crestex

The Crescent Textile Mills Limited

Annual Report

2015

بسم الله الرحمن الرحيم

Contents

Company Information

Board of Director		Bankers
Mr. Muhammad Rafi	Chairman	Al Baraka Bank (Pakistan) Limited
Mr. Muhammad Anwar	Chief Executive Officer	Allied Bank Limited
Mr. Ahmad Shafi	Director	Burj Bank Limited
Mr. Khalid Bashir	Director	Habib Bank Limited
Mr. Khurram Mazhar Karim	Director	MCB Bank Limited
Mr. Muhammad Arshad	Director	National Bank of Pakistan
Mr. Muhammad Asif (Nominee NIT)	Director	NIB Bank Limited
Mr. Nasir Shafi	Director	Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited

Audit Committee		Mills & Head Office
Mr. Khalid Bashir	Chairman	Sargodha Road,
Mr. Khurram Mazhar Karim	Member	Faisalabad, Pakistan
Mr. Nasir Shafi	Member	T: + 92-41-111-105-105
		F: + 92-41-111-103-104
HR & R Committee		E: crestex@ctm.com.pk
Mr. Khalid Bashir	Chairman	
Mr. Ahmad Shafi	Member	
Mr. Nasir Shafi	Member	

Chief Financial Officer		
Mr. Sadiq Saleem		
		Registered Office
Corporate Secretary		45-A, Off: Zafar Ali Road, Gulberg-V,
Mr. Naseer Ahmad Chaudhary		Lahore, Pakistan
		T: + 92-42-111-245-245
Head of Internal Audit		F: + 92-42-111-222-245
Mr. Kashif Saleem		E: mailho@crescentbahuman.com
Auditors		
Riaz Ahmed & Company		
Chartered Accountants		
		Share Registrar
Legal Advisor		Crescent Group (Pvt) Ltd.,
Syed Masroor Ahmad	Advocate	10th Floor, BOP Tower, 10-B,
		Block E-2, Main Boulevard, Gulberg,
Stock Exchange Listing		Lahore, Pakistan
The Crescent Textile Mills Limited is a listed Company		T: + 92-42-35783801-2
and its shares are traded on all three Stock Exchanges		F: + 92-42-35783811
in Pakistan.		E: corpsecry@cresjute.com
The Company's shares are quoted in leading dailies		
under textile composite sector.		www.ctm.com.pk

Vision and Values

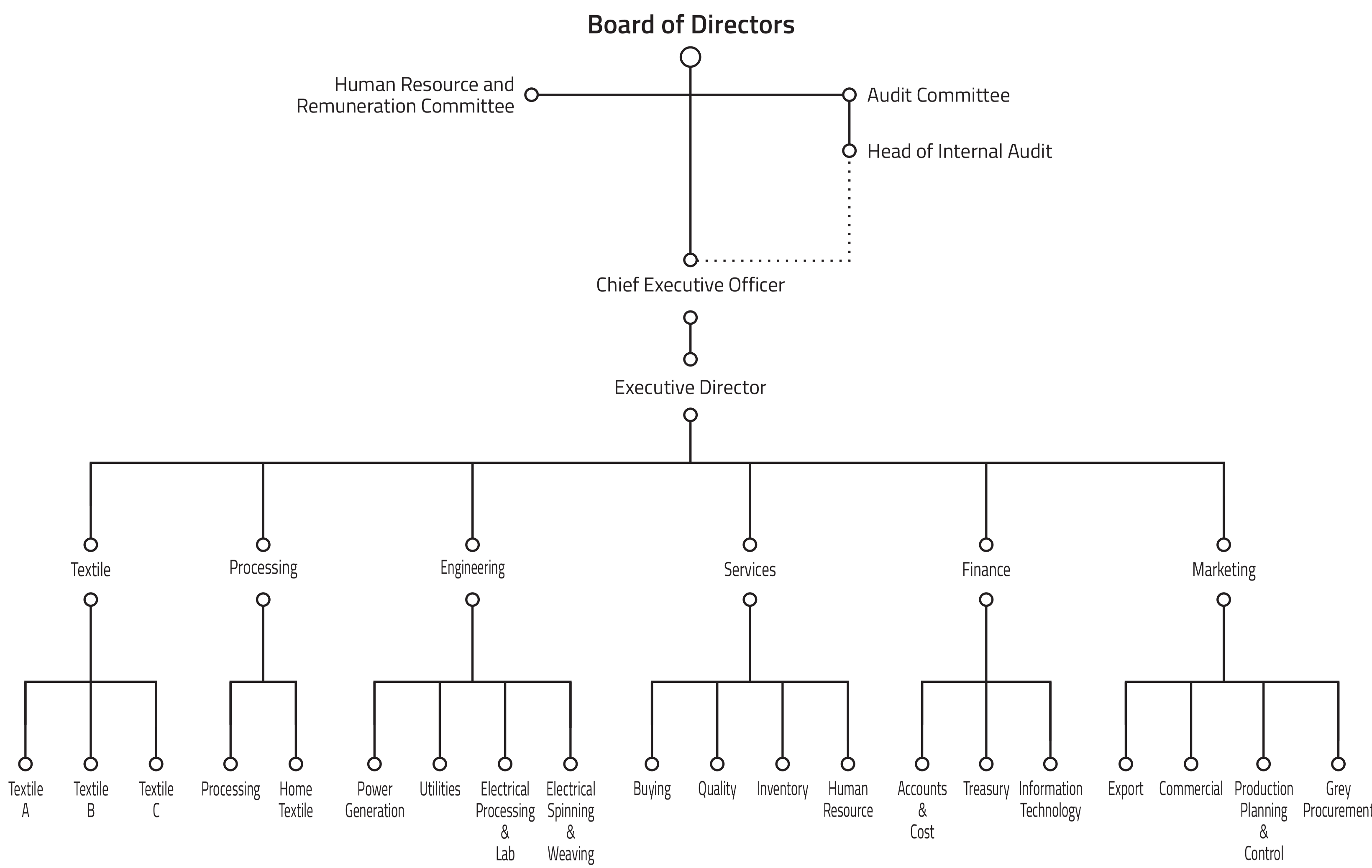
Vision

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

Values

Integrity
Innovation
Customer Centricity
Commitment
Teamwork
Quality

Management Structure / Organization Chart



Key Figures

	2015	2014
Gross Profit (Rs. in million)	1,513	1,375
Other Expenses (Rs. in million)	63	67
Finance Cost (Rs. in million)	429	472
Bank Borrowings (Rs. in million)	5,302	5,369
Contribution to national exchequers (Rs. in million)	258	214
Net Worth (Rs. in million)	3,450	3,078
Current ratio (Times)	0.81	0.76
Debt equity ratio (Times)	1.54	1.74

Investor Guide

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- Financial Calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
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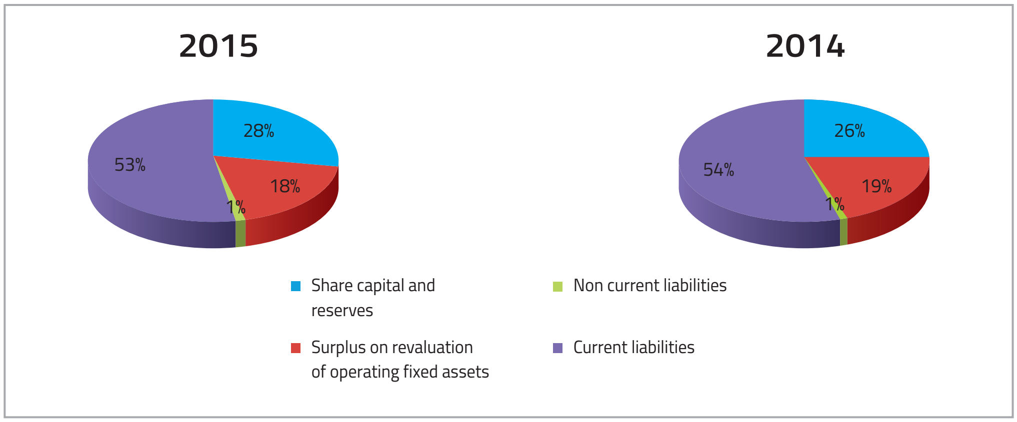
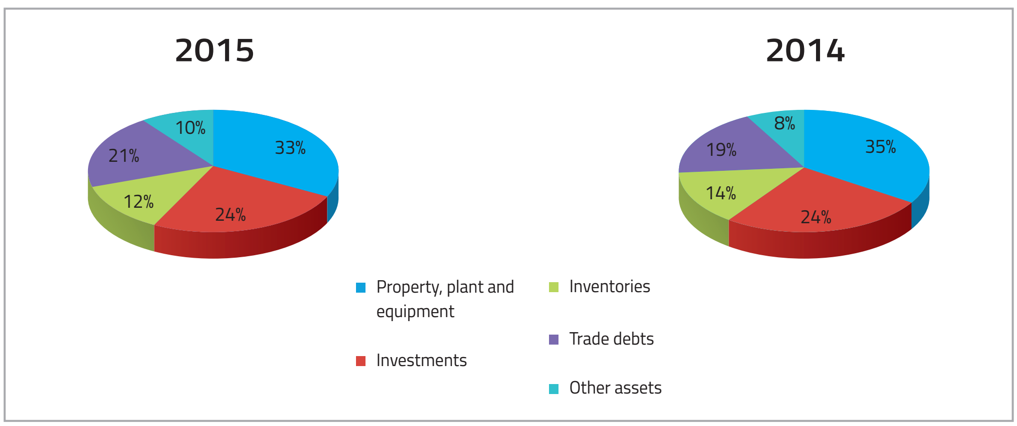
- Online Quizzes

Graphical Representations

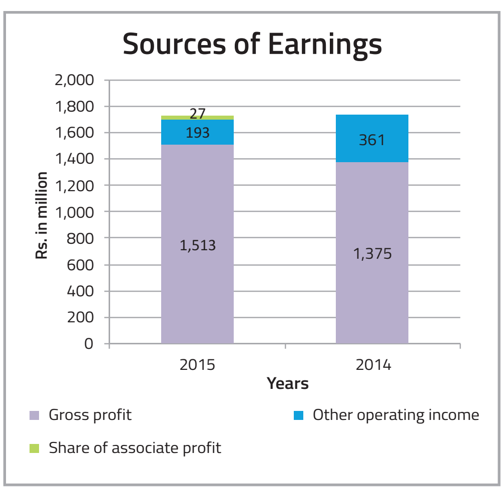
Shareholders' Equity and Liabilities

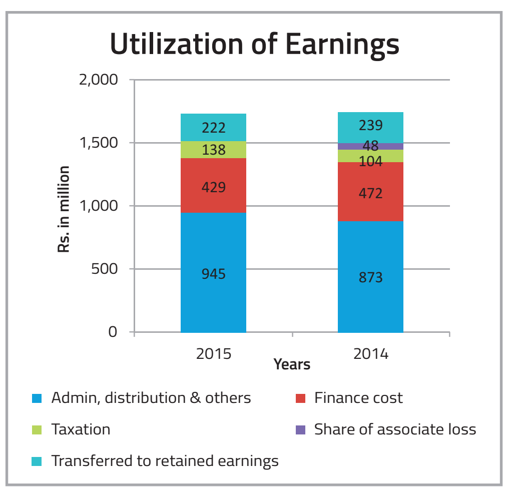


Assets



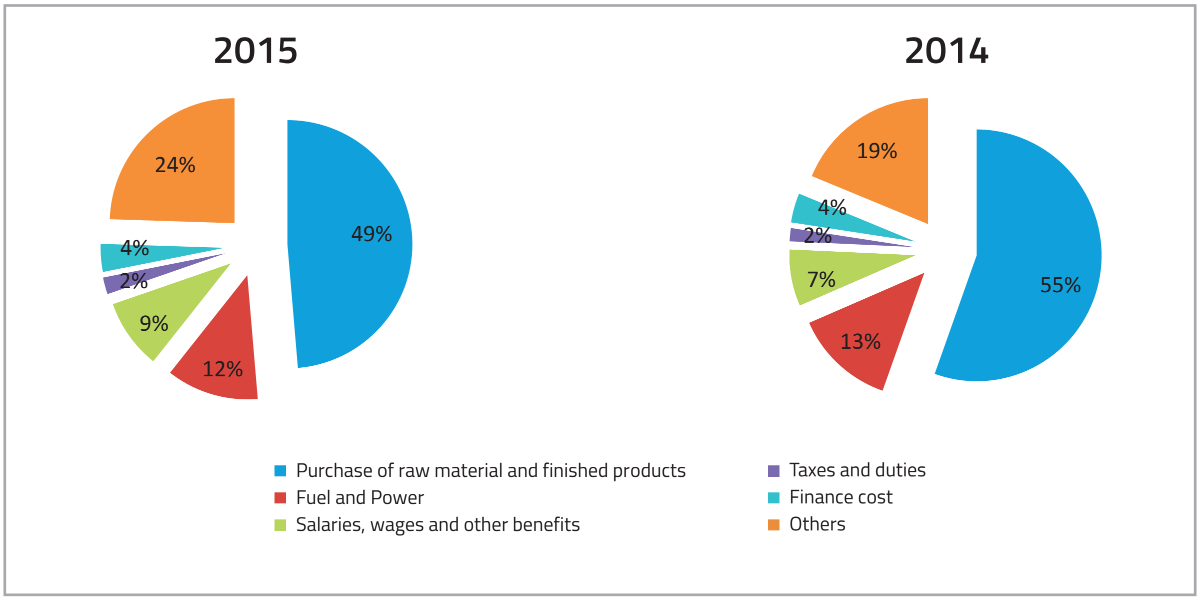
Analysis of Profit and Loss Account



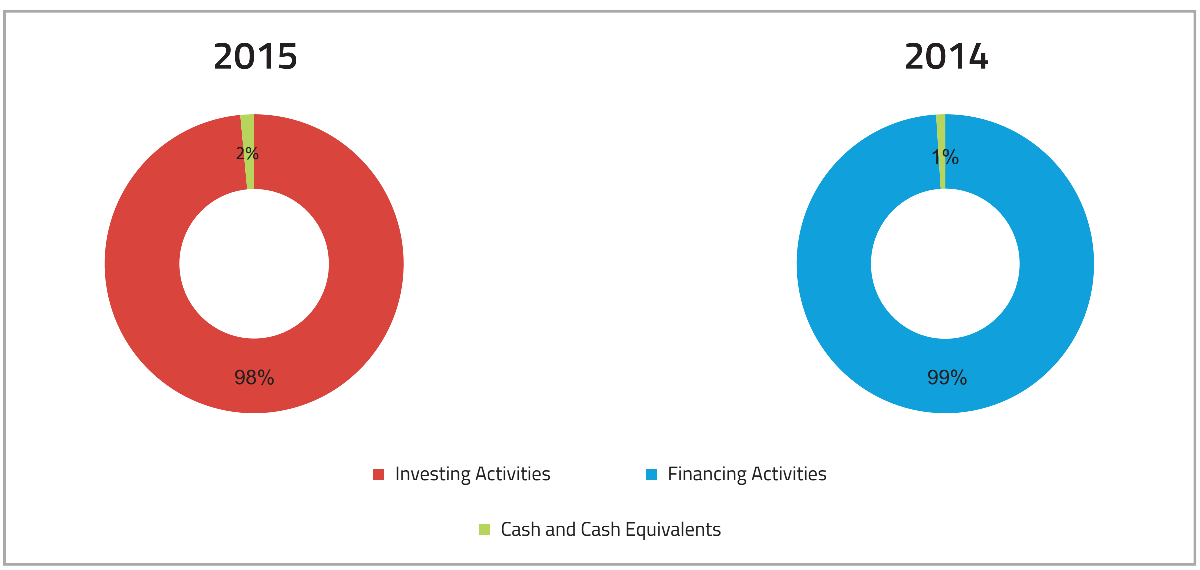


Graphical Representations

Cost Break up



Utilization of Available / Generated Cash



Directors' Report

Directors' Report
for the year ended June 30, 2015

The directors are pleased to present the Annual Report along with audited Financial Statements of the company and the Auditors' Report thereon for the year ended 30 June, 2015.

