupees

10 STOCK IN TRADE

	Note	2015 Rupees	2014 Rupees
Raw material			
In hand	10.1	79,802,785	82,306,593
Work-in-process		53,827,612	61,331,833
Finished goods		18,126,660	23,255,384
		151,757,057	166,893,810

10.1 The carrying amount of raw material includes inventories amounting to Rs. 68.970 million which were carried at net realizable value.

11 TRADE DEBTS

	Note	2015 Rupees	2014 Rupees
(Secured - considered good)		423,500	-
(Unsecured - considered good)	11.1	319,583,560	357,821,427
(Unsecured - considered doubtful)		4,585,028	3,761,816
		324,592,088	361,583,243
Less: Provision for doubtful debts	11.2	(4,585,028)	(3,761,816)
		320,007,060	357,821,427

11.1 This includes balance amounting to Rs. 3.470 million (2014: Rs. 18.315 million) due from Suraj Cotton Mills Limited, an associated undertaking.

11.2 Provision for doubtful debts

	2015 Rupees	2014 Rupees
Opening balance	3,761,816	3,061,816
Provision for the year	823,212	700,000
Closing balance	4,585,028	3,761,816

11.3 The aging of related party balances at the balance sheet date is as follows:

	2015 Rupees	2014 Rupees
Not past due	3,315,000	18,314,971
Past due by 1 - 15 days	154,620	-
Past due by 16 - 30 days	-	-
	3,469,620	18,314,971

	Note	2015 Rupees	2014 Rupees
12 LOANS AND ADVANCES			
Loans to staff			
Unsecured		490,000	268,700
Advances (unsecured)			
To suppliers / contractors		3,590,153	3,784,648
Against imports		15,044,179	1,367,364
Against expenses		-	8,300
		18,634,332	5,160,312
		19,124,332	5,429,012
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits		7,144,010	5,356,246
Bank guarantee and LC margin		4,609,582	3,330,224
Short term prepayments		337,411	283,895
		12,091,003	8,970,365
14 OTHER RECEIVABLES			
(Considered good)			
Other receivables		1,013,792	614,351
15 SHORT TERM INVESTMENTS			
Available for sale	15.1	55,423,478	62,348,523
At fair value through profit or loss	15.2	-	62,839,529
Held to maturity	15.3	151,200,000	1,200,000
		206,623,478	126,388,052
15.1 Available for sale			
At cost		44,648,880	41,178,796
Cumulative fair value gain		23,423,513	28,482,412
Impairment loss		(12,648,915)	(7,312,685)
		10,774,598	21,169,727
	15.1.1	55,423,478	62,348,523

			Note	2015 Rupees	2014 Rupees

15.1.1 Details of available for sale investments are as under:

Number of shares 2015	Number of shares 2014		Market value 2015	Market value 2014
		Quoted - At fair value		
1,389,541	1,271,633	The Crescent Textile Mills Limited	29,388,792	26,055,760
1,031	1,031	Crescent Cotton Mills Limited	56,653	57,891
285,357	285,357	Jubilee Spinning and Weaving Mills Limited	1,218,474	1,426,785
1,289,278	1,289,278	Shakarganj Mills Limited	21,917,727	21,814,584
50,060	50,060	Crescent Jute Products Limited	135,162	135,162
479,739	479,739	Samba Bank Limited	2,566,605	3,195,062
		Unquoted - At breakup value		
25,000	25,000	Crescent Modaraba Management Company Limited	140,065	143,631
533,623	533,623	Crescent Bahuman Limited	-	9,519,649
			55,423,478	62,348,523

15.2 At fair value through profit or loss

Number of units 2015	Number of units 2014		2015 Rupees	2014 Rupees
		Quoted - At fair value		
-	628,395	MCB Cash Management - Optimizer Growth	-	62,839,529

15.3 Held to maturity

	Note	2015 Rupees	2014 Rupees
Term deposit certificates	15.3.1	151,200,000	1,200,000

15.3.1 These term deposit certificates carry mark-up at rates ranging from 5.05% to 10% per annum (2014: 9.70% to 10% per annum). These are due to mature on July 22, 2015.

	Note	2015 Rupees	2014 Rupees
16 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		32,039,080	24,085,886
		32,039,080	24,085,886
17 CASH AND BANK BALANCES			
Cash in hand		878,030	2,184,847
Cash with banks			
In current accounts		119,654,400	109,120,356
In saving accounts	17.1	31,820,580	29,713,151
		151,474,980	138,833,507
		152,353,010	141,018,354

17.1 The balance in saving accounts carry profit at average rates ranging from 4% to 6% per annum (2014: 5% to 7% per annum).

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of ordinary shares of Rs. 10/- each 2015	2014		2015 Rupees	2014 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
27,825	27,825	Shares held by associated undertakings	278,250	278,250

	Note	2015 Rupees	2014 Rupees
19 RESERVES			
Capital reserve			
Unrealized gain on available for sale investment		23,423,513	28,482,412
Revenue reserves			
Unappropriated profit		776,851,639	744,738,678
		800,275,152	773,221,090
20 LONG TERM FINANCING			
From banking companies - secured			
Term finance 1	20.1	16,206,665	24,309,999
Term finance 2	20.2	68,664,130	137,328,256
Term finance 3	20.3	33,333,334	44,444,444
Term finance 4	20.4	51,814,000	51,814,000
Term finance 5	20.5	32,937,300	-
Term finance 6	20.6	59,359,000	-
Term finance 7	20.7	212,639,900	-
Term finance 8	20.8	33,960,000	-
		508,914,329	257,896,699
Less: Current portion shown under current liabilities	26	108,448,794	99,392,792
		400,465,535	158,503,907

20.1 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. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 36.465 million.