Comparative key financial data - FY 2015

Analysis of financial performance of the company achieved during FY2015 by comparing results of previous year is as below which depicts marked improvement in the backdrop of overall industry performance:

FY	FY 15		FY 14	
Financial highlights	Million Rs.	%	Million Rs.	%
Income statement				
Exports revenues	7,108	60.1	6,624	53.4
Gross profit	1,513	12.8	1,375	11.1
Other expenses	63	0.5	67	0.5
Finance cost	429	3.6	472	3.8
Profit before tax and depreciation	553	4.7	561	4.5
Contribution to national exchequre	258	2.2	214	1.7
(% is based on net sales revenues)				
Balance sheet				
Non-current assets	7,028	56.4	7,039	58.7
Current assets	5,343	42.9	4,944	41.3
Non-current liabilities	143	1.1	123	1.0
Current liabilities	6,571	52.8	6,491	54.2
Shareholders' equity	3,450	27.7	3,078	25.7
(% is based on total of Balance Sheet)				

Financial performance of company

Profitability

Company maintained its profitability despite decline in Other Income by Rs.167.415 million and after absorbing increased cost of energy due higher tariff, GIDC and increase in minimum wage and rise pay of other cadres impact of Rs.166.080 million (higher by 18.38%) over the same period of last year. This performance was well supported by enhancement in gross margins which improved by 10% and bottom line was further improved through saving in finance cost by 9.2% on comparative basis. Improvement in gross margins was achieved against lower input costs (raw materials, semi goods), saving in fuel and power costs and after hefty decline in local sales revenues along with attrition in margins due over supplied local market. On the basis of improved profitability earnings per share was slightly down (from Rs. 4.68 achieved in FY14 to Rs. 3.97 in FY15) despite 25% increase equity of the company.

Financial position

Shareholders' value has uplifted by Rs.372 million, higher by 12.1%, over same period of last year through un appropriated profit, premium received on issue of right, and gain accrued on investments held by the company. Equity of the company was increased from 49,209,923 shares to 61,512,404 through issuance of Right Shares subscribed during the year. Major portion of the shares was held by sponsors (67.58%) as on June 30,2015 including directors and their spouses (6.11%), associated companies (33.64%) and family members (27.84%) with general public 23.95%. Other major shareholders were NIT and Joint Stock Companies holding 6.23% and 1.29% respectively.

Directors' Report
for the year ended June 30, 2015

Current liabilities increased as provision of Rs.147.332 million against GIDC was made due matter remained under contention at court of law. Contingencies mainly included bank guarantees issued by banks in favour of SNGP and financial commitments were made on account of contracts executed for capital expenditure for Rs.104.951 million and letters of credit opened for Rs.144.275 million for import of goods till the date of balance sheet.

Non-current assets of the company didn't observe any significant change as company remained focused on streamlining its spinning operations per the shifting plan of Unit 1 and 2, already approved by the Board, in the building vacated through relocation of weaving in Hattar. Therefore, no major additions to property, plant and equipment was made during the year. The implementation of this plan was cost saving in construction of new building as old structure found unsuitable and dangerous for carrying out operations under it. Another aspect was to rationalize processes of these units through better and efficient use of resources.

Current assets showed an increase of Rs.399.051 million due mainly an increase in trade debts on account enhanced shipments in last quarter and sales tax refunds remained blocked by the Govt due funds constraints.

Cash flow

Funds generation and utilization during the year was smooth and stable as its availability and utilization for various business activities remained normal as planned and envisaged in annual budgets approved by the Board. Funds movement through various activities was achieved as below:

Cash from operating activities:

During the year operating activities generated Rs.103.741 million after paying mark up to banks and taxes and dividend payments, as against Rs.433.977 million in same period of last year due blockade of funds in GST Refunds and in increased trade debts.

Cash from financing activities:

For funding of CapEx requirement company obtained medium term loan of Rs.100 million from Pak Libya Holding (Pvt.) Co. Limited and also issued Right Shares @Rs.15/ share (including Rs.5/ share as premium) for Rs.184.537 million which were fully subscribed and funds received as per schedule. So, after paying due installments of long term loans and lease rentals a net cash of Rs.117.189 million was available from financing activities as against Rs.707.155 million was used for retiring bank borrowings during last year. Hence, short term borrowings of the company remained controlled and at previous year's reduced level on close of current financial year.

Cash used in investing activities:

Company used Rs.222.670 million, net of dividend receipts and sale proceeds of operating assets, for property, plant and equipment as against receipts of Rs.273.957 million (net utilization) from these activities from sale of mainly property, plant and equipment during corresponding year.

Review of economy and industry:

Macroeconomic indicators portrayed divergent picture

Economy witnessed muted upturn during FY15 and GDP growth was highest in last 06 years; which was mainly contributed by industrial and service sector. Overall growth remained slackened as unfavourable economic condition showed moderate performance owing to lower crop affected by floods and weather conditions. Overall growth remained entangled into political and security issues involving NWA and Karachi operations. The major shift in paradigm occurred after the tragic incident of APS on December 16,2014; which expedited execution of high risk and terror culprits under NAP (National Action Plan).

The economy faced many upheavals during the year and confronted various obstructions including disruption business activities due to floods, security and political issues. As focus of the economic managers remained concentrated to tackle these issues so, these circumstances remained responsible for drag economic indicators as achieved in table below:

Directors' Report
for the year ended June 30, 2015

Major indicators of economy	Unit	FY15	FY14	Var. (%)
GDP	%	4.20	4.00	5.00
Industrial growth	%	3.60	4.50	(20.00)
Exports	Billion US$	23.90	25.10	(4.78)
(Textile exports)	Billion US$	13.48	13.72	(1.75)
Imports	Billion US$	46.00	45.10	2.00
Remittances	Billion US$	18.50	15.80	17.09
Current account balance	Billion US$	(2.30)	(2.90)	(20.69)
CPI	%	4.50	8.60	(47.67)
Exch. rate	PKR Vs US$	101.80	99.00	2.83
FX reserves	Billion US$	18.71	14.70	27.28

Trade deficit widened due vapid performance of exports and despite limiting import growth on low global oil prices. Exports of the country suffered in the context of low global commodities prices, strengthened PKR and low competitiveness due to a higher mix of low value added goods. But Current Account Deficit shrank on strong growth in remittances and foreign aid received during the year.

Exports stumbled on low commodity prices and weak demand:

Exports for the year remained lower and stagnant as exports of textile group slipped by 1.78% as compared to last year. The decline in textile was underpinned by lower value goods; which diluted by 59.41% thus overshadowing the growth exhibited by value added goods exports. Growth in value added goods was supported by knitwear and readymade garments increasing 6% and 5% over the same period of last year. Conversely, restricted exports of cotton yarn and cotton cloth (cumulatively down by 9.86% as compared to last year) dragged overall exports as absence of China's stock piling policy and higher production of cotton in India kept Pakistani exports subdued due limiting its market. Receipt of GSP+ status provided slight support to value added segment but full potential couldn't be realized due weak EU economy. Yarn remained under pressure due to intense competition and lower demand both in domestic and export market as China limiting its imports and Indian yarn flooded local market with excess supply. Thus yarn segment continued to suffer as a result of oversupply; which suppressed margins and volumes both and impacted financial performance of spinning segment. Along with this the industry had to face burden of higher energy cost emanating from gas curtailment and higher tariff; which was partially mitigated by subsequent reduction in furnace oil prices.

Operational performance review of the company:

Despite depression faced by the industry the operating efficiency of the company was achieved full to its capacity with improved levels of production and sales in all its segments achieved during the year except a decline in local sale of fabric. Decline in fabric sale was mainly attributed to reduction in number of looms; which were sold during last year and weaving operations were totally abandoned in Faisalabad. So, weaving operations were only restricted to Hattar where company shifted mostly newest looms to save energy cost and improved capacity utilization. Production level in processing was down by 3.45% from previous year due some gas curtailment effects in winter but couldn't hinder the thrust of home textile segment as its performance remained afloat.

Segment wise performance in terms of production level as compared to last year was achieved as below:

Qty in 000

Segment	UM	FY 15	FY 14	Var (%)
Yarn	Kgs	21,617	20,583	5.0
Weaving	Mtrs	8,176	9,934	(17.7)
Processing	Mtrs	24,400	25,272	(3.5)
Home textile	Mtrs	20,253	17,817	13.7
Power generation	KwHs	69,506	53,243	30.5

Segmental performance:

Spinning:

Considering overall depressing margins in spinning the performance of this segment of the company was quite satisfactory as lower power and input costs helped in attaining 92% capacity utilization as against 91% during last year. Under consistent bearish conditions raw materials inventory was maintained at reduced level along with regular import of polyester from China at competitive prices; which benefited in reducing input cost to some extent. Weaker up stream demand and escalated over head cost kept performance of this segment under consistent pressure. However, performance of this segment was not affected much as change in strategy worked and insulated its margins from these affects.

To mitigate losses of this segment company changed its strategy of selling yarn to some extent and comparatively used more for value added segment. Keeping in view the market conditions and trend efforts were made to produce different mix of blended yarn to lessen the attrition in margins and to absorb capacity utilization cost. Weaker upstream demand and lack of import by China led to pressure on prices and contracted margin on yarn sales as local prices dropped to an average rate of Rs.291.61/ Kg as against 337.11/ Kg achieved during last year. Similarly, export market was also not much different as drop 18.55% in average price was more than drop witnessed in local prices.

Decline in selling prices affected top line growth of this segment; which was down by 10.47% as against 10.06% in cost of sales of this segment resulting squeeze in gross margins. Its margins were down by 16.16% in comparison to same period of last year as continued pressure on selling prices and rise in salaries and wages due minimum wage had negatively impacted. Positive impact of inputs cost couldn't reflect in margins of spinning as domestic market was sluggish due oversupply situation.

Comparison raw materials rates and selling prices with previous year's rates as below depicts the whole picture of this segment:

Rate/ Rs.

Spinning	UM	FY 15	FY 14	Var (%)
Raw material prices:				
Cotton - Local	Md	5,337	6,904	(22.7)
Cotton - Imp (SS)	Md	6,283	7,850	(20.0)
Polyester/ Viscose	Kg	146	167	(12.7)
Sale rates:				
Local	Kg	292	337	(13.5)
Export	Kg	263	323	(18.6)

Overall financial performance of spinning was achieved as below as against results of the corresponding year:

Million Rs.

Spinning	FY 15	%	FY 14	%	Var Inc/ (dec)	%
Sales	6,339.743	100.0	7,081.385	100.0	(741.6)	(10.5)
Cost of sales	5,926.126	93.5	6,589.233	93.1	(663.1)	(10.1)
Gross margin	413.617	6.5	492.152	6.9	(78.5)	(16.0)
Operating cost	195.825	3.1	173.550	2.5	22.28	12.8
Profit from operations	217.792	3.4	318.602	4.5	(100.8)	(31.6)
Other income	102.634	1.6	92.855	1.3	9.8	10.5
Finance cost	224.876	3.5	250.451	3.5	(25.6)	(10.2)
Profit before tax	95.55	1.5	161.006	2.3	(65.5)	(40.7)
Taxation	68.997	1.1	62.786	0.9	6.2	9.9
Net profit after tax	26.553	0.4	98.22	1.4	(71.7)	(73)

Sales composition of spinning for the year 2015 in comparison to last year was as below:

Million Rs.

Spinning	FY 15		FY 14		Var
	Million Rs.	%	Million Rs.	%	%
Export	272.826	4.3	283.742	4.0	(3.8)
Inter segment sale	1722.091	27.2	1890.423	26.7	(8.9)
Local	4,344.826	68.5	4,907.220	69.3	(11.5)
Total sales revenues	6,339.743	100.0	7,081.385	100.0	(10.5)

Contraction in gross margins of spinning was 16% higher as compared to last year because decline in selling prices outpaced the decline in input costs alongside impact of minimum wage rate (increased by Rs95.541 million i.e. 20.60% higher to corresponding period wages cost) and administrative cost (rose from 66.18 million to Rs.93.44 million i.e. higher by 41.2% from corresponding period). Fuel and power and finance cost provided some respite due decline in furnace oil prices late during the year and lower mark up rates respectively. These cost were lower by 8.2% (decreased from Rs.1,175.51 million to Rs.1,079.56 million) and 10.2% (decreased from Rs.250.45 million to Rs.224.88 million) respectively over same period

Weak performance of spinning segment required to make some adjustment in its utilization pattern during year which tilted slightly towards in house use as depicted below from trend of last 6 years:

Directors' Report
for the year ended June 30, 2015

Yarn (000 Kgs)

Year	Available for use	Sold	%	Used in Weaving	%
2015	23,606	15,403	65	8,203	35
2014	22,378	14,893	67	7,485	33
2013	23,044	12,491	54	10,553	46
2012	19,976	9,802	49	10,174	51
2011	22,491	9,205	41	13,286	59
2010	25,064	12,581	50	12,483	50

Weaving:

Weaving operations at Faisalabad were closed early in FY15 and it only restricted to Hattar where 96 air jet looms started working gradually upon shifting from Faisalabad. The shifting and installation process completed during 1st quarter of FY15 and ended close of the year with average number of looms worked at 90 as against installed 113 looms working achieved during last year. However, performance of this segment was comparatively better as it achieved major jump in gross margins which was higher by Rs.90.09 million from last year and rose from Rs.20.72 million to Rs.110.81 million over last year.

The reason for such huge improvement in gross margins was that the decline in input cost of weaving was much steeper than selling prices. Fabric production during the year was lower as it reduced to 8.176 million from 9.924 million linear meters achieved during last year mainly due reduced capacity utilization of looms. Effects of decline in selling prices were subsided to some extent as 91% sales revenues of fabric were based its in house use. On the other hand all around decline in input, operating and finance cost had positively supported performance of this segment but ultimately bottom line result was muted as other income substantially reduced by Rs.160.32 million (declined from Rs.193.45 million to Rs.33.13 million over last year) which was derived from gain on sale of looms and ancillary machinery of this segment.