20.2 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. 460 million. The sanctioned limit of the facility is Rs. 270.365 million.

20.3 This facility has been obtained from Bank Islami Limited (formerly KASB Bank Limited) to finance plant and machinery for BMR and capacity expansion in Textile Unit 1 located at Nooriabad. The rate of mark-up is 3 months KIBOR + 3.5% and is payable quarterly over a period of 4.5 years after a grace period of 6 months. The finance facility is secured against pari passu charge over fixed assets of the Company including land, building, plant and machinery with 30% margin and personal guarantee of Directors of the Company. The sanctioned limit of the facility is Rs. 50 million.

20.4 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. 460 million. The sanctioned limit of the facility is Rs. 51.814 million.

20.5 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in Textile Unit 2 located at Bikhi. The rate of mark-up is 6 months KIBOR + 3% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from July 2016. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The limit of the facility is 32.937 million.

20.6 This facility has been obtained from MCB Bank Limited for balancing modernization and replacement in 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 6 years after a grace period of 18 months with installments starting from July 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 460 million. The sanctioned limit of the facility is Rs. 59.359 million.

20.7 This facility has been obtained from UBL Bank Limited for extension of Textile Unit 1 located at Nooriabad. The rate of mark-up is 6 months KIBOR + 2.25% and is payable semi-annually over a period of 6 years after a grace period of 18 months with installments starting from May 2017. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over fixed assets of the Company aggregating to Rs. 400 million. The sanctioned limit of the facility is Rs. 300 million.

20.8 This facility has been obtained from Standard Chartered Bank Limited for generator to meet the power requirement of Textile Unit-1 expansion located at Nooriabad.The rate of mark-up is 3 months KIBOR + 2.5% is payable in 15 quarterly installments starting from July 2015. The finance facility is secured against first registered pari passu equitable mortgage / hypothecation charge over plant and machinery of the Company aggregating to Rs. 62.50 million. The sanctioned limit of the facility is Rs. 50 million.

21 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

	Note	2015 Rupees	2014 Rupees
Secured			
Balance as July 01		49,665,758	48,485,223
Additions during the year		2,377,500	29,626,500
		52,043,258	78,111,723
Payments / adjustments during the year		(22,567,244)	(28,445,965)
		29,476,014	49,665,758
Less: Payable within one year shown under current liabilities	26	(20,139,943)	(22,342,236)
		9,336,071	27,323,522

This represents finance leases entered into with financial institutions for plant and machinery, vehicles and office equipment. Financing rates ranging from 9.17% to 18.50% (2014: 13.67% to 19.45%) 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:

	2015			2014		
	Upto one year	One to five years	Total	Upto one year	One to five years	Total
	Rupees			Rupees		
Minimum lease payments outstanding	21,687,825	9,654,472	31,342,297	26,369,116	28,907,997	55,277,113
Financial charges not due	(1,547,882)	(318,401)	(1,866,283)	(4,026,880)	(1,584,475)	(5,611,355)
Present value of minimum lease payments	20,139,943	9,336,071	29,476,014	22,342,236	27,323,522	49,665,758
Payable within one year shown under current liabilities	(20,139,943)	-	(20,139,943)	(22,342,236)	-	(22,342,236)
	-	9,336,071	9,336,071	-	27,323,522	27,323,522

	Note	2015 Rupees	2014 Rupees

22 DEFERRED TAXATION

Deferred taxation is composed of:

Taxable temporary differences:			
Accelerated tax depreciation allowance		203,678,438	176,777,089
Deductible temporary differences:			
Lease rentals		(9,275,196)	(16,389,701)
Turnover tax		-	(26,932,892)
Provision for slow moving items		(1,467,209)	(574,642)
Provision for doubtful debts		(818,529)	(1,241,400)
		(11,560,934)	(45,138,635)
		192,117,504	131,638,454

23 TRADE AND OTHER PAYABLES

Creditors	23.1	139,466,466	110,251,551
Accrued liabilities	23.2	231,734,296	143,218,732
Payable to provident fund		2,071,007	1,471,559
Workers' Profit Participation Fund	23.3	7,080,581	14,471,052
Due to Chief Executive and Directors		4,657,632	5,039,038
Advance from customer		13,039,303	4,341,679

	Note	2015 Rupees	2014 Rupees
Unclaimed dividend		1,794,478	1,472,923
Withholding tax payable		1,289,223	202,394
Workers' Welfare Fund		9,964,613	11,325,787
Other liabilities		4,292,174	1,599,104
		415,389,773	293,393,819

23.1 This includes balance amounting to Rs. 12.338 million (2014: Rs. 9.227 million) due to an associated undertaking.

23.2 This includes an amount of Rs. 44.353 million payable in respect of Gas Infrastructure Development Cess.

23.3 Workers' Profit Participation Fund balance comprises as follows:

	2015 Rupees	2014 Rupees
Balance as at July 01,	14,471,052	15,392,203
Add: Allocation for the year	7,080,581	14,471,052
Interest on funds utilized in the Company's business	858,666	972,210
	22,410,299	30,835,465
Less: Amount paid during the year	(15,329,718)	(16,364,413)
	7,080,581	14,471,052

24 INTEREST AND MARKUP ACCRUED

	2015 Rupees	2014 Rupees
Mark-up accrued on secured:		
Long-term financing	10,102,050	3,391,724
Short-term borrowings	22,910,321	24,474,492
	33,012,371	27,866,216

25 SHORT-TERM BORROWINGS

	Note	2015 Rupees	2014 Rupees
From banking companies - secured			
Running / cash finance	25.1	54,126,996	75,290,169
Bills discounting	25.2	12,000,000	12,000,000
		66,126,996	87,290,169

25.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs. 885 million (2014: Rs. 797 million). The rate of mark up on these finance facilities ranges between 1 month and 3 months KIBOR plus 1.5% to 2.75% per annum (2014: 3 month KIBOR plus 1% to 3.5% per annum) and is payable quarterly.