Prices of yarn incurred and recovered through fabric transferred for processing are compared as below:

				Rate/ Rs.
Weaving	UM	FY 15	FY 14	Var (%)
Yarn purchase rates	Kg	317.8	370.8	(14.3)
Sale rates:		232	305	(23.9)
Local	Mtr	83	126	(34.1)
Inter transfer	Mtr	158.8	166.3	(4.5)
Export	Mtr	239	231	3.5

Directors' Report
for the year ended June 30, 2015

Financial results of weaving segment are compared with last year are as below:

Million Rs.

Weaving	FY 15	%	FY 14	%	Var Inc/ (dec)	%
Sales	4,439.187	100.0	6,242.833	100.0	(1,803.6)	(28.9)
Cost of sales	4,328.377	97.5	6,222.117	99.7	(1,893.7)	(10.1)
Gross margin	110.810	2.5	20.716	0.3	90.1	434.9
Operating cost	45.901	1.0	64.477	1.0	(18.58)	(28.8)
Operating profit/ (loss)	64.909	1.5	(47.761)	(0.8)	112.67	(235.9)
Other income	33.133	0.7	193.453	3.1	(160.3)	(82.9)
Finance cost	54.119	1.2	88.670	1.4	(34.6)	(39.0)
Profit before tax	43.923	1.0	57.022	0.9	(13.1)	(23)
Taxation	4.155	0.1	9.999	0.2	(5.9)	(58.6)
Net profit after tax	39.768	0.9	47.023	0.8	(7.21)	(15.3)

Sales composition of weaving for the year 2015 in comparison to last year was as below:

Million Rs.

Weaving	FY 15		FY 14		Var
	Million Rs.	%	Million Rs.	%	%
Export	320.246	7.2	504.686	4.0	(36.5)
Local	78.349	1.8	618.112	69.3	(87.3)
Inter segment sale	4,040.592	91.0	5,120.035	26.7	(21.1)
Total sales revenues	4,439.187	100.0	6,242.833	100.0	(28.9)

Sales revenue of weaving were down by 28.9% as compared to same period last year mainly due production capacity was reduced and also average rate earned couldn't achieve mainly market conditions were not suitable as oversupply situation was persistent throughout the year.

In the wake of depressed local market conditions for fabric most of the weaving output was utilized for value added segment in processing and home textiles requirements which yielded improved revenues and margins for the company. It not only lessen losses of weaving segment but also resulted in increasing exports revenues of value added segments with better margins on ever rising export demand.

Fabric utilization pattern was altogether different from past years due improved requirement for processing. This has depicted below in comparison to past 06 years trend:

Fabric (000 Mtrs)

Year	Available for use	Sold	%	Used in processing	%
2015	7,967	799	10	7,168	90
2014	10,222	4,039	40	6,183	60
2013	19,153	6,067	32	13,087	68
2012	17,410	3,722	21	13,688	79
2011	20,090	4,788	24	15,302	76
2010	24,125	7,006	29	17,119	71

Processing and home textiles:

On improved export orders with availability of gas and the addition of coal steam boiler the performance of these segments was satisfactory and better production levels were achieved and reflected in exports; which was higher 11.6% as compared to last year. The production of home textiles, both from in house and outside source, increased by 13.7% (went up from 17.817 million linear meters to 20.253 million linear meters from same period of last year) but in processing it went down slightly by 3.5% over last year (decreased from 25.272 million linear meters to 24.400 million linear meters).

Similar trend was witnessed in average rate per meter for processing and home textiles as it showed slight down trend in processing (reduced from US$1.92/ meter to US$1.88/meter) and a stable price was realized in home textiles (improved from US$2.46/ meter to US$2.59/ meter) over the rates of last year. To meet increased demand of fabric for value added segments the company procured mostly outside weaved fabric; which not only fulfilled gap of fabric due reduced air jet looms capacity but also saved substantial revenue as conversion cost of fabric per meter was lower by 11.4% due abundant capacity available in the market. Enhanced shipment was also achieved through outsourcing of processing and stitching of processed fabric as this cost showed an increase of 61.5% (increased from Rs.189.438 million to Rs.305.960 million over last year).

Increased shipments, better selling rates and lower conversion, processing and stitching costs for these segments helped in improving gross margin which rose to 14.3% as against 13.8% achieved during last year. Increase in cost of sales except fuel and power was mostly recorded on higher shipments but rise in salaries and wages was due minimum wage impact. Fuel and power was lower on reduced energy cost despite rise in gas tariff. Stable distribution, operating and finance costs improved profitability of these segments but bottom line was checked with higher taxation which rose by 107.1% and net after tax profit remained at of previous year's level.

Quantitative data and prices of inputs and shipments of these segments in comparison to last year were recorded as below:

Process and home textiles				
Quantity / Rs. (in 000):	UM	FY 15	FY 14	Var (%)
(Purchases)				
Outside weaving	Mtr	17,569	13,775	27.5
Fabric purchase	Mtr	4,474	6,554	(31.7)
Processing & stitching cost	Rs.	305,960	189,438	61.5
(Sales- Local/ Exports)				
Processed fabric/Grey- Local	Mtr	2,963	5,656	(47.6)
Processed fabric- Export	Mtr	4,359	4,261	2.3
Home textiles- Export	Mtr	20,260	17,251	17.4
Cost (Price / Mtr.)				
Outside weaving	Rs.	23.24	26.24	(11.4)
Fabric purchase	Rs.	170.11	153.22	11.0
O/s Wvg Charges (Rate/ Mtr.)	Rs.	23.24	26.24	(11.4)
Processed fabric- Export	US$	1.88	1.92	(2.1)
Home textiles- Export	US$	2.59	2.46	5.3
Exports (Million)				
Processed fabric	US$	8,215.667	8,188.720	0.3
Home textiles	US$	52,521.330	42,377.928	23.9

Utilization of processed fabric for value addition also remained on the rise and focus to increase revenues through enhanced usage in home textiles for the same improved in comparison last 06 years as below:

Processed fabric (000 Mtrs)

Year	Available for use	Sold	%	Used in home textiles	%
2015	28,703	6,214	22	22,489	78
2014	23,637	5,747	24	17,891	76
2013	30,006	9,675	32	20,331	68
2012	26,637	9,718	36	16,919	64
2011	31,122	11,011	35	20,111	65
2010	35,477	11,026	31	24,451	69

Directors' Report
for the year ended June 30, 2015

Financial performance of company:

In FY15 the company managed to exhibit a sizeable growth in operational results; which rose from Rs.30.219 million to Rs.179.437 million as compared to the same period of last year. Comparison of the overall financial results of the company for FY15 and FY14 is as below:

Profit and loss	FY2015		FY2014		Incr / (decr)	
	Million Rs.	%	Million Rs.	%	Million Rs.	%
Sales revenues- Net	11,835	100.0	12,411	100.0	(576)	(4.6)
Gross profit	1,513	12.8	1,375	11.1	138	10.0
Operating expenses	945	8.0	873	7.0	72	20.1
Finance cost	429	3.6	472	3.8	(43)	(9.2)
Operational profit	139	1.2	30	0.2	149	496.7
Other income	193	1.6	361	2.9	(168)	(46.5)
P/(L) of associate	27	0.2	(48)	0.4	75	156.3
Profit before tax	360	3.0	343	2.8	17	4.8
Taxation	138	1.2	104	0.8	34	32.7
Net after tax profit	222	1.9	239	1.9	(17)	(7.3)
Earning (Rs/ Share.)	3.97	-	4.68	-		

Operational results were achieved despite poor performance of the textile industry and particularly pressure in downstream industry as domestic market was well supplied throughout and margins remained squeezed. This improvement in financial results was achieved on higher gross margins realized despite a dip in 4.6% sales revenues as compared to last year. The bottom line of the company was further augmented to 1.87% of sales revenues against 1.93% achieved during last year as saving in finance cost was down by Rs.43 million despite lower other income and higher taxation due deferred tax impact.

Sales revenues were depressed mainly due to decline in volume of local sale of fabric and lower rates of yarn sold during the year. Local sales of fabric was due reduction in capacity of air jet looms which were mostly disposed off except 96 looms relocated to Hattar to save the company from higher energy cost. Cost of sales went down as input costs were lower because of declining commodity prices. Over and above this fuel and power was down by 12.78% (decreased from Rs.1,630.600 million during last year to Rs.1,422.244 million in the current year) despite constrained supply and hike in gas tariff by GoP through increase in GIDC. Saving in energy cost was also achieved as capacity of air jet capacity was restricted to reduced looms during the year and it went down further during 2nd half of the FY 15 on declining furnace oil prices.

Comparison of energy cost with previous year's results is as below:

Fuel and power cost:	2015	2014	Var	%
Gas (Kwhs 000)	39,881	42,363	(2,482)	(5.9)
Million Rs.	411.42	388.66	22.77	5.9
Rate/ Rs.	10.32	9.17	1.15	12.5
Mix (%)	37	38	(1)	(2.6)
WAPDA (Kwhs 000)	29,644	53,326	(23,682)	(44.4)
Million Rs.	380.79	731.25	350.46	(47.9)
Rate/ Rs.	12.84	13.67	(0.83)	(6.1)
Mix (%)	27	47	(20)	(42.5)
HFO (Kwhs 000)	39,402	16,951	22,451	132.4
Million Rs.	535.50	392.38	143.12	36.5
Rate/ Rs.	13.59	23.15	(9.56)	(41.3)
Mix (%)	36	15	21	140.4
Overall (Kwhs 000)	108,927	112,640	(3,713)	(3.3)
Million Rs.	1,327.71	1,512.29	(184.58)	(12.2)
Rate/ Rs.	12.19	13.43	(1.24)	(9.2)

Aforesaid analysis was indicative of major saving in fuel and power cost accrued from use of furnace oil which resulted in reducing overall energy cost by Rs.184.580 million over last year. Energy rate was thus lower by Rs.1.24/KwH and 9.2% down from the rate of last year. Jump in usage of furnace oil was 132.4% as its proportion in energy was enhanced by 140.4% over same period of last year.

Operating cost of the company was generally in control except an increase in freight and shipments and in salaries and wages by Rs.41.698 million and Rs.52.262 million respectively over the cost of last year. Other income remained lower during the year owing one time major impact of gain on sale of machinery booked by the company during last year.

Finance cost went down by Rs.43 million (decrease of 9.2% over the cost of same period last year) despite an increase in average utilization of borrowings during last year due decrease in average mark up rates from 8.46% to 7.90% during current year which helped in keeping the same under control. Saving in finance cost was relatively muted as company got hit of Rs.88.870 million due exchange fluctuations during 1st quarter of the FY 15. Comparison of finance cost with previous year's cost has shown in following table:

Finance cost (Rs Mln)	2015			2014			Var	
Short term loans:	Used	M Up	%	Used	M Up	%	M Up	%
SBP Refinance	1,850	101	5.4	1,562	121	7.7	(20)	(16.5)
FCY Loans (US$)	2,990	105	3.5	836	15	1.8	90	600
Cash Finance	776	96	12.4	2,769	330	11.9	(234)	(70.9)
Sub. Ttl.	5,615	302	5.4	5,167	466	9.0	(164)	(35.2)
Long Term Loans	268	29	11.0	400	41	10.2	(12)	(29.3)
G Ttl.	5,883	331	5.6	5,567	507	9.1	(176)	(34.7)
Exchange Loss/ (Gain)	-	89	-	-	(45)	-	134	297.8
Other	-	9	-	-	10	-	(1)	(10.0)
G Ttl. (Net Cost)	5,883	429	8.7	5,567	472	9.1	(43)	(9.2)

Directors' Report
for the year ended June 30, 2015

Profit, dividend and accumulated free reserves:

Including previous year's profit the company had Rs.2,585.358 million of revenue reserves and out of the same Rs.61.512 million were utilized towards payment of final dividend @Rs.1.25/ Share on 49,209,923 shares fully paid during the current year as approved by the members in Annual General Meeting of the company held on October 30,2014. These reserves were further boosted with profitability, gain on fair value of investments and premium on right issue during the year and were up by Rs.249.155 million to close reserves at Rs.2,834.538 million available for distribution at the end of financial year 2015. Thus net increase of 9.63% was recorded in the value of shareholders in FY2015.

Future prospectus and sustainability of the company:

To sustain in a very competitive and difficult business environment the industry is currently facing the company has been undertaking various steps for its sustainability with consistent growth in its assets base for improved earnings and sustained profitability and to add value to its shareholders.

For achieving aforesaid goal it needs to initiate some visible steps besides other measureable objectives which could demonstrate such attainment in the future periods like:

- company has embarked upon a CapEx plan of Rs.800 million for its different segments of processes in FY16 out of the approved Budget which will not only strengthen its assets bases but will improve its competitive edge through premium in value and quality of its products.

- through practical steps it is our conscious approach to lessen the burden of borrowings of the company so that maximum return on assets is achieved for the shareholders by saving through financial cost. To exhibit this approach the company has sold its land at Pindi Bhattian as was approved by the members in their meeting held on October 30,2014 for Rs.144.150 million during Jul,2015. This has been disclosed with current assets as 'Non Current assets held for sale for Rs.84.314 million' in the financial statements of FY2015. The revenues from sale proceeds of land will subside both borrowings and finance cost.

- Taking advantage of the situation of declining oil cost the company has resorted to maximum use of furnace oil for energy generation as it has edge over industry for altering its options to various resources of energy between gas, WAPDA and HFO use.

- Other steps which the company is using for improved performance in FY16 are:

a) Maximize productions levels for gradual increase in volumes and revenues growth.

Efforts are being made through lowering input costs and improving prices and margins to avert loss areas like it happened to achieve in yarn segment where other have barely achieved any profitability.

Improve products quality, relationship with customers through a permanent liaising, achieve employees' satisfaction and keep clean environment and transparency in financial reports through good governance under the capable guidance of our worthy board.

Business risks and opportunities:

Current business environment is not risk free as every business decision involves some risks and rewards particularly in textile industry which is not only affected through local risks but definitely is prone to international as well as major products and goods are exported worldwide. Pakistan is particularly confronting this situation from regional competitors like India, China and Bangladesh.

Risks are mostly emanating from estimate and assumptions which are the underlying on historical basis for preparation of financial statements but actual results may differ some time if such basis are revised due some significant changes in the future periods. Operational and commercial risks attached are mainly due to constraint energy supply to the industry particularly lack of gas in the winter which not only hinders exports volumes but also increases fixed cost burden to curtail growth of the company. Company's earnings are greatly influenced through commodities prices and finance cost which are currently at lowest levels. Any fluctuation in future will definitely affect its earning capability and also its growth. To mitigate effects of these changes which are inevitable various measures are undertaken during the course of business.

These measures include guidance of the Board and Committees which oversee the performance of company through regular quarterly meetings and take necessary decisions on various operational and strategical matters. Management is focused to implement under approved policies and procedures to achieve desired results which are then monitored and discussed in those meetings. Similarly the tough and difficult business environment may prove blessing in disguise for those who hold strength and consolidate on the opportunities through a consistent vendors and customer base. In that situation business with weak footings are weeded out of market and businesses having sound financial position take advantage through improved cost and better price due to their commitment and performance.