The Company also has a facility for opening letters of credit under mark-up arrangements amounting to Rs. 200 million (2014: Rs. 200 million) from a commercial bank. The unutilized balance at the end of the year was Rs. 188.31 million (2014: Rs. 200 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.

25.2 In prior year, the management of the Company have determined that the liabilities relating to short term borrowings and mark-up accrued thereon amounting to Rs. 12.000 million and Rs. 20.385 million up to June 30, 2012, respectively, were payable to a financial institution (now Samba Bank Limited). No provision for mark-up has been recorded on this balance since June 30, 2012. The Company has received a nil balance certificate from the Bank and no claim has been received in respect of the amount outstanding from this financial institution or third party. Management considers it necessary to retain the balance outstanding in the books as no settlement has taken place. The facility was subject to discounting charges at the rate of 8.00% (2014: 8.00%) per annum and is secured against personal guarantee of Directors and demand promissory note.

	Note	2015 Rupees	2014 Rupees
26 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	20	108,448,794	99,392,792
Liabilities against assets subject to finance leases	21	20,139,943	22,342,236
		128,588,737	121,735,028
27 TAXATION - NET			
Provision for taxation		25,270,384	42,904,770
Advance income tax		(33,542,878)	(40,708,229)
		(8,272,494)	2,196,541

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

a) Guarantees have been issued by banking companies in normal course of business amounting to Rs. 37.873 million (2014: Rs. 33.042 million).

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

28.2 Commitments

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

Letters of credit against import of plant and machinery amounting to Rs. 85.568 million (2014: Rs. 61.170 million).

Letters of credit against import of raw material amounting to Rs. 2.846 million (2014: nil).

	Note	2015 Rupees	2014 Rupees
29 SALES - NET			
Export - yarn		6,739,078	21,595,519
Local			
Yarn		3,162,479,022	3,486,346,786
Waste		14,502,711	16,511,319
		3,176,981,733	3,502,858,105
Trading - local		22,638,505	106,143,284
		3,206,359,316	3,630,596,908
Less: Sales tax		59,611,861	68,683,492
		3,146,747,455	3,561,913,416
Brokerage and commission		(33,106,762)	(37,851,393)
		3,113,640,693	3,524,062,023
30 COST OF SALES			
Material consumed	30.1	1,808,908,725	2,167,393,349
Salaries, wages and other benefits	30.2	274,214,230	210,162,090
Packing material consumed		47,993,496	45,891,414
Stores, spares and loose tools consumed		68,529,964	74,670,233
Provision for slow moving items		816,564	749,689
Power and fuel		496,282,338	422,117,066
Depreciation	5.3	85,583,216	74,733,622
Repairs and maintenance		6,329,119	7,893,520
Insurance		7,597,577	6,502,352
Other manufacturing overheads		17,453,304	19,205,474
Manufacturing cost		2,813,708,533	3,029,318,809
Opening work-in-process		61,331,833	45,165,156
Closing work-in-process		(53,827,612)	(61,331,833)
		7,504,221	(16,166,677)
Cost of goods manufactured		2,821,212,754	3,013,152,132
Cost of goods purchased for trading		21,387,733	96,909,255
		2,842,600,487	3,110,061,387

	Note	2015 Rupees	2014 Rupees
Opening stock of finished goods		23,255,384	17,145,911
Insurance claim		-	(6,857,415)
Closing stock of finished goods		(18,126,660)	(23,255,384)
		5,128,724	(12,966,888)
		2,847,729,211	3,097,094,499

30.1 Material consumed

	2015 Rupees	2014 Rupees
Opening stock	82,306,593	169,005,056
Purchases including related expenses	1,806,404,917	2,080,694,886
	1,888,711,510	2,249,699,942
Closing stock	(79,802,785)	(82,306,593)
	1,808,908,725	2,167,393,349

30.2 Salaries, wages and other benefits include Rs. 8.400 million (2014: Rs. 6.489 million) in respect of staff retirement benefits.

31 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2015 Rupees	2014 Rupees
Directors' remuneration		14,060,000	13,277,875
Staff salaries and other benefits	31.1	31,138,939	26,772,606
Repairs and maintenance		2,253,705	1,937,340
Vehicles running and maintenance		5,839,497	6,085,102
Insurance		1,083,210	1,104,083
Printing and stationery		788,995	770,352
Telephone and postage		1,384,323	1,318,074
Traveling and conveyance		7,489,433	5,450,637
Fee and subscription		1,363,048	1,263,442
Legal and professional charges		1,651,350	723,531
Depreciation	5.3	5,570,972	5,829,478
Utilities		3,454,077	3,252,990
Rent, rates and taxes		4,999,786	4,355,709
Entertainment		2,257,826	1,603,008
Donation	31.2	215,000	216,000
Others		3,185,260	2,389,992
		86,735,421	76,350,219

31.1 Salaries and other benefits include Rs. 2.077 million (2014: Rs. 1.860 million) in respect of staff retirement benefits.