Contribution to Economy and Value Addition:

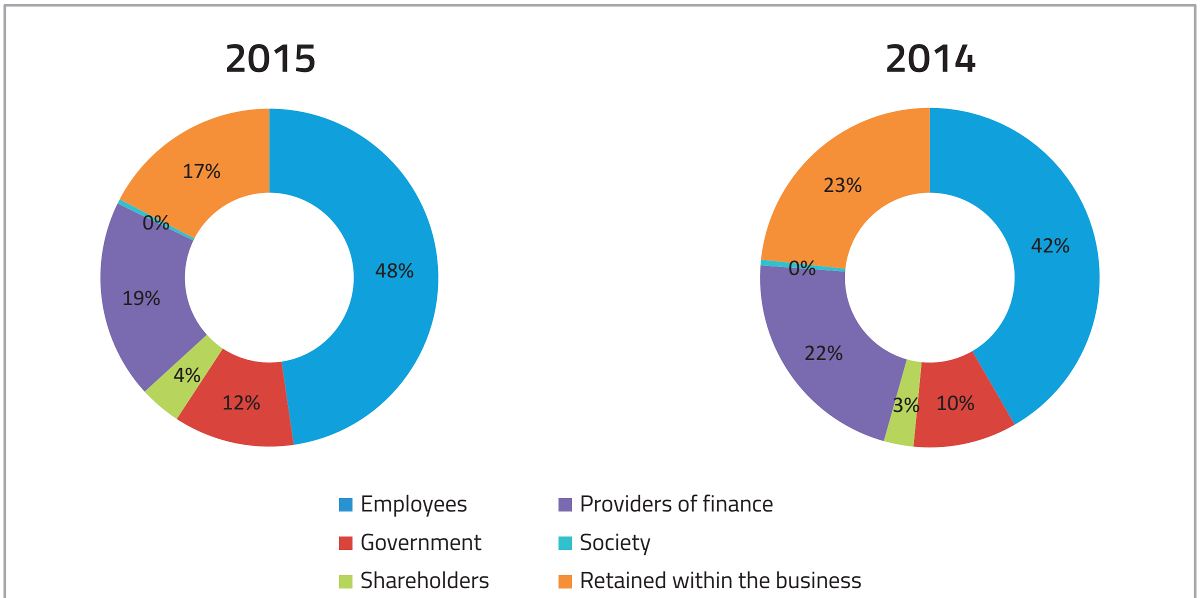
Company contributed a substantial amount of Rs.206 million to National Ex Chequer during the year by way of taxes, levies and duties. In terms of value addition to foreign exchange it contributed US$70.103 million by repatriating through exports during year under review.

Total value addition to the economy during the year 2015 was Rs.2,243 million as against Rs.2,168 during preceding year, detailed distribution of the same has been reflected in the table as below:

FY	2015	2014
Statement of Value Added	Million Rs.	
Total revenue	11,835	12,411
Bought-in-material and services	9,592	10,243
Net Wealth Generated	2,243	2,168
To Employees		
Salaries, wages and other benefits	1,070	903
To Government		
Taxes and duties	258	214
To shareholders		
Dividend*	89	62
To Providers of Finance		
Finance cost	429	472
To Society		
Donation toward health and education	10	12
Retained within the business for future growth		
Retained earnings and depreciation	388	505
Wealth Distributed	2,243	2,168

* Dividend recommended by BOD subsequent to year end.

Distribution of Wealth



There was substantial increase during the year towards employees earning which remained 18.5% higher (rose from Rs.903 million to Rs.1,070 million and taxes and duties were up by 21% (increased from Rs.214 million to Rs.258 million) over last year. Contribution towards Foreign Exchange Reserves of the country was boosted by exporting textiles worth of US$69.763 million as against US$64.401 million earned during last year. Thus an increase in exports of the company was recorded by 8.3% in comparison to last year.

Sustainability:

Alhamdulillah the company has completed 66 years of its existence with successful, responsible and rewarding business entrepreneur for all its stakeholders. Company contributes every year to these avenues without any default and committed to take the lead in every coming year for the well being of all associated including Govt, employees, bankers, shareholders and the society at large.

It conducts its business operations in a manner that it not only fulfills expectations and interest of all the stakeholders but simultaneously also discharges its social obligation as well towards the society without any fear and fever to particular class of citizen as a responsible citizen.

Corporate social responsibility:

In its commitment to serve and facilitate the society the company contributes directly and indirectly to various programs undertaken by various communities of the society. Our commitment is firm on our belief that such contributions pave the way in uplift and add value to the under privileged class of society. We contribute to various programs including education, health, environment, promotion of sports and relief/ rehabilitation activities carried by Govt and Semi Govt organization:

Education:

Most of underprivileged class of the society suffers due lack means and can't contribute to the society's betterment by imparting primary education. In persuit of this very basic right of citizens of the country the company contributes directly by paying the cost of construction of building and annual support expenses of 02 Primary Schools run by The Citizen Foundation (TCF) in vicinity of Faisalabad and Chiniot. Indirectly the company provides financial support to various welfare organization running elementary schools and rehabilitation centres for the deprived and handicapped class of the society.

Contributions are made annually and throughout the year based on evaluation criteria set by the management on the basis of regular feedback and annual review of their performance. Selection of such organizations is made purely on merit with deserving back ground and across the country.

Health, rehabilitation and environment:

Cognizant of this very vital aspect the company provides financial support reputable and trusted institutions where underprivileged classes of the society are given free treatment. Most of these institutions have special programs for very costly and scarce treatment for the rehabilitation of impaired and handicapped people deserving people. These institutions provide treatment to cancer patients and for rehabilitation of blindness and kidney health care. Contributions made both in kind by arranging laboratory and treatment apparatus and equipments and through regular funding in shape of monthly and annual donations.

To ensure health and safety of its employees at workplace employees are protected by occupational safety through implementation various rules and procedures while performing on the jobs. Adequate training and awareness programs are carried for the employees for technical and sensitive activities before they actually start work. Trained and professional tutors supervise this job in the 'Training Centre' established by the company. New appointed employees are familiarized with rules and regulations through visits of plant, IT Training, awareness campaigns and using on job safety instruments. A full fledge fire fighting department is looking after immediate fire hazardous. For immediate treatment of minor injuries employees are provided first aid within operational environment. Medical officer is hired annually for checkup and for providing basic health treatment to employees engaged in plant operational activities.

Company also contributed towards the rehabilitation of IDPs of Waziristan and flood affected people by providing contributions through various Govt and Semi Govt Organizations.

To maintain healthy and cordial environment amongst employees the company sponsors a football team and provides regular practice and coaching facilities to the team members. The CresTex team participates in various tournaments across the country and has been winning accolades, prizes and trophies. Team members are paid salary and provided full kit and ground facilities within the mills premises. For healthy activities annual sports programs are followed and matches of different sports are organized amongst zonal teams of the company representing whole of employment force which enables them to interact and provides opportunity to perform in extracurricular activities to demonstrate their potentials and abilities.

In order to keep environment clean, pollution and noise free company conducts its business operations in accordance with local and international standards and remains committed to pursue such requirements. It collaborates and fulfills requirements of local authorities and ensures to minimize the hazardous effects of its activities on natural and human environments. Besides establishing and maintaining strict health and safety standards in its operational activities it entails into environmental friendly activities through land escaping of its surroundings by expending sizeable amount to the horticultural activities including participation of its employees and departments through continuous monitoring of housekeeping standards.

As a responsible and sustainable organization since its inception company has always endeavors to distinguish itself not only as an opportunity employer for the community by remunerating well and also consistently delivered reasonable returns to the shareholders. Employees are provided opportunities for growth and progress with residential facilities and are encouraged to participate in recreation activities with safe, healthy and compulsory group insurance for death and disability compensation. Subsidized food from canteen and cafeteria, medical first aid with ambulance facility have been arranged for workmen besides availing benefits of Social Security and EOBI schemes where company contributes monthly of all its insured employees. Health Insurance facility from a reputable Insurance Company has been arranged for employees not covered in aforesaid schemes.

a) Contribution to Social work and philanthropies:
Likewise of previous years donations were given to 25 (as against 19 in previous year) genuine, reputable and trustworthy charitable, social and welfare organizations who are engaged in helping and improving health and socio economic conditions of the poor and needy organs of the society. Company also contributed directly and indirectly to the Flood Effectees and IDPs of NWA to help them in difficult times to subside their miseries and for discharge of its responsibilities on humanitarian grounds and for fulfilling commitments to noble cause.

b) Environmental protection:
Company is very concerned conscious about clean environment regularly obtains certification from Environmental Protection Agencies for its plant which generates effluents and gases. It ensures and protects its operational facilities through installation of required safety equipments to fulfill this commitment. Company had installed ETP (Effluent Treatment Plant) for water being discharged from its fabric processing facilities.

c) Occupational health and safety:
Company has maintained health and safety measures at the workplace to ensure that employees are protected by occupational safety rules and procedures while performing jobs. Adequate training and awareness about technical jobs are given to all employees in the 'Training Centre' established by the company. They are familiarized with rules and regulations through visits of plant, IT Training, awareness campaigns and using on job safety instruments. A full fledge fire fighting department is looking after immediate fire hazardous.

Business and operations of the company are certified for compliance of international standards and regulatory requirements from national and international agencies. It has been achieving and obtaining third party certifications through the accredited agencies for following product, services, management and environmental systems standards:

ISO 9001:2008	Quality Management Systems
ISO 14001:2004	Environment Management Systems
OCS 100	Product Standards, Organic Content Standard
GOTS	Product Standards, Global Organic Textiles
Oeko-Tex 100	Product Standards, Human Ecology for Fabric
Oeko-Tex 100	Product Standards, Human Ecology for Home Textiles
Nordic Ecolabelling	Nordic Ecolabelling of Textiles
CmIA	Cotton Made in Africa
Supima	World's finest cotton
Egyptian Cotton	Egyptian cotton Trade Mark Certification
BCI	Better Cotton Initiative
SA 8000	Social accountability
SEDEX	Audit Data Bank for sharing with customers

Relations with personnel and the community:

The company has a long and established history of keeping its cordial relations across at all levels with mutual trust, respect, cooperation and confidence. This ensures and improves ultimate efficiency of the company. Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all levels beyond any racism, cast, sex or religion criteria and respects human rights ethics and standards. Appropriate opportunity is afforded to the workmen in participating CBA activities and elect representatives of their choice under free and fair environment.

Every year through a demand notice raised by CBA company pays incentive bonuses besides profit bonus, bears Hajj expenses of 06 employees with 15 days paid holidays, allows maternity leaves to females employees, distributes cycle, fan, sewing machines on easy installments and has arranged FP Shop/ Utility Stores, School Bus and Canteen facilities. To address grievances of employees a Work Council has established which conducts regular meetings. Company is also maintaining Workers Welfare Funds for needy / distressed employees.

Under the terms of agreement executed each year with CBA employees are provided financial aid for marriage of daughters and funeral expenses and also some kind of financial help to very needy cases. Company has been providing residential facilities to all its essential employment with free provision of utilities according to cadre and status. To perform religious and sports affairs the company has mosque, club and ground inside its mills colony. For learning and growth of employees in-house and outside training courses are arranged at the time of hiring and then during job.

To keep work friendly environment company has set procedures, rules and regulations which regulate employment of all cadres. Harmonious working environment and cordial industrial relations prevailed during the year. The operations of the company were carried out keeping in view the dignity, respect, support, protection as per national and international standards set to meet the working environment. All workmen performed their duties and jobs at standard hours and if they were required to put extra workings to meet exigencies and to fill man power shortage they were compensated and paid as per the legal criteria. There were no such complaints of any work abuse or not fulfilling requirements by the company. They were provided usual working environment and relations remained cordial.

Efficient energy utilization:

Company countered successfully the constrained energy resources by having option of both in house and outside energy and gas facilities. Looking at the main bottleneck for its smooth operations the company dispensed with most of air jet looms with dislocation of some of efficient looms at Hattar (KP) which not only saved it from more energy prone segment but also enabled it to use available energy resources more efficiently. This was done without compromising on the volume of business and keeping availability of required and cheaper option of fabric to the value added segments from market. Throughout the year no shutdowns were witnessed in any segments except due to routine overhaul and maintenance rather efforts were made to optimize the use of gas and energy through steady plant operations by monitoring of efficient utilization of energy by installing gauges and meters to avoid energy losses.

Employees' retirement benefits:

Company established an 'Employees' Provident Fund Trust' to manage and control its financial affairs independently. Trust is recognized under Income Tax Laws and its income and contributions are exempt from tax. It receives subscription from employees with equal contribution from company. The value of investments of fund as per unaudited accounts on close of financial year, were Rs.1,083.393 million (Rs.967.595 million audited accounts of Financial Year 2014).

ERP and IT development:

To meet ever growing business challenges and ensure timely and accurate MIS for online monitoring of operational and financial performance the company ERP functions is upgraded and maintained to fulfill this aspect of business. IT is equipped with newly designed software and hardware requirements for smooth flow of information. OF (ERP System) remained in functioning with newest version and catered management information requirement for smooth availability of monthly, quarterly, half yearly and annual requirements besides online MIS for timely and accurate decision making. Working of other ERP solutions for HR and Inventory management (Stores and spares) was smooth as linkage of these systems provided error and hastle free ERP environment.

Key advantages of the systems implemented so far are:
OF enables compilation of financial statements with monthly reporting of segmental results for management to exercise better control over the affairs of the different segments and also keep watch an overall performance of the company. This on line system up dates the flow of financial information which integrates and disseminates the data for decision making.

Purchase and Inventory System (PIS) provides real time information flow, reduces the efforts, avoids duplication and facilitates physical stores reconciliation and monitoring. It gives up date carrying value of the store and spares inventory and facilitates users to run and plan plant operations smoothly.

Human Resource Management (HRM) system is helpful to maintain and update human resource data and payroll processing very efficiently with a push of button. Ever since its implementation along with swiping of employees attendance is facilitating hiring, recruiting, transfers, relieving and payroll preparation. This error free and online system avoids duplication and delays in disbursement of payroll or other dues of employees.

Besides aforesaid online monitoring systems the flow of specific and micro level MIS is also monitored and updated through LAN and Portal arrangement. This is very helpful for smooth operations of the company's affairs. Now top and different tears of the management interact with each other through business and work friendly software ASANA which is practiced and followed through the company for smooth work flow and implementation of different tasks. IT departments is oversees by the qualified professionals who continuously work to provide due support at all levels for smooth flow of business information with appropriate codes and passwords for various workstations and users to ensure safety and security of MIS. Regular backups are taken and records are kept at separate place besides updating at work place for real time flow of MIS.

Internal Audit and review system:

Company has established an internal audit department under supervision of HIA (Head of Internal Audit) who is a qualified Chartered Accounts and his team of senior and junior auditors and directly reports to the Chief Executive and takes guidance from the Internal Audit Committee of the Board. HIA ensures to implement the approved annual audit plan is then monitored by the Chief Executive and Executive Director. Internal Audit Department functions independently reviews and monitors various internal control systems, policies and various regulations framed for this purpose.