31.2 This represents donation paid to Maqbool Trust, an associated undertaking in which Directors are interested.

		2015 Rupees	2014 Rupees
32	**DISTRIBUTION COST**		
	Ocean freight	23,975	195,860
	Local freight and insurance	12,061,399	11,321,885
	Shipping expenses	15,105	24,368
	Other	395,880	227,249
		12,496,359	11,769,362
33	**OTHER OPERATING INCOME**		
	Gain on disposal of fixed assets	-	3,292,197
	Unrealized gain on remeasurement of investments	-	5,336,677
	Gain on sale of investments	10,745,767	-
	Interest on bank deposits	3,015,130	690,861
	Dividend income	1,591,602	-
	Rental income	15,316,560	12,574,624
	Gain on scrap sales	-	476,000
		30,669,059	22,370,359
34	**OTHER OPERATING EXPENSES**		
	Auditors' remuneration:		
	Statutory audit	390,000	390,000
	Half yearly review	75,000	75,000
	Special reports and sundry services	22,000	22,000
		487,000	487,000
	Impairment in available for sale investment	5,336,230	-
	Loss on disposal of fixed assets	590,140	-
	Provision for doubtful debts	823,212	700,000
	Workers' Welfare Fund	2,690,621	5,499,000
	Workers' Profit Participation Fund	7,080,581	14,471,052
		17,007,784	21,157,052
35	**FINANCIAL CHARGES**		
	Mark-up / interest on:		
	Long-term financing	32,189,789	33,677,072
	Lease finances	3,910,432	5,180,813
	Short-term financing	11,228,338	24,656,904
	Workers' Profit Participation Fund	858,666	972,210
		48,187,225	64,486,999
	LC discounting charges	6,654,703	5,873,422
		54,841,928	70,360,421

	Note	2015 Rupees	2014 Rupees
36 TAXATION			
Current	36.1	-	42,904,770
Prior	36.3	20,671,096	49,274,832
		20,671,096	92,179,602
Deferred		60,479,050	1,572,752
	36.2	81,150,146	93,752,354

36.1 Charge during the year is nil owing to Tax credit under section 65-B amounting to Rs. 31.627 million applied against minimum tax for the year.

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

36.3 The Additional Commissioner Inland Revenue (ACIR) amended the assessment u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2012 and 2013 and created a net demand of Rs. 1.9 million after making various additions to the income of the Company and by disallowing benefit of minimum tax u/s113(2)(c) of the Income Tax Ordinance in the light of Sindh High Court Order. The aforesaid amount has been deposited by the Company under protest. As a consequence, refund amounting to Rs. 49.275 million has been deleted by the tax authorities. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] based of advice of legal counsel.

36.4 Finance Act, 2015 introduced a new section 5A to the Income Tax Ordinance, 2001 on the subject of tax on undistributed reserves from Tax Year 2015, according to which, tax at the rate of ten percent of undistributed profits on every public Company other than a scheduled bank or a Modaraba (deeming it to be taxable income), that derive profits in a tax year but does not distribute cash dividends within six months of the end of the said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital, so much of its reserves as exceed hundred percent of paid up capital shall be treated as income of the Company. Provided that for tax year 2015, cash dividends may be distributed before the due date mentioned in sub section (2) of section 18, for filing of return for tax year 2015.

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

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

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

	2015 Rupees	2014 Rupees

37 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the year	44,530,837	175,698,628
Weighted average number of ordinary shares outstanding	12,417,876	12,417,876
Earnings per share - basic and diluted	3.59	14.15

38 DEFINED CONTRIBUTION PLAN

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

38.1 The Trustees have intimated that the size of the Fund at year end was Rs. 95.418 million.

38.2 As intimated by the Trustees, the cost of the investments made at year end was Rs. 50.974 million which is equal of 53.42% of the total fund size. The fair value of the investments was Rs. 51.880 million at that date which is equal of 54.372% of the total fund size. The category wise break up of investment as per section 227 of the Companies Ordinance, 1984 is given below:

	Rupees	Percentage
Defense Saving Certificates	16,255,500	17.04%
Term deposit	33,800,000	35.42%
Listed securities (Mutual fund)	918,239	0.96%
	50,973,739	53.42%

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

39 CASH GENERATED FROM OPERATIONS

	2015 Rupees	2014 Rupees
Profit before taxation	125,680,983	269,450,982
Adjustment for non-cash charges and other items:		
Loss / (gain) on disposal of operating fixed assets	590,140	(3,292,197)
Financial charges	54,841,928	70,360,421
Depreciation	91,154,188	80,563,100
Unrealized gain on remeasurement of investments	-	(5,336,677)
Impairment in available for sale investment	5,336,230	-
Gain on sale of investments	(10,745,767)	-

	Note	2015 Rupees	2014 Rupees
(Profit) / loss on share of profit from associate		(181,934)	249,847
Provision for slow moving items		816,564	749,689
Provision for doubtful debts		823,212	700,000
		142,634,561	143,994,183
Profit before working capital changes		268,315,545	413,445,165
Working capital changes	39.1	139,193,152	(8,412,650)
		407,508,697	405,032,515

39.1 Working capital changes

	2015 Rupees	2014 Rupees
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(9,762,117)	(9,378,668)
Stock in trade	15,136,753	64,422,313
Trade debts	36,991,155	(66,614,714)
Loans and advances	(13,695,320)	3,092,898
Trade deposits and short term prepayments	(3,120,638)	(236,173)
Other receivables	(399,441)	-
Tax refund due from the Government	(7,953,194)	(1,224,014)
	17,197,198	(9,938,358)
Increase in current liabilities		
Trade and other payables	121,995,954	1,525,708
	139,193,152	(8,412,650)

40 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

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

	2015				2014			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	3,459,310	6,299,314	6,252,388	16,011,012	3,144,828	5,544,828	5,738,508	14,428,164
House rent	1,556,690	2,744,686	2,680,994	6,982,370	1,415,173	2,495,173	2,390,845	6,301,191
Company's contribution to Provident Fund Trust	345,931	609,931	625,240	1,581,102	314,483	554,483	573,851	1,442,817
Reimburseable expenses	454,933	802,118	264,902	1,521,953	442,500	814,550	306,948	1,563,998
Total	5,816,864	10,456,049	9,823,524	26,096,437	5,316,984	9,409,034	9,010,152	23,736,170
Number of persons	1	2	5	8	1	2	5	8

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

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

40.2 Aggregate amount charged in these financial statements in respect of Directors fee is Rs. 0.200 million (2014: nil).

41 TRANSACTIONS WITH RELATED PARTIES

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

Relation with the Company	Nature of transaction	2015 Rupees	2014 Rupees
Associated companies / undertaking	Sale of yarn	34,388,076	153,811,308
	Insurance premium	11,748,128	10,968,297
	Insurance claim received	-	6,857,415
	Dividend received	42,238	84,477
	Rent received	400,020	387,360
	Donation paid	120,000	110,000
Retirement benefit plan	Contribution to provident fund	10,477,145	8,350,320
Directors	Rent paid	4,020,000	4,020,000
	Dividend paid	6,117,998	5,781,808
Key management personnel	Remuneration and other benefits	25,896,438	23,736,170

41.1 The status of outstanding balances of related parties as at June 30, 2015 are included in "Trade debts" (note 11), "Other receivables" (note 14) and "Trade and other payables" (note 23) respectively.

42 CAPACITY AND PRODUCTION

Spinning units	2015			2014		
	Unit - I	Unit - II	Total	Unit - I	Unit - II	Total
Number of spindles installed	28,616	38,448	67,064	20,360	38,448	58,808
Number of spindles worked	20,360	38,448	58,808	20,360	38,448	58,808
Number of shifts per day	3	3	3	3	3	3
Installed capacity after conversion into 20/s count - Kgs	11,086,331	14,188,513	25,274,844	7,887,815	14,188,513	22,076,328
Actual production of yarn after conversion into 20/s count - Kgs	7,451,433	11,144,577	18,596,010	7,322,362	10,529,273	17,851,635

43 YIELD / MARK UP RATE RISK

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

	Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk: Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub- total	Not exposed to yield / mark-up rate risk
2015	%	Rupees					
Financial assets							
Available for sale carried at fair value							
Investments		55,423,478	-	-	-	-	55,423,478
Held for trading carried at fair value							
Investments		-	-	-	-	-	-
Held to maturity carried at amortized cost							
Investments	5.05% to 10%	151,200,000	151,200,000	-	-	151,200,000	-
Loans and receivables carried at amortized cost							
Loans	-	490,000	-	-	-	-	490,000
Trade debts	-	320,007,060	-	-	-	-	320,007,060
Trade deposits	-	7,144,010	7,144,010	-	-	7,144,010	-
Other receivables	-	1,013,792	-	-	-	-	1,013,792
Cash and bank balances	-	152,353,010	31,820,580	-	-	31,820,580	120,532,430
		687,631,350	190,164,590	-	-	190,164,590	497,466,760
Financial liabilities							
Financial liabilities carried at amortized cost							
Long-term financing	9% - 13.30%	508,914,328	108,448,794	400,465,535	-	508,914,328	-
Liabilities against assets subject to finance leases	9.50% - 18.50%	29,476,014	20,139,943	9,336,071	-	29,476,014	-
Trade and other payables	-	384,016,051	-	-	-	-	384,016,051
Interest and markup accrued	-	33,012,371	-	-	-	-	33,012,371
Short-term borrowings	8.58% - 12.13%	66,126,996	66,126,996	-	-	66,126,996	-
		(1,021,545,760)	(194,715,733)	(409,801,606)	-	(604,517,338)	(417,028,422)
On balance sheet gap		(333,914,410)	(4,551,143)	(409,801,606)	-	(414,352,748)	80,438,338
Off balance sheet items							
Guarantees on behalf of the Company		37,873,000	-	-	-	-	37,873,000
Letter of credit for import of raw material		2,846,000	-	-	-	-	2,846,000
Letter of credit for capital expenditure		85,568,000	-	-	-	-	85,568,000
		126,287,000	-	-	-	-	126,287,000
Total gap		(460,201,410)	(4,551,143)	(409,801,606)	-	(414,352,748)	(45,848,662)