Audit reports and findings are regularly discussed with the Chief Executive and Executive Director after completion of audit along with Zonal Heads of relevant segment for implementation after evaluation and resolution of internal audit findings. All such reports are submitted to the Internal Audit Committee of the Board for taking required guidance and decisions in view of priority of the issues highlighted in the audit reports.

Future business plan:

During FY16 the company has planned to import various machinery items under BMR to update and improve its plant efficiencies and for that purpose an investment of Rs.800 million is envisaged in different segments. For this purpose required LCs and funding arrangements are in process so the newest and efficient machines are installed in shortest possible time for elevation of company's growth. With improved profitability and sustained growth in company's business required BMR will be carried out in all segments along with due focus on availability of energy resources at competitive cost.

Future business outlook:

Pakistan's share of global textile trade has dropped from 2.20% to 1.80% during last five years and may go down further if it remains uncompetitive in the region with lower power supply and high cost of doing business and lack of desired relief in Taxes. To improve trade deficit the GoP is planning to introduce export promotion package to boost exports. Given the global state of economy which continues to volatile some concrete steps are needed for sustained up stick of the economy. Constrained gas supply, non realization of GST/ Income Tax Refunds and implication of GST on supply chain are the other impediments which are hindering growth of value added segments of the industry.

USDA has forecasted lowest global cotton output in last 06 years owing to declining output in India, China and USA. The local output of cotton is also likely to decline 12% from that of last year. At the same time global economic outlook is also slowing in confluence to declining currency outlook. Pak cotton prices have declined in recent times 18% against 3% decline of international prices on weak demand. Similarly, on weak demand and oversupply weigh on margin and prices of yarn so, under mix and divergent business outlook the performance of the industry is looking cloudy and hazy. On the other hand decline in commodity prices particularly of oil prices and mark up rates may trigger the growth engine as energy cost on furnace oil is likely to give support to it.

To surmount these challenges and business uncertainties surrounding to the industry we are confident that though mitigating strategies, cost economies and consolidation to our base we shall continue to present some improved performance in future periods also.

Appropriations:

During the year company posted a net after tax profit of Rs.221.694 million (against Rs.239.019 million during preceding year) and with EPS of Rs.3.97 (against Rs.4.68 during last year). Board of Directors have recommended cash dividend @ 14.5% i.e. Rs. 1.45 per share (2014: 1.25 per share) to be paid after approval by the shareholders in AGM.

Corporate governance:

To ensure transparency and good governance in our business performance for our all stakeholders we remain compliant to the best practices of business, code of corporate governance, code of conduct which are applied at all levels of management across the company.

a) Evaluation and performance

Board has clear idea to its goals and having means to achieve these targets for evaluating performance and effectiveness of the company. Board carries the responsibility for policies, ethos and directions of the organization, the obligations and contracts which company undertakes. Board has defined system and controls to monitor for professional standards and corporate values, which promoted integrity of Board and the company. Thus performance of the company is clear reflective of feasible and pragmatic decisions and policies set out by the Board for the company. Following major functions of company evaluates performance of the Board:

- Enhance value of the shareholders.
- Implementation of Code of Corporate Governance.
- Improve financial performance of company.
- Fulfillment of regulatory requirements.
- Consistent BMR and up gradation of manufacturing facilities.
- Employees turnover and retention.

It is therefore, critical for the Board to review strengths and weakness on regular basis and develop strategies to address any limitations if identified.

b) Evaluation of the Board's performance:
In line with the requirement of code of corporate governance board has devised criteria to judge its annual performance with globally implemented designed mechanism on the basis of its composition, scope and organization. It also encompasses its functions, responsibilities at the same monitoring of company's performance. The criterion is circulated in the form of a questionnaire with each of the member to participate by filling it up for compiling of the same by the Corporate Secretary. Any such weak and divergent opinion is identified for discussion in the next board meeting to formulate the strategy for improvement of board's performance.

c) Offices of the Chairman and the Chief Executive:
As per the code of corporate governance positions these two portfolios are held separately with clear distinction their role and responsibilities of the same.

d) Dissemination of material information:
All sensitive information relating and affecting share price of the company is immediately notified to the stock exchanges of the company for dissemination of the same to the members of the company.

e) Trading in shares by directors and executives:
Stock exchanges are regularly updated on trading of company's shares by the directors, spouses and their children with those transacted by the executives of the company also.

f) Quarterly and annual financial statements:
Throughout the year quarterly financial statements were circulated to the board duly signed by the Chief Executive and the Chief Financial Officer. These financial statements are reviewed by the Audit Committee of and are placed before the board for consideration and approval of the same. Quarterly and annual financial statements were approved, published and circulated to the members within required period. Half yearly statements were reviewed by the external auditors and were approved and circulated to the members in required time frame. Similarly, annual financial statements of the company were audited by the external auditors and were approved and circulated as per stipulated time period. These financial statements are then immediately affixed on the website of the company for review of interested parties.

g) Board and committee meetings and recording of proceedings:
All the Board meetings are conducted in compliance with the code of corporate governance. For convening of board meeting a seven clear days notice along with the agenda items to be discussed in the meeting are intimated through post as well as through email. All the participating directors express their free and due opinion and

decision are made through consensus. Where directors have vested interest in any matter of the company this disclosed and notified accordingly. Minutes of the meetings are recorded on each item of the agenda with comments from each participating directors and circulated to them well within required time period for this purpose.

h) Review of related party transactions:
Details of the related party transaction are placed before the audit committee and upon its recommendation these are approved by the board.

Best Corporate Practices:
The Board is fully aware of the importance of local and international principles of best corporate governance. All periodic financial statements were circulated to the board duly endorsed by the Chief Executive Officer and the Chief Financial Officer for approval and then circulation. Quarterly financial statements duly approved by the Board were circulated and placed on the website of the company within stipulated period. These financial statements included review of the period involved and future plans of the company with analysis so that the stakeholders remain updated and well informed about the prospects of the company.

Corporate Governance:
The company complies with the Code of Corporate Governance as contained in the Listing Regulations of the Stock Exchanges. The role of the Board is primarily to protect and enhance shareholders long term value. To fulfill the same it is responsible for overall corporate governance of the company including approval of strategic policies, defining and monitoring management's goals and ensuring the integrity of internal controls and management information system. It also approves and monitors financial and other reporting. The Board has formally delegated the responsibility for administration and operation of the company to the Chief Executive. Following committees have been constituted to work under the guidance of the Board:

- Internal Audit Committee; and

- Human Resource and Remuneration Committee.

Code of Conduct:
The company adheres to the best ethical standards in the conduct of business. Accordingly, Code of Conduct of the company has been approved by the Board of Directors and placed on the website of the company.

During the year four meetings of the Board were held and following were in attendance:

Name	Attendance
Mr. Muhammad Rafi- Chairman	2
Mr. Muhammad Anwar- Chief Executive Officer	4
Mr. Ahmad Shafi	4
Mr. Khalid Bashir	4
Mr. Khurram Mazhar Karim	4
Mr. Muhammad Arshad	3
Mr. Muhammad Asif- Nominee NIT	4
Mr. Nasir Shafi	4

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

Audit Committee:

Terms of reference:

The committee meets at least once in every quarter to review interim and annual financial statements of the company, business plans and internal audit reports prior to the approval of the Board. The committee comprises of three non executive members including the Chairman. It also recommends to the Board for appointment of external auditors and advises on establishment and maintenance of framework of internal control and ethical standards for the management of the company. During the year five meetings of the committee were held and following were in attendance:

Mr. Khalid Bashir- Non executive director (Chairman)	5
Mr. Khurram Mazhar Karim- Non executive director	4
Mr. Nasir Shafi- Non executive director	5

Human Resource and Remuneration (HR&R) Committee:

Terms of reference:

The Committee comprises of three members and two of them are non executive members including the Chairman. It reviews HR related matters of company and during the year one meeting of committee was held and all the members were present in the said meeting.

Training of the Board:

As per requirements of the regulatory framework all the directors fulfill the criterion as per the Code of Corporate Governance and are well conversant to their responsibilities due to their standing as Board member of the company and also of other companies. One of the directors has already completed training course as per requirement of the code from the recognized body for this purpose.

Directors' statement:

Directors of the company are pleased to state that:

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

b. Proper books of accounts have been maintained;

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

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

e. System of internal control is sound in design and has been effectively implemented and monitored;

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

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

h. Information about outstanding taxes and levies is given in Notes to Accounts; and

i. Statement of value of investments in respect of employees' retirement plan has been given in Note 42 of the financial statements.

Directors' Report

for the year ended June 30, 2015

Related party transactions:

Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

Post balance Sheet Events:

There was no significant balance sheet event which needs mention in Directors' Report.

Observation of external auditors:

The auditors have qualified their opinion with respect to equity method of adjustment Rs.27.070 million accounted for in the carrying amount of investment in the associated company, Crescent Bahuman Limited (CBL) made on the basis of unaudited financial statements for the year ended June 30,2015. As explained in note 15 of these financial statements, the audited financial statements of Crescent Bahuman Limited were not available and were still under audit at the time of authorization for issue. However, we do not anticipate any material adjustment arising out of that matter.

Pattern of shareholding:

A statement showing the pattern of shareholding of the company as at June 30,2015 is included in these financial statements. Company's shares are listed on all the Stock Exchanges of Pakistan. Company has a free float of 46.93% shares and remaining are closely held by the sponsors, investment / banking companies, insurance companies and other corporate bodies.

Auditors:

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the year 2016.

Key operating financial highlights:

Financial data of the last six years is attached.

Acknowledgements:

On behalf of the Board I would like to place on record the appreciation of efforts of our management, core business team and the employees which have been demonstrated in achieving these results of the company. For the performance we exhibited in FY15 we also owe this to the commitment of our vendors, customers and bankers who reposed their confidence and continued their support despite very odd internal and external business circumstances. It has been and always remains our enduring commitment to all stakeholders to deliver a relentless performance in line with our past glory and without compromising to our reputation of good governance.

For and on behalf of the Board of Directors

(Muhammad Anwar)
Chief Executive Officer

Key Operating and Financial Data

(Rupees in million)	2015	2014	2013	2012	2011	2010
Summary of Profit and Loss Account						
Sales	11,835	12,411	13,262	12,729	14,759	10,863
Gross profit	1,513	1,375	1,488	1,514	1,365	1,457
Profit from operations	761	863	802	866	659	910
Share of profit / (loss) from associate	27	(48)	29	(123)	(145)	120
Profit / (loss) before taxation	360	343	247	(18)	(13)	463
Profit / (loss) after taxation	222	239	112	(117)	(113)	345
Summary of Balance Sheet						
Property, plant and equipment	4,140	4,176	4,468	3,905	4,035	3,981
Stock in trade	1,338	1,490	1,541	1,550	1,658	1,047
Trade debts	2,567	2,248	2,476	4,173	3,392	2,580
Current assets	5,343	4,944	5,104	6,615	5,827	4,203
Non-Current assets held for sale	84					
Total assets	12,455	11,983	12,543	13,213	12,616	10,989
Shareholders equity	3,450	3,078	2,826	2,442	2,513	2,672
Surplus on revaluation of operating fixed assets	2,291	2,291	2,291	1,640	1,640	1,640
Long term financing	111	123	287	499	567	656
Trade and other payables	1,191	1,026	1,070	2,501	1,319	521
Short term borrowings	5,079	5,082	5,568	5,598	5,936	4,840
Current liabilities	6,571	6,491	7,139	8,632	7,896	6,011
Total equity and liabilities	12,455	11,983	12,543	13,213	12,616	10,989
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	7	6	25	19	16	19
Net cash from / (used in) operating activities	104	434	379	599	(601)	453
Net cash (used in) / from investing activities	(223)	274	(110)	(104)	(302)	(56)
Net cash from / (used in) financing activities	117	(707)	(288)	(489)	905	(400)
Net increase / (decrease) in Cash and cash equivalents	(2)	1	(19)	6	2	(3)
Cash and cash equivalents at the end of the year	5	7	6	25	19	16

Performance Indicators

		2015	2014	2013	2012	2011	2010
A. Profitability Ratios							
Gross profit ratio	%	12.78	11.08	11.22	11.89	9.25	13.41
Net profit to sales	%	1.87	1.93	0.84	(0.92)	(0.77)	3.17
EBITDA margin to sales *	%	8.29	8.32	8.04	7.81	5.20	11.90
Operating leverage ratio	%	71	30	283	(324)	(140)	(218)
Return on equity	%	6.42	7.76	3.96	(4.79)	(4.52)	12.90
Return on capital employed	%	2.58	2.76	1.26	(1.29)	(1.26)	4.00
B. Liquidity Ratios							
Current ratio	Times	0.81	0.76	0.71	0.77	0.74	0.70
Quick ratio	Times	0.58	0.51	0.48	0.57	0.51	0.50
Cash to current liabilities	%	0.08	0.11	0.08	0.29	0.23	0.27
Cash flow from operations to sales	%	6.47	9.11	8.40	11.67	0.98	10.68
C. Activity / Turnover Ratios							
Inventory turnover	Times	7	7	8	7	10	9
No. of days in inventory	Days	50	50	48	52	37	39
Debtor turnover	Times	5	5	4	3	5	4
No. of days in receivables	Days	74	69	91	108	74	86
Creditors turnover	Times	10	11	7	6	15	23
No. of days in payables	Days	37	33	52	59	24	16
Total assets turnover	Times	0.95	1.04	1.06	0.96	1.17	0.99
Property, plant and equipment turnover	Times	2.86	2.97	2.97	3.26	3.66	2.73
Operating cycle	Days	88	87	87	102	87	109
D. Investment / Market Ratio							
Basic and diluted earnings /(loss) per share	Rs.	3.97	4.68	2.27	(2.38)	(2.31)	7.00
Price earning ratio	Times	5.32	4.38	7.78	(3.74)	(6.90)	3.08
Dividend Yield ratio **	%	6.86	6.10	-	-	-	6.95
Dividend Payout ratio **	%	40.25	26.69	-	-	-	21.42
Dividend Cover ratio **	Times	2.74	3.75	-	-	-	4.67
Cash dividend **	%	14.50	12.50	-	-	-	15.00
Stock dividend **	%	-	-	-	-	-	-
Market value per share							
- At the end of the period	Rs.	21.15	20.49	17.70	8.90	15.90	21.57
- Highest during the period	Rs.	22.53	26.98	20.05	15.90	28.00	34.26
- Lowest during the period	Rs.	16.24	13.35	8.60	7.27	13.25	18.79
Break up value w/o surplus on revaluation	Rs.	56.09	62.55	57.43	49.62	51.06	54.31
Break up value with surplus on revaluation	Rs.	93.33	109.10	103.98	82.95	84.40	87.64
E. Capital Structure Ratios							
Financial leverage ratio	Times	1.54	1.74	2.15	2.61	2.73	2.23
Weighted average cost of debt	%	8.03	8.25	9.39	11.52	8.24	9.22
Long term debt to Equity ratio	%	3.22	4.00	10.16	20.43	22.55	24.56
Interest Cover ratio	Times	1.84	1.73	1.42	0.98	0.97	1.82

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

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

Vertical Analysis

For the last six financial years	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
Balance Sheet (Rs. in million)												
Property, plant and equipment	4,140	33.2	4,176	34.8	4,468	35.6	3,905	29.6	4,035	32.0	3,981	36.2
Intangible assets	-	-	-	-	2	0.0	4	0.0	-	-	-	-
Investment in associate	338	2.7	311	2.6	358	2.9	329	2.5	452	3.6	618	5.6
Long term investments	2,541	20.4	2,540	21.2	2,553	20.4	2,287	17.3	2,255	17.9	255	2.3
Long term loans and advances	4	0.0	3	0.0	4	0.0	3	0.0	3	0.0	1,929	17.6
Long term deposits and prepayments	5	0.0	7	0.1	7	0.1	7	0.1	3	0.0	3	0.0
Deferred income tax asset	-	-	2	0.0	47	0.4	63	0.5	42	0.3	-	-
Stores, spare parts and loose tools	177	1.4	157	1.3	124	1.0	152	1.2	160	1.3	170	1.5
Stock in trade	1,338	10.7	1,490	12.4	1,541	12.3	1,550	11.7	1,658	13.1	1,047	9.5
Trade debts	2,567	20.6	2,248	18.8	2,476	19.7	4,173	31.6	3,392	26.9	2,580	23.5
Loans and advances	418	3.4	364	3.0	305	2.4	267	2.0	309	2.4	225	2.0
Short term deposits and prepayments	23	0.2	21	0.2	25	0.2	41	0.3	67	0.5	6	0.1
Accrued interest	5	0.0	4	0.0	5	0.0	4	0.0	3	0.0	-	-
Other receivables	744	6.0	571	4.8	566	4.5	353	2.7	182	1.4	109	1.0
Short term investments	66	0.5	82	0.7	56	0.4	50	0.4	37	0.3	50	0.5
Cash & bank balances	5	0.0	7	0.1	6	0.0	25	0.2	19	0.1	16	0.1
Non-Current assets held for sale	84	0.7										
Total assets	12,455	100	11,983	100	12,543	100	13,213	100	12,616	100	10,989	100
Issued, subscribed and paid up share capital	615	4.9	492	4.1	492	3.9	492	3.7	492	3.9	492	4.5
Reserves	2,835	22.8	2,586	21.6	2,334	18.6	1,950	14.8	2,021	16.0	2,180	19.8
Shareholders' equity	3,450	27.7	3,078	25.7	2,826	22.5	2,442	18.5	2,513	19.9	2,672	24.3
Surplus on revaluation of operating fixed assets	2,291	18.4	2,291	19.1	2,291	18.3	1,640	12.4	1,640	13.0	1,640	14.9
Long term financing	100	0.8	79	0.7	210	1.7	401	3.0	512	4.1	656	6.0
Liabilities against assets subject to finance lease	11	0.1	44	0.4	77	0.6	98	0.7	55	0.4	-	-
Deferred liability	32	0.3	-	-	-	-	-	-	-	-	9	0.1
Trade and other payables	1,191	9.6	1,026	8.6	1,070	8.5	2,501	18.9	1,319	10.5	521	4.7
Accrued mark-up	85	0.7	97	0.8	161	1.3	145	1.1	141	1.1	107	1.0
Short term borrowings	5,079	40.8	5,082	42.4	5,568	44.4	5,598	42.4	5,936	47.0	4,840	44.0
Current portion of non-current liabilities	112	0.9	164	1.4	221	1.8	267	2.0	350	2.8	452	4.1
Provision for taxation	104	0.8	122	1.0	119	0.9	121	0.9	151	1.2	91	0.8
Total equity and liabilities	12,455	100	11,983	100	12,543	100	13,213	100	12,616	100	10,989	100
Profit and Loss Account (Rs. in million)												
Sales	11,835	100.0	12,411	100.0	13,262	100.0	12,729	100.0	14,759	100.0	10,863	100.0
Cost of sales	10,322	87.2	11,036	88.9	11,774	88.8	11,215	88.1	13,395	90.8	9,407	86.6
Gross profit	1,513	12.8	1,375	11.1	1,488	11.2	1,514	11.9	1,365	9.2	1,457	13.4
Distribution cost	648	5.5	611	4.9	686	5.2	629	4.9	641	4.3	470	4.3
Administrative expenses	234	2.0	195	1.6	187	1.4	200	1.6	203	1.4	182	1.7
Other expenses	63	0.5	67	0.5	19	0.1	13	0.1	41	0.3	79	0.7
Other income	193	1.6	361	2.9	206	1.6	194	1.5	179	1.2	185	1.7
Profit from operations	761	6.4	863	7.0	802	6.0	866	6.8	659	4.5	910	8.4
Finance cost	429	3.6	472	3.8	584	4.4	761	6.0	527	3.6	567	5.2
Share of profit / (loss) from associate	27	0.2	(48)	(0.4)	29	0.2	(123)	(1.0)	(145)	(1.0)	120	1.1
Profit / (loss) before taxation	360	3.0	343	2.8	247	1.9	(18)	(0.1)	(13)	(0.1)	463	4.3
Taxation	138	1.2	104	0.8	135	1.0	99	0.8	100	0.7	119	1.1
Profit / (loss) after taxation	222	1.9	239	1.9	112	0.8	(117)	(0.9)	(113)	(0.8)	345	3.2

Horizontal Analysis

For the last six financial years	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
Balance Sheet (Rs. in million)												
Property, plant and equipment	4,140	(0.9)	4,176	(6.5)	4,468	14.4	3,905	(3.2)	4,035	1.4	3,981	(4.8)
Intangible assets	-		-	(100.0)	2	(50.0)	4	100.0	-	-	-	-
Investment in associate	338	8.7	311	(13.1)	358	8.8	329	(27.1)	452	(26.9)	618	27.3
Long term investments	2,541	0.0	2,540	(0.5)	2,553	11.6	2,287	1.4	2,255	783.8	255	12.0
Long term loans and advances	4	33.3	3	(25.0)	4	33.3	3	10.0	3	(99.9)	1,929	6.4
Long term deposits and prepayments	5	(28.6)	7	-	7	-	7	177.8	3	(10.9)	3	27.5
Deferred income tax asset	-	(100)	2	(95.7)	47	(25.4)	63	48.8	42	100.0	-	(100.0)
Stores, spare parts and loose tools	177	12.7	157	26.6	124	(18.4)	152	(5.1)	160	(5.7)	170	(2.5)
Stock in trade	1,338	(10.2)	1,490	(3.3)	1,541	(0.6)	1,550	(6.5)	1,658	58.3	1,047	11.3
Trade debts	2,567	14.2	2,248	(9.2)	2,476	(40.7)	4,173	23.0	3,392	31.5	2,580	0.7
Loans and advances	418	14.8	364	19.3	305	14.2	267	(13.6)	309	37.6	225	(6.1)
Short term deposits and prepayments	23	9.5	21	(16.0)	25	(39.0)	41	(38.9)	67	1,027	6	318.8
Accrued interest	5	25.0	4	(20.0)	5	25	4	42.6	3	100.0	-	(100.0)
Other receivables	744	30.3	571	0.9	566	60.3	353	94.1	182	66.2	109	76.8
Short term investments	66	(19.5)	82	46.4	56	12.0	50	33.5	37	(24.7)	50	(23.8)
Cash & bank balances	5	(28.6)	7	16.7	6	(76.0)	25	34.9	19	12.9	16	(13.3)
Non-Current assets held for sale	84	100										
Total assets	12,455	3.9	11,983	(4.5)	12,543	(5.1)	13,213	4.7	12,616	14.8	10,989	1.6
Issued, subscribed and paid up share capital	615	25.0	492	-	492	-	492	-	492	-	492	-
Reserves	2,835	9.6	2,586	10.8	2,334	19.7	1,950	(3.5)	2,021	(7.3)	2,180	23.2
Shareholders' equity	3,450	12.1	3,078	8.9	2,826	15.7	2,442	(2.8)	2,513	(6.0)	2,672	18.2
Surplus on revaluation of operating fixed assets	2,291	-	2,291	-	2,291	39.7	1,640	(0.0)	1,640	(0.0)	1,640	0.0
Long term financing	100	26.6	79	(62.4)	210	(47.6)	401	(21.7)	512	(22.0)	656	(40.8)
Liabilities against assets subject to finance lease	11	(75.0)	44	(42.9)	77	(21.4)	98	79.4	55	100.0	-	-
Deferred liability	32	100	-		-		-		-	(100.0)	9	100.0
Trade and other payables	1,191	16.1	1,026	(4.1)	1,070	(57.2)	2,501	89.7	1,319	152.9	521	65.5
Accrued mark-up	85	(12.4)	97	(39.8)	161	11.0	145	3.0	141	31.9	107	(39.8)
Short term borrowings	5,079	(0.1)	5,082	(8.7)	5,568	(0.5)	5,598	(5.7)	5,936	22.6	4,840	(0.9)
Current portion of non-current liabilities	112	(31.7)	164	(25.8)	221	(17.2)	267	(23.8)	350	(22.4)	452	26.6
Provision for taxation	104	(14.8)	122	2.5	119	(1.7)	121	(19.9)	151	66.2	91	23.9
Total equity and liabilities	12,455	3.9	11,983	(4.5)	12,543	(5.1)	13,213	4.7	12,616	14.8	10,989	1.6
Profit and Loss Account (Rs. in million)												
Sales	11,835	(4.6)	12,411	(6.4)	13,262	4.2	12,729	(13.8)	14,759	35.9	10,863	1.0
Cost of sales	10,322	(6.5)	11,036	(6.3)	11,774	5.0	11,215	(16.3)	13,395	42.4	9,407	2.5
Gross profit	1,513	10.0	1,375	(7.6)	1,488	(1.7)	1,514	10.9	1,365	(6.3)	1,457	(7.5)
Distribution cost	648	6.1	611	(10.9)	686	9.1	629	(1.9)	641	36.3	470	19.7
Administrative expenses	234	20.0	195	4.3	187	(6.5)	200	(1.4)	203	11.5	182	8.1
Other expenses	63	(6.0)	67	252.6	19	46.2	13	(68.2)	41	(48.1)	79	(79.1)
Other income	193	(46.5)	361	75.2	206	6.2	194	8.4	179	(3.1)	185	(26.5)
Profit from operations	761	(11.8)	863	7.6	802	(7.4)	866	31.5	659	(27.6)	910	2.4
Finance cost	429	(9.2)	472	(19.2)	584	(23.3)	761	44.4	527	(7.0)	567	(30.5)
Share of profit / (loss) from associate	27	(156.3)	(48)	(265.5)	29	(123.6)	(123)	(15.2)	(145)	(220.8)	120	(27.4)
Profit / (loss) before taxation	360	5	343	39	247	(1,472)	(18)	33.7	(13)	(102.9)	463	94.3
Taxation	138	32.7	104	(23.0)	135	36.4	99	(1.0)	100	(15.8)	119	99.7
Profit / (loss) after taxation	222	(7.3)	239	113.5	112	(195.7)	(117)	3.1	(113)	(132.9)	345	92.5

Statement of Compliance
with Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations 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.

Company has applied the principles contained in the CCG in the following manner:

1 Company encourages representation of independent non-executive Directors and directors representing minority interests on its Board of Directors. Since there was no contestant for independent director so shareholders didn't elect. At present Board includes:

Category	Name
Executive Directors	Mr. Ahmad Shafi
	Mr. Muhammad Anwar
Non-Executive Directors	Mr. Khalid Bashir
	Mr. Khurram Mazhar Karim
	Mr. Muhammad Arshad
	Mr. Muhammad Asif
	Mr. Muhammad Rafi
	Mr. Nasir Shafi

2 Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3 All resident Directors of company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4 No casual vacancy has occurred in the Board during the year.

5 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 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 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 and have been taken by the board / shareholders.

8 Meetings of the Board were presided over by the Chairman and the Board meets at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9 The Board of Director of the company arranged appropriate training programs for its Directors during the year.

10 Board has approved the terms of appointment and remuneration including terms and conditions of employment of Chief Financial Officer (CFO), Corporate Secretary and Head of Internal Audit.

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

12 Financial Statements of the company were duly endorsed by CEO and CFO before approval by the Board.

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

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

15 Board has formed an Audit Committee. It comprises three members, all of them are non-executive Directors including Chairman of the Committee.

16 Meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of 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 Board has formed a Human Resource and Remuneration Committee. It comprises three members and two of them are non-executive Directors including the Chairman of the Committee.

18 Board has set-up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with policies and procedures of the company.

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

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

Statement of Compliance
with Best Practices of Code of Corporate Governance

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

23 We confirm that all other material principles contained in CCG have been complied with.

On behalf of the Board

(Muhammad Anwar)
Chief Executive Officer

Review Report to the Members on 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 THE CRESCENT TEXTILE MILLS LIMITED ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulations of the respective Stock Exchanges 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 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 30 June 2015.