	Effective yield / mark-up rate	Total	Exposed to yield / mark-up rate risk: Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub- total	Not exposed to yield / mark-up rate risk
2014	%	Rupees					
Financial assets							
Available for sale carried at fair value							
Investments		62,348,519	-	-	-	-	62,348,519
Held for trading carried at fair value							
Investments		62,839,529	-	-	-	-	62,839,529
Held to maturity carried at amortized cost							
Investments	9.70% to 10%	1,200,000	1,200,000	-	-	1,200,000	-
Loans and receivables carried at amortized cost							
Loans		268,700	-	-	-	-	268,700
Trade debts	-	357,821,427	-	-	-	-	357,821,427
Trade deposits	-	5,356,246	5,356,246	-	-	5,356,246	-
Other receivables	-	614,351	-	-	-	-	614,351
Cash and bank balances	-	141,018,354	29,713,151	-	-	29,713,151	111,305,203
		631,467,126	36,269,397	-	-	36,269,397	595,197,729
Financial liabilities							
Financial liabilities carried at amortized cost							
Long-term financing	11.20% - 14.45%	257,896,699	99,392,792	158,503,907	-	257,896,699	-
Liabilities against assets subject to finance leases	13.67% - 19.45%	49,665,758	22,342,236	27,323,522	-	49,665,758	-
Trade and other payables	-	263,052,907	-	-	-	-	263,052,907
Financial charges payable	-	27,866,216	-	-	-	-	27,866,216
Short-term borrowings	8% - 16.31%	87,290,169	87,290,169	-	-	87,290,169	-
		(685,771,749)	(209,025,197)	(185,827,429)	-	(394,852,626)	(290,919,123)
On balance sheet gap		(54,304,623)	(172,755,800)	(185,827,429)	-	(358,583,229)	304,278,606
Off balance sheet items							
Guarantee issued on behalf of Company		33,042,000	-	-	-	-	33,042,000
Letter of credit for capital expenditure		61,170,000	-	-	-	-	61,170,000
		94,212,000	-	-	-	-	94,212,000
Total gap		(153,872,868)	(178,112,046)	(185,827,429)	-	(363,939,475)	210,066,606

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

44.1 Risk management policies

The Company's operations expose it to financial risk mainly due to changes in foreign exchange rates. Risk management is carried out by the management under 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.

44.2 Credit risk

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

Exposure to credit risk

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

	2015 Rupees	2014 Rupees
Deposits	22,473,780	30,859,215
Investments	208,855,609	128,480,483
Trade debts	320,007,060	357,821,427
Loans	490,000	268,700
Other receivables	1,013,792	614,351
Bank balances	151,474,980	138,833,507
	704,315,221	656,877,683

The aging of trade receivables at the reporting date is:

	2015 Rupees	2014 Rupees
Not past due	169,152,834	213,633,386
Past due 1-30 days	67,532,877	64,821,242
Past due 30-90 days	79,607,335	60,840,663
Past due 90 days	3,714,014	18,526,136
	320,007,060	357,821,427

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

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

Concentration of credit risk

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

Impaired assets

During the year, no assets have been impaired other than stock of cotton amounting to Rs.68.970 million, store, spares and loose tools amounting to Rs. 58.750 million, trade debts amounting to Rs. 324.592 million and investment classified as available for sale amounting to Rs. 55.423 against which impairment amounting to Rs. 4.276 million (2014: nil), Rs. 2.558 million (2014: Rs. 1.741 million), Rs. 4.585 million (2014: Rs. 3.762 million) and Rs. 8.578 (2014: nil) respectively has been recorded.

44.3 Liquidity risk

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

	Carrying amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
				Rupees			
2015							
Long term financing	508,914,329	671,611,896	81,883,133	78,509,396	122,111,952	345,555,891	43,551,524
Liabilities against assets subject to finance leases	29,476,014	31,342,296	11,865,875	9,821,950	9,244,930	409,541	-
Trade and other payables	384,016,052	384,016,052	384,016,052	-	-	-	-
Interest and markup accrued	33,012,371	33,012,371	33,012,371	-	-	-	-
Short-term borrowings	66,126,996	66,126,996	66,126,996	-	-	-	-
	1,021,545,762	1,186,109,611	576,904,427	88,331,346	131,356,882	345,965,432	43,551,524

	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			
2014							
Long term financing	257,896,699	329,941,838	61,159,708	58,325,602	131,686,331	78,770,197	-
Liabilities against assets subject to finance leases	49,665,758	52,005,004	14,110,455	11,299,853	14,015,714	12,578,982	-
Trade and other payables	263,052,907	263,052,907	263,052,907	-	-	-	-
Financial charges payable	27,866,216	27,866,216	27,866,216	-	-	-	-
Short-term financing	87,290,169	87,290,169	87,290,169	-	-	-	-
	685,771,749	760,156,134	453,479,455	69,625,455	145,702,045	91,349,179	-

44.4 Market risk

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

a) Currency risk

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

	2015 Rupees	2014 Rupees
Outstanding letter of credit	88,414,000	61,170,000

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	2015 Effective rate (In percent)	2014 Effective rate (In percent)	2015 Carrying amount Rupees	2014 Carrying amount Rupees
Fixed rate instrument				
Long term finance	11.20%	11.20%	16,206,665	24,309,999
Short term borrowings	8%	8%	12,000,000	12,000,000
Variable rate instruments				
Long term finance	9.00%-13.13%	11.20%-13.13%	492,707,664	233,586,700
Short term borrowings	8.58%-12.13%	11.33%-12.46%	54,126,996	75,290,169

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	Profit and loss 100 bp decrease
As at June 30, 2015		
Cash flow sensitivity - Fixed rate financial liabilities	(282,067)	282,067
Cash flow sensitivity - Variable rate financial liabilities	(5,468,347)	5,468,347
As at June 30, 2014		
Cash flow sensitivity - Fixed rate financial liabilities	(363,100)	363,100
Cash flow sensitivity - Variable rate financial liabilities	(3,088,769)	3,088,769

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, 2015, the fair value of equity securities exposed to price risk were as follows:	2015 Rupees	2014 Rupees
Held for trading investment	-	62,839,529
Available for sale investment	54,481,437	62,348,523
	54,481,437	125,188,052

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.