As stated in paragraph no. 1 of the Statement of Compliance, there is no independent director on the Board of Directors of the Company which is required by clause (i) (b) of the Code.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date: October 03, 2015
Faisalabad

Auditors' Report to the Members

We have audited the annexed balance sheet of THE CRESCENT TEXTILE MILLS LIMITED ("the Company") as at 30 June 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 the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) as disclosed in Note 15 to the financial statements, the equity method adjustment of Rupees 27.070 million in the carrying amount of investment in the associate, Crescent Bahuman Limited has been made on the basis of its un-audited financial statements for the year ended 30 June 2015;

Except for the effect of adjustments, if any, that might have been determined to be necessary, had the audited financial statements of the associate been available, we report that:

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

(c) 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 account and are further in accordance with accounting policies consistently applied;

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

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

(d) 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 30 June 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(e) 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.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date: October 03, 2015
Faisalabad

Balance Sheet as at June 30, 2015

(Rupees in thousand)	Note	2015	2014 Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (2014: 100 000 000)			
ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital	3	615,124	492,099
Reserves	4	2,834,538	2,585,358
TOTAL EQUITY		3,449,662	3,077,457
Surplus on revaluation of operating fixed			
assets - net of deferred income tax	5	2,290,704	2,290,767
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	99,994	79,166
Liabilities against assets subject to finance lease	7	11,059	43,793
Deferred income tax liability	8	32,241	-
		143,294	122,959
CURRENT LIABILITIES			
Trade and other payables	9	1,191,175	1,025,519
Accrued mark-up	10	85,254	97,001
Short term borrowings	11	5,078,680	5,081,813
Current portion of non-current liabilities	12	111,795	164,104
Provision for taxation		104,294	122,353
		6,571,198	6,490,790
TOTAL LIABILITIES		6,714,492	6,613,749
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		12,454,858	11,981,973

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

(Muhammad Anwar)
Chief Executive Officer

Balance Sheet as at June 30, 2015

(Rupees in thousand)	Note	2015	2014 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	4,139,630	4,175,596
Investment in associate	15	337,793	310,723
Long term investments	16	2,541,381	2,539,744
Long term loans and advances	17	3,664	3,309
Long term deposits and prepayments	18	5,466	7,266
Deferred income tax asset	19	-	1,780
		7,027,934	7,038,418
CURRENT ASSETS			
Stores, spare parts and loose tools	20	176,991	156,533
Stock-in-trade	21	1,337,524	1,489,590
Trade debts	22	2,566,707	2,248,287
Loans and advances	23	418,287	364,305
Short term deposits and prepayments	24	22,801	20,457
Accrued interest	25	5,068	4,392
Other receivables	26	743,981	570,830
Short term investments	27	66,052	82,226
Cash and bank balances	28	5,195	6,935
		5,342,606	4,943,555
Non-current asset held for sale	29	84,318	-
		5,426,924	4,943,555
TOTAL ASSETS		12,454,858	11,981,973

(Khalid Bashir)
Director

Profit and Loss Account

for the Year Ended June 30, 2015

(Rupees in thousand)	Note	2015	2014 Restated
Sales	30	11,834,775	12,411,497
Cost of sales	31	(10,321,726)	(11,036,060)
Gross profit		1,513,049	1,375,437
Distribution cost	32	(648,384)	(610,760)
Administrative expenses	33	(233,786)	(195,553)
Other expenses	34	(62,825)	(66,587)
		(944,995)	(872,900)
		568,054	502,537
Other income	35	193,312	360,727
Profit from operations		761,366	863,264
Finance cost	36	(428,514)	(472,319)
Share of profit / (loss) from associate		27,070	(47,521)
Profit before taxation		359,922	343,424
Taxation	37	(138,228)	(104,405)
Profit after taxation		221,694	239,019
Earnings per share - basic and diluted (rupees)	38	3.97	4.68

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

(Muhammad Anwar)
Chief Executive Officer

(Khalid Bashir)
Director

Statement of Comprehensive Income
for the Year Ended June 30, 2015

(Rupees in thousand)	2015	2014 Restated
Profit after taxation	221,694	239,019
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Surplus arising on remeasurement of available for sale investments to fair value	27,461	12,706
Other comprehensive income for the year	27,461	12,706
Total comprehensive income for the year	249,155	251,725

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

(Muhammad Anwar)
Chief Executive Officer

(Khalid Bashir)
Director

Cash Flow Statement

for the Year Ended June 30, 2015

(Rupees in thousand)	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	766,007	1,131,125
Finance cost paid		(439,469)	(535,830)
Income tax paid		(155,610)	(150,252)
Dividend paid		(58,937)	(1)
Workers' profit participation fund paid		(9,695)	(11,557)
Net (increase) / decrease in long term loans and advances		(355)	652
Net decrease / (increase) in long term deposits and prepayments		1,800	(160)
Net cash generated from operating activities		103,741	433,977
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(247,464)	(76,508)
Proceeds from sale of property, plant and equipment		12,160	325,446
Dividend received		12,634	25,019
Net cash (used in) / from investing activities		(222,670)	273,957
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of right shares		184,537	-
Proceeds from long term financing		100,000	-
Repayment of long term financing		(130,350)	(191,299)
Repayment of liabilities against assets subject to finance lease		(33,865)	(29,907)
Short term borrowings - net		(3,133)	(485,949)
Net cash from / (used in) financing activities		117,189	(707,155)
Net (decrease) / increase in cash and cash equivalents		(1,740)	779
Cash and cash equivalents at the beginning of the year		6,935	6,156
Cash and cash equivalents at the end of the year (note 28)		5,195	6,935

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

(Muhammad Anwar)
Chief Executive Officer

(Khalid Bashir)
Director

Statement of Changes in Equity
for the Year Ended June 30, 2015

(Rupees in thousand)	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES				TOTAL	
		Premium on issue of rihgt shares	Fair value	Sub total	General	Dividend equalization	Unappropriated profit	Sub total		
Balance as at June 30, 2013	492,099	-	421,863	421,863	1,773,643	30,000	108,102	1,911,745	2,333,608	2,825,707
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	25	25	25	25
Profit for the year	-	-	-	-	-	-	239,019	239,019	239,019	239,019
Other comprehensive income for the year	-	-	12,706	12,706	-	-	-	-	12,706	12,706
Total comprehensive income for the year	-	-	12,706	12,706	-	-	239,019	239,019	251,725	251,725
Balance as at June 30, 2014	492,099	-	434,569	434,569	1,773,643	30,000	347,146	2,150,789	2,585,358	3,077,457
Transaction with owners - Final dividend for the year ended June 30, 2014 at the rate of Rupees 1.25 per share	-	-	-	-	-	-	(61,512)	(61,512)	(61,512)	(61,512)
Transaction with owners - 25% right shares issued during the year at premium of Rupees 5 per share	123,025	61,512	-	61,512	-	-	-	-	61,512	184,537
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	25	25	25	25
Profit for the year	-	-	-	-	-	-	221,694	221,694	221,694	221,694
Other comprehensive income for the year	-	-	27,461	27,461	-	-	-	-	27,461	27,461
Total comprehensive income for the year	-	-	27,461	27,461	-	-	221,694	221,694	249,155	249,155
Balance as at June 30, 2015	615,124	61,512	462,030	523,542	1,773,643	30,000	507,353	2,310,996	2,834,538	3,449,662

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

(Muhammad Anwar)
Chief Executive Officer

(Khalid Bashir)
Director

Notes to the Financial Statements

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The registered office of the Company is situated at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore. Its shares are quoted on all the Stock Exchanges in Pakistan. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. The Company also operates a cold storage unit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

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

Inventories

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

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

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

Impairment of investment in equity method accounted for associated company

In making an estimate of recoverable amount of the Company's investment in equity method accounted for associated company, the management considers future cash flows.

d) Amendments to published approved standards and interpretation that are effective in current year and are relevant to the Company

Following amendments to published approved standards and interpretation are mandatory for the Company's accounting periods beginning on or after July 01, 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after January 01, 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after January 01, 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after January 01, 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On December 12, 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after July 01, 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

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

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

There are other amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2014 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2015 or later periods:

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

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after January 01, 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after January 01, 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 12 (effective for annual periods beginning on or after January 01, 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IAS 28 (effective for annual periods beginning on or after January 01, 2016) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 12 and IAS 28 (effective for annual periods beginning on or after January 01, 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 01, 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 01, 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 01, 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees retirement benefits

The Company operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 6.25 percent of the basic salary plus cost of living allowance. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss account as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

2.3 Liabilities against assets subject to finance lease

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

2.4 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.6 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Property, plant and equipment

2.7.1 Operating fixed assets and depreciation

a) Cost / Revalued amount

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

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. All transfers from surplus on revaluation of operating fixed assets are net of applicable deferred taxation.

b) Depreciation

Depreciation on operating fixed assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

Depreciation is charged to profit and loss account on reducing balance method, except leasehold land on which depreciation is charged on straight line method to write off the cost of operating fixed assets over their expected useful lives at the rates mentioned in Note 14.1. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

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

2.7.2 Assets subject to finance lease

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

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

2.7.3 Assets subject to operating lease

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

2.8 Non-current assets held for sale

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

2.9 Intangible assets

Intangible assets represent the cost of computer software acquired and are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to profit and loss account on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible assets are amortized over a period of three years.

The Company assesses at each balance sheet date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. When carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and resulting impairment is recognized in profit and loss account currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

2.10 Investments

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

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

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in an associate, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

2.10.1 Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

2.10.2 Held-to-maturity investments

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

2.10.3 Available for sale investments

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

Quoted

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

Unquoted

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

2.10.4 Investment in associate

The Company's investment in its associate is accounted for under the equity method of accounting. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The profit and loss account reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The reporting dates of the associate and the Company are identical and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

2.11 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

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

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

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

Stock of waste materials is stated at net realizable value.

2.12 Cash and cash equivalents

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

2.13 Revenue recognition

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

Sale of goods and electricity

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the delivery of the goods. Revenue from sale of electricity is recognized at the time of transmission.

Interest income

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

Dividends

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

Rental income

Revenue is recognized when rent is accrued.

2.14 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, interest accrued, other receivables, cash and bank balances, long term financing, liabilities against assets subject to finance lease, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Where continuing involvement takes the form of a written and / or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

De-recognition of financial liabilities

A financial liability is de-recognized 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 the respective carrying amounts is recognized in profit and loss account.

2.15 Borrowings

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

2.16 Trade debts

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

2.17 Loans and receivables

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

2.18 Trade and other payables

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

2.19 Derivative financial instruments

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

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

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

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

2.20 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.21 Impairment

a) Financial assets

The Company assesses at the end of each reporting period whether there is an objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognized in profit and loss account.

Available for sale financial assets

If an available for sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit and loss, is transferred from equity to the profit and loss account. Reversals in respect of equity instruments classified as available for sale are not recognized in profit and loss account. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit and loss account.

b) Non-financial assets

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

2.22 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.23 Foreign currencies

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

2.24 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has five reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles), Power Generation (Generating and distributing power) and Cold Storage (Making of ice and warehousing of perishable goods).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(Number of Shares)			(Rupees in thousand)	
32 083 617	19 781 136	Ordinary shares of Rupees 10 each fully paid in cash	320,836	197,811
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
61 512 404	49 209 923		615,124	492,099

3.1 Movement during the year

2015	2014		2015	2014
(Number of Shares)			(Rupees in thousand)	
49 209 923	49 209 923	As at 01 July	492,099	492,099
12 302 481	-	Ordinary shares of Rupees 10 each issued during the year as fully paid right shares	123,025	-
61 512 404	49 209 923		615,124	492,099

3.2 Ordinary shares of the Company held by related parties:

(Number of Shares)	2015	2014
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	4 565 684	4 875 048
Crescent Cotton Mills Limited	3 352 343	2 681 875
Crescent Foundation	1 288 576	1 030 861
Crescent Steel and Allied Products Limited	452 379	452 379
Premier Insurance Limited	427 500	262 000
Shakarganj Limited (formerly Shakarganj Mills Limited)	5 898	5 898
	10 092 380	9 308 061

4. RESERVES

(Rupees in thousand)	2015	2014 Restated
Composition of reserves is as follows:		
Capital reserve		
Premium on issue of right shares (Note 4.1)	61,512	-
Fair value reserve (Note 4.2)	462,030	434,569
	523,542	434,569
Revenue reserves		
Dividend equalization reserve	30,000	30,000
General reserve	1,773,643	1,773,643
Unappropriated profit	507,353	347,146
	2,310,996	2,150,789
	2,834,538	2,585,358

4.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

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

(Rupees in thousand)	2015	2014
Balance as at July 01	434,569	421,863
Add: Fair value adjustment during the year	27,461	12,706
Balance as at June 30	462,030	434,569

	(Rupees in thousand)	2015	2014
5.	SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
	Surplus on revaluation of operating fixed assets as at July 01	2,291,047	2,291,075
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	25	25
	Related deferred income tax liability	4	3
		29	28
		2,291,018	2,291,047
	Less:		
	Deferred income tax liability as at July 01	280	229
	Adjustment of deferred income tax liability due to re-assessment at year end	38	54
	Incremental depreciation charged during the year transferred to profit and loss account	(4)	(3)
		314	280
		2,290,704	2,290,767

5.1 This represents surplus resulting from revaluation of freehold land and leasehold land carried out on June 30, 2013 by Messrs Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP) as per the basis stated in Note 14.1.1 to the financial statements. Previously revlaution was carried out on June 30, 2007 by an independent valuer.

		2015	2014
6.	LONG TERM FINANCING		
	Financing from banking companies - secured (Note 6.1)	179,167	209,517
	Less: Current portion shown under current liabilities (Note 12)	79,173	130,351
		99,994	79,166

6.1

Lender (Rupees in thousand)	2015	2014	Rate of interest per annum	Number of installments	Date of repayment of first installment	Interest payable	Security
Habib Bank Limited	-	37,781	SBP refinance rate for LTF-EOP plus 2%	10 equal half yearly installments	January 23, 2010	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Allied Bank Limited	4,594	13,784	SBP refinance rate for LTF-EOP plus 2%	12 equal half yearly installments	February 23, 2010	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Habib Bank Limited	2,917	8,750	SBP refinance rate for LTF-EOP plus 3%	12 equal half yearly installments	March 03, 2010	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Habib Bank Limited	13,796	22,993	SBP refinance rate for LTF-EOP plus 3%	12 equal half yearly installments	June 08, 2011	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
MCB Bank Limited	18,386	55,157	6 months KIBOR plus 2% without any floor or cap	8 equal half yearly installments	January 27, 2012	Half yearly	Joint pari passu charge over fixed and current assets of the Company.
United Bank Limited	39,474	71,052	3 months KIBOR plus 1.25 % without any floor or cap	19 equal quarterly installments	February 29, 2012	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Pak Libya Holding Company (Private) Limited	100,000	-	3 months KIBOR plus 2.75 % without any floor or cap	16 equal quarterly installments	January 02, 2016	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
	179,167	209,517					

(Rupees in thousand)	2015	2014
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	47,068	89,931
Less: Un-amortized finance charge	3,387	12,385
Present value of future minimum lease payments	43,681	77,546
Less: Current portion shown under current liabilities (Note 12)	32,622	33,753
	11,059	43,793

7.1 The minimum lease payments have been discounted at an implicit interest rate of six months KIBOR plus 2.75% per annum (2014: six months KIBOR plus 2.75% per annum). The implicit interest rate used to arrive at the present value of minimum lease payments ranges from 9.83% to 12.87% (2014: 12.87% to 13.16%) per annum. Since the implicit interest rate is linked with KIBOR so the amount of minimum lease payments and finance charge may vary from period to period. Taxes, repairs and insurance costs are to be borne by the Company. These are secured against the leased assets.

7.2 Minimum lease payments and their present values are regrouped as under:

(Rupees in thousand)	2015		2014	
	Not later than one year	Later than one year and not later than five years	Not later than one year	Later than one year and not later than five years
Future minimum lease payments	35,566	11,502	41,881	48,050
Less: Un-amortized finance charge	2,944	443	8,128	4,257
Present value of future minimum lease payments	32,622	11,059	33,753	43,793

	(Rupees in thousand)	2015	2014
8.	DEFERRED INCOME TAX LIABILITY		
	Taxable temporary differences		
	Tax depreciation allowance	137,279	-
	Tax on investment in associate	6,853	-
	Surplus on revaluation of operating fixed assets	302	-
		144,434	-
	Deductible temporary differences		
	Unused tax losses	(112,193)	-
		32,241	-
9.	TRADE AND OTHER PAYABLES		
	Creditors (Note 9.1)	594,979	566,740
	Accrued liabilities	550,724	392,689
	Advances from customers	8,297	35,323
	Retention money payable	2,542	557
	Income tax deducted at source	2,555	3,687
	Sales tax deducted at source	3,947	4,615
	Unclaimed dividend	9,363	6,788
	Payable to Employees' Provident Fund Trust	-	145
	Workers' profit participation fund (Note 9.2)	14,559	12,429
	Other payables	4,209	2,546
		1,191,175	1,025,519

9.1 This includes amounts in aggregate of Rupees 4.846 million (2014: Rupees 10.323 million) due to related parties.

	(Rupees in thousand)	2015	2014
9.2	Workers' profit participation fund		
	Balance as on July 01	12,429	11,700
	Interest for the year (Note 36)	792	755
	Provision for the year (Note 34)	11,033	11,531
		24,254	23,986
	Less: Payments during the year	9,695	11,557
	Balance as on June 30	14,559	12,429

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

		2015	2014
10.	ACCRUED MARK-UP		
	Long term financing	4,578	6,735
	Liabilities against assets subject to finance lease	501	626
	Short term borrowings	80,175	89,640
		85,254	97,001
11.	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Short term finances (Note 11.1 and Note 11.4)	661,782	537,225
	State Bank of Pakistan (SBP) refinance (Note 11.2 and Note 11.4)	1,965,600	1,655,600
	Short term foreign currency finances (Note 11.3 and Note 11.4)	2,381,998	2,801,688
		5,009,380	4,994,513
	Others - unsecured (Note 11.5)	69,300	87,300
		5,078,680	5,081,813

11.1 The finances aggregating to Rupees 1,703 million (2014: Rupees 1,457 million) are obtained from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.75 to 3.00 percent (2014: KIBOR plus 1.75 to 3.00 percent) per annum.