Price sensitivity	2,771,174	6,259,402

44.5 Financial instruments by category

Financial assets		
Available for sale carried at fair value		
Investments	55,423,478	62,348,519
Held for trading carried at fair value		
Investments	-	62,839,529
Held to maturity carried at amortized cost		
Investments	151,200,000	1,200,000
Loans and receivables carried at amortized cost		
Loans	490,000	268,700
Trade debts	320,007,060	357,821,427
Trade deposits	7,144,010	5,356,246
Other receivables	1,013,792	614,351
Cash and bank balances	152,353,010	141,018,354
	687,631,350	631,467,126
Financial liabilities		
Financial liabilities carried at amortized cost		
Long-term financing	508,914,328	257,896,699
Liabilities against assets subject to finance leases	29,476,014	49,665,758
Trade and other payables	384,016,051	263,052,907
Interest and markup accrued	33,012,371	27,866,216
Short-term borrowings	66,126,996	87,290,169
	1,021,545,760	685,771,749

45 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	Level 1	Level 2	Level 3	Total
		Rupees		
Available for sale				
Shares	55,283,413	-	140,065	55,423,478
At fair value through profit or loss				
Mutual fund units	-	-	-	-

As at June 30, 2014, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
		Rupees		
Available for sale				
Shares	52,685,243	-	9,663,280	62,348,523
At fair value through profit or loss				
Mutual fund units	62,839,529	-	-	62,839,529

46 CAPITAL MANAGEMENT

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

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 05, 2015 by the Board of Directors of the Company.

48 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Board of Directors of the Company in their meeting held on October 05, 2015 has recommended cash dividend for the year ended June 30, 2015 at 15% i.e. Rs. 1.50 per ordinary share subject to approval of shareholders in Annual General Meeting of the Company to be held on October 31, 2015.

49 GENERAL

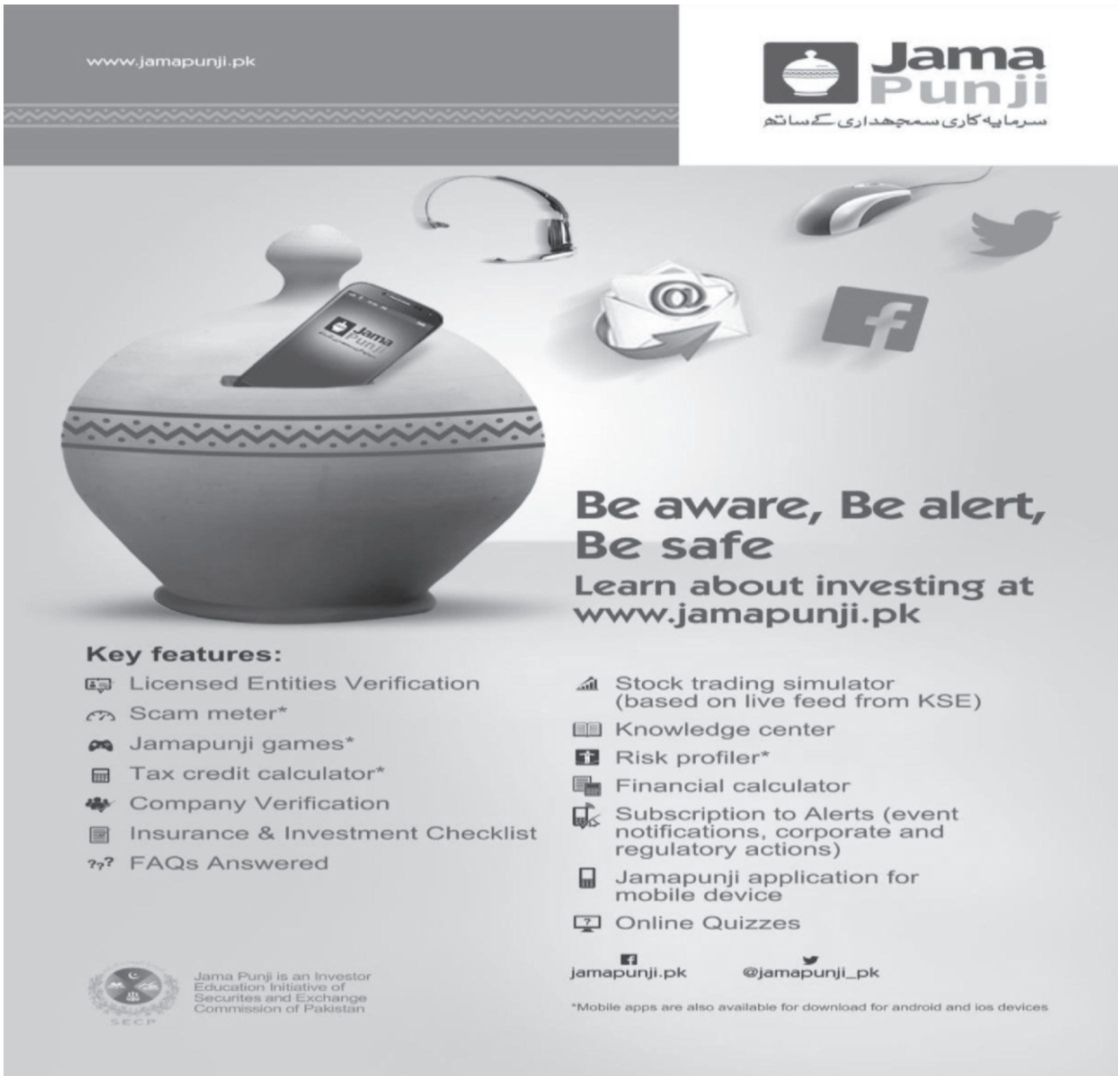
49.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison, the effect of which is not material.

49.2 The number of employees as at year end was 1,016 (2014: 1,033) and average number of employees during the year was 1,025 (2014: 1,015).

49.3 Figures have been rounded off to the nearest rupee.

IMRAN MAQBOOL
Chief Executive

NADEEM MAQBOOL
Director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PATTERN OF SHAREHOLDING AS AT JUNE 30, 2015

FORM-34

SHAREHOLDERS	FROM	TO	TOTAL SHARES	PERCENTAGE
680	1	100	22,008	0.18
438	101	500	98,284	0.79
107	501	1,000	77,237	0.62
143	1,001	5,000	289,790	2.33
36	5,001	10,000	258,003	2.08
13	10,001	15,000	161,711	1.30
14	15,001	20,000	234,262	1.89
6	20,001	25,000	132,762	1.07
7	25,001	30,000	199,510	1.61
6	30,001	35,000	192,340	1.55
6	35,001	40,000	225,328	1.81
4	40,001	45,000	170,626	1.37
2	45,001	50,000	91,170	0.73
1	50,001	55,000	51,173	0.41
2	55,001	60,000	113,936	0.92
1	60,001	65,000	65,000	0.52
3	65,001	70,000	204,106	1.64
2	70,001	75,000	145,420	1.17
2	75,001	80,000	157,277	1.27
1	140,001	145,000	143,217	1.15
1	150,001	155,000	153,580	1.24
1	275,001	280,000	277,058	2.23
1	350,001	355,000	351,657	2.83
1	595,001	600,000	598,026	4.82
1	630,001	635,000	633,015	5.10
1	715,001	720,000	716,100	5.77
1	850,001	855,000	852,681	6.87
1	1,305,001	1,310,000	1,306,831	10.52
1	1,320,001	1,325,000	1,322,400	10.65
1	1,335,001	1,340,000	1,336,875	10.77
1	1,835,001	1,840,000	1,836,493	14.79
1,485			**12,417,876**	**100**

Categories of Shareholder

Directors, Chief Executive Officer, Their Spouse and Children

Chief Executive		
IMRAN MAQBOOL	1,336,875	10.77
Directors		
HUMAYUN MAQBOOL	1,322,400	10.65
KHAWAR MAQBOOL	1,836,493	14.79
NADEEM MAQBOOL	1,306,831	10.52
NAILA HUMAYUN MAQBOOL	500	0.00
RIAZ MASOOD	277,058	2.23
JAHANZEB SAEED KHAN	500	0.00
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
	6,136,498	**49.42**
Associated Companies, Undertakings & Related Parties		
CRESCENT POWER TEC LIMITED	27,825	0.22
	27,825	**0.22**
NIT & ICP (Name Wise Detail)		
INVESTMENT CORPORATION OF PAKISTAN	5,662	0.05
Banks, DFI's, NBFI's		
Banks, DFI's, NBFI's	1,064,151	8.57
Insurance Companies		
Insurance Companies	1,102	0.01
Modaraba and Mutual Funds		
Modaraba and Mutual Funds	16,621	0.13
Other Companies		
Other Companies	667,642	5.38
General Public		
Local	4,498,375	36.22
TOTAL NUMBER OF SHARES	**12,417,876**	**100**

Shareholders More Than 5%

KHAWAR MAQBOOL	1,836,493	14.79
IMRAN MAQBOOL	1,336,875	10.77
HUMAYUN MAQBOOL	1,322,400	10.65
NADEEM MAQBOOL	1,306,831	10.52
NATIONAL BANK OF PAKISTAN-TRUSTEE DEPARTMENT NI(U)T FUND	852,681	6.87
UMER SHARIF	716,100	5.77
BASHIR AHMAD	633,015	5.10

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

Mr. Riaz Masood, Director has purchased 18,500 shares during the year.

Crescent Fibres

FORM OF PROXY

CDC Participant ID #	Sub Account # / Folio #	CNIC 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 38th Annual General Meeting of the Company to be held on Saturday the 31st October, 2015 at 9.30 a.m. at Registered office of the Company 104 -Shadman-1, Lahore and at any adjournment thereof.

Witnesses:

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

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

Please affix here Revenue Stamps of Rs. 5/-

____

Members' Signature

Date:

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instruments appointing a proxy, together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, 104 -Shadman-1, Lahore, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:

i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

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

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

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the company.

CRESCENT FIBRES LIMITED

104 Shadman 1, Lahore 54000
Tel: +92 (42) 35960871 - 4 Lines
Fax: +92 (42) 35960004
Email: lo@crescentfibres.com
Website: www.crescentfibres.com