11.2 Export refinances have been obtained from banking companies under SBP's refinance scheme on which service charges at the rate of 6.00 to 7.50 percent (2014: 9.20 to 9.40 percent) per annum are payable. These form part of aggregate borrowing limits of Rupees 1,966 million (2014: Rupees 1,656 million).

11.3 Short term foreign currency finances amounting to Rupees 2,776 million (2014: Rupees 3,113 million) are available at mark-up ranging from LIBOR plus 2.60 to 4.50 percent (2014: LIBOR plus 2.50 to 4.00 percent) per annum.

11.4 The aggregate short term finances from banking companies are secured by way of joint pari passu charge over fixed and current assets of the Company.

11.5 This represents loan obtained from Crescent Model Farm which is repayable on demand. It carries mark-up at the rate of one month KIBOR plus 1.50 percent per annum (2014: one month KIBOR plus 1.50 percent).

	(Rupees in thousand)	2015	2014
12.	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Current portion of long term financing (Note 6)	79,173	130,351
	Current portion of liabilities against assets subject to finance lease (Note 7)	32,622	33,753
		111,795	164,104

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 149.784 million (2014: Rupees 149.784 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company against electricity connections.

ii) Post dated cheques of Rupees 75.729 million (2014: Rupees 69.020 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iii) The Company is contingently liable to the extent of Rupees 179.463 million (2014: Rupees 179.463 million) as its share of contingent liabilities of its associate.

iv) The Company has filed appeal with Appellate Tribunal Inland Revenue for the revision of assessment order issued under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2008. In case of adverse decision, the Company may face tax liability of Rupees 40.691 million (2014: Rupees 40.691 million). The Company's management is confident that appeal is likely to succeed.

v) Commissioner Inland Revenue has filed appeals with Honourable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 16.673 million (2014: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

b) Commitments

i) Contracts for capital expenditure are of Rupees 104.951 million (2014: Rupees 47.040 million).

ii) Letters of credit other than for capital expenditure are of Rupees 144.275 million (2014: Rupees 110.468 million).

iii) Ijarah (operating lease) commitments - Company as lessee

The Company obtained vehicles under ijarah (operating lease) agreement. The lease terms are of three years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.

The future aggregate minimum lease payments under ijarah (operating lease) are as follows:

(Rupees in thousand)	2015	2014
Not later than one year	871	1,733
Later than one year and not later than five years	562	918
	1,433	2,651

14. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
Operating fixed assets (Note 14.1)		
-Owned	3,926,969	4,027,320
-Leased	114,027	126,697
Capital work-in-progress (Note 14.2)	98,634	21,579
	4,139,630	4,175,596

14.1 Operating fixed assets

	Owned Assets												Leased Assets
	Land-Freehold	Land-Leasehold	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Factory tools and equipment	Gas and electric Installations	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total	Plant and machinery
	(Rupees in thousand)												
At June 30, 2013													
Cost / revalued amount	2,302,170	7,133	339,793	49,431	4,486,303	20,571	64,440	50,729	6,182	25,464	113,523	7,465,739	164,747
Accumulated depreciation	-	(1,133)	(222,582)	(36,950)	(2,665,276)	(14,780)	(38,276)	(30,291)	(4,809)	(23,229)	(101,282)	(3,138,608)	(23,973)
Net book value	2,302,170	6,000	117,211	12,481	1,821,027	5,791	26,164	20,438	1,373	2,235	12,241	4,327,131	140,774
Year ended June 30, 2014													
Opening net book value	2,302,170	6,000	117,211	12,481	1,821,027	5,791	26,164	20,438	1,373	2,235	12,241	4,327,131	140,774
Additions	-	-	-	-	52,939	-	507	-	-	1,483	-	54,929	-
Disposals:													
Cost / revalued amount	-	-	(4,030)	-	(438,902)	-	-	(3,482)	-	-	-	(446,414)	-
Accumulated depreciation	-	-	3,289	-	288,082	-	-	2,663	-	-	-	294,034	-
	-	-	(741)	-	(150,820)	-	-	(819)	-	-	-	(152,380)	-
Write offs:													
Cost / revalued amount	-	-	-	-	(2,151)	-	(29)	-	(37)	-	-	(2,217)	-
Accumulated depreciation	-	-	-	-	1,709	-	27	-	35	-	-	1,771	-
	-	-	-	-	(442)	-	(2)	-	(2)	-	-	(446)	-
Depreciation charge	-	(77)	(9,720)	(1,220)	(177,679)	(1,158)	(5,278)	(3,998)	(274)	(1,286)	(1,224)	(201,914)	(14,077)
Closing net book value	2,302,170	5,923	106,750	11,261	1,545,025	4,633	21,391	15,621	1,097	2,432	11,017	4,027,320	126,697
At June 30, 2014													
Cost / revalued amount	2,302,170	7,133	335,763	49,431	4,098,189	20,571	64,918	47,247	6,145	26,947	113,523	7,072,037	164,747
Accumulated depreciation	-	(1,210)	(229,013)	(38,170)	(2,553,164)	(15,938)	(43,527)	(31,626)	(5,048)	(24,515)	(102,506)	(3,044,717)	(38,050)
Net book value	2,302,170	5,923	106,750	11,261	1,545,025	4,633	21,391	15,621	1,097	2,432	11,017	4,027,320	126,697
Year ended June 30, 2015													
Opening net book value	2,302,170	5,923	106,750	11,261	1,545,025	4,633	21,391	15,621	1,097	2,432	11,017	4,027,320	126,697
Additions	-	-	12,637	28,936	104,763	500	5,777	15,121	-	2,675	-	170,409	-
Classified as non-current													
asset held for sale	(84,318)	-	-	-	-	-	-	-	-	-	-	(84,318)	-
Disposals:													
Cost	-	-	-	-	(13,914)	-	-	(12,185)	-	(2,685)	-	(28,784)	-
Accumulated depreciation	-	-	-	-	11,089	-	-	8,721	-	2,683	-	22,493	-
	-	-	-	-	(2,825)	-	-	(3,464)	-	(2)	-	(6,291)	-
Depreciation charge	-	(77)	(9,044)	(2,064)	(156,462)	(988)	(4,436)	(4,027)	(219)	(1,732)	(1,102)	(180,151)	(12,670)
Closing net book value	2,217,852	5,846	110,343	38,133	1,490,501	4,145	22,732	23,251	878	3,373	9,915	3,926,969	114,027
At June 30, 2015													
Cost / revalued amount	2,217,852	7,133	348,400	78,367	4,189,038	21,071	70,695	50,183	6,145	26,937	113,523	7,129,344	164,747
Accumulated depreciation	-	(1,287)	(238,057)	(40,234)	(2,698,537)	(16,926)	(47,963)	(26,932)	(5,267)	(23,564)	(103,608)	(3,202,375)	(50,720)
Net book value	2,217,852	5,846	110,343	38,133	1,490,501	4,145	22,732	23,251	878	3,373	9,915	3,926,969	114,027
Annual rate of depreciation (%)	-	1.01	5, 10	5, 10	10	20	20	20	20	50	10		10

14.1.1 The land of the Company, except the land situated at Faisalabad, had been revalued as on June 30, 2013 using the present market value at Rupees 95.600 million. Whereas the land situated at Faisalabad granted to the Company by the Government of Punjab in 1958 under Land Acquisition Act, 1894 for the specific purpose of using it as an industrial undertaking had been revalued at Rupees 2,212.570 million taking into account conditions specified under various directives of the Government by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited. The Company had revalued this land based on the advice from its legal counsel. Previously land of the Company, except the land situated at Faisalabad was revalued on June 30, 2007 at Rupees 62 million and the land situated at Faisalabad at Rupees 1,597 million by Messrs Hamid Mukhtar and Company (Private) Limited.

14.1.2 Fixed assets of the Company with carrying amount of Rupees 3,904 million (2014: Rupees 4,012 million) are subject to first pari passu charge to secured bank borrowings.

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

(Rupees in thousand)	2015			2014		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	5,771	-	5,771	13,403	-	13,403
Land - Leasehold	4,719	1,123	3,596	4,719	1,075	3,644
	10,490	1,123	9,367	18,122	1,075	17,047

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

(Rupees in thousand)	2015	2014
Cost of sales (Note 31)		
-Owned assets	171,440	193,267
-Leased assets	12,670	14,077
	184,110	207,344
Administrative expenses (Note 33)	8,711	8,647
	192,821	215,991

14.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)					
Plant and Machinery							
Genkiner fabric beam lifters	2	1,693	943	750	1,000	Negotiation	Rizwan Enterprises.
Combers	4	4,467	3,644	823	860	Negotiation	Adnan Idrees
Genkiner fabric beam lifters	1	380	215	165	250	Negotiation	Maksons Textile (Pvt) Ltd
		6,540	4,802	1,738	2,110		
Vehicles							
Suzuki Mehran	1	504	335	169	322	Company Policy	Mr. Anwar Naseem, Company Employee
Suzuki Cultus	1	878	514	364	528	Company Policy	Mr. Ilyas Tahir, Company Employee
Suzuki Cultus	1	91	2	89	560	Company Policy	Mr. Shuakat Nazar, Company Employee
Suzuki Bolan	1	367	311	56	365	Negotiation	Mr. Abdul Rehman
Suzuki Bolan	1	437	338	99	475	Negotiation	Mr. Zubair
Honda Civic	1	1,722	1,322	400	1,150	Company Policy	Mr. Sohail Maqbool, Company Employee
Toyota Corolla	1	1,205	941	264	885	Negotiation	Mr. Sheikh Muhammad Muslim
Honda Civic	1	1,245	1,150	95	780	Negotiation	Mrs. Sumera Butt
Honda Civic	1	1,807	1,303	504	960	Company Policy	Mr. Tahir Rasheed, Company Employee
Honda Civic	1	1,947	1,255	692	994	Company Policy	Mr. Shuakat Nazar, Company Employee
Honda Civic	1	1,982	1,250	732	994	Company Policy	Mr. Sadiq Saleem, Company Employee
		12,185	8,721	3,464	8,013		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000		10,059	8,970	1,089	2,037		
		28,784	22,493	6,291	12,160		

	(Rupees in thousand)	2015	2014
14.2	Capital work-in-progress		
	Buildings on freehold land	55,190	10,069
	Buildings on leasehold land	1,461	10,815
	Plant and machinery	20,286	-
	Gas and electric installations	21,697	-
	Advance against vehicle	-	695
		98,634	21,579

	(Rupees in thousand)	2015	2014 Restated
15.	INVESTMENT IN ASSOCIATE		
	Crescent Bahuman Limited - unquoted		
	26 926 433 (2014: 26 926 433) ordinary shares of Rupees 10 each (Note 15.1)	269,264	269,264
	Share of post acquisition reserve:		
	As at 01 July	41,459	88,980
	Share of profit / (loss) after income tax	27,070	(47,521)
	As at 30 June	68,529	41,459
		337,793	310,723

15.1 The Company holds 32.99% (2014: 32.99%) interest in Crescent Bahuman Limited (CBL), an unquoted public limited company involved in manufacturing of textile products. The summarized financial information of CBL is as follows:

(Rupees in thousand)	Un-Audited 2015	Audited 2014
Associate's balance sheet:		
Current assets	6,351,822	5,944,136
Non-current assets	3,861,693	4,003,058
Current liabilities	(7,249,613)	(6,983,468)
Non-current liabilities	(1,197,838)	(1,279,717)
Net assets	1,766,064	1,684,009
Associate's revenue and profit / (loss):		
Revenue	8,314,315	7,808,389
Profit / (loss) before taxation for the year	118,448	(67,786)
Profit / (loss) after taxation for the year	82,055	(144,046)

15.2 The Company has restated the post acquisition reserve as at June 30, 2014 in respect of its investment in CBL by revising the share of post acquisition loss from the associate. Previously, share of post acquisition loss of associate was recognized on the basis of un-audited financial statements of the associate for the year ended June 30, 2014. Now, the share of loss from associate is restated on the basis of audited financial statements of associate for the year ended June 30, 2014. This prior period error has been corrected retrospectively in these financial statements in accordance with International Accounting Standard IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Consequently, as at June 30, 2014, investment in associate and unappropriated profit have been increased by Rupees 4.446 million and Rupees 4.002 million respectively while deferred income tax asset has been decreased by Rupees 0.444 million.

	(Rupees in thousand)	2015	2014
16.	LONG TERM INVESTMENTS		
	Available for sale		
	Related parties		
	Quoted		
	Crescent Jute Products Limited		
	2 738 637 (2014: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2014: 11.52%)	1,123	1,123
	Crescent Cotton Mills Limited		
	975 944 (2014: 975 944) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2014: 4.56%)	5,124	5,124
	Shams Textile Mills Limited		
	812 160 (2014: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2014: 9.40%)	4,629	4,629
	Premier Insurance Limited		
	97 503 (2014: 169 573) fully paid ordinary shares of Rupees 10 (2014: Rupees 5) each. Equity held 0.28% (2014: 0.28%) (Note 16.1)	35	35
	Shakarganj Limited (formerly Shakarganj Mills Limited)		
	5 427 488 (2014: 5 427 488) fully paid ordinary shares of Rupees 10 each. Equity held 7.81% (2014: 7.81%)	20,624	20,624
	2 746 050 (2014: 2 746 050) fully paid preference shares of Rupees 10 each. Equity held 7.94% (2014: 7.94%)	5,924	5,924
	Crescent Steel and Allied Products Limited		
	6 830 643 (2014: 6 830 643) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2014: 11%)	91,625	91,625

(Rupees in thousand)	2015	2014
Unquoted		
Crescent Bahuman Limited		
197 600 000 (2014: 197 600 000) fully paid preference shares of Rupees 10 each. Equity held 73.37% (2014: 73.37%) (Note 16.2)	1,976,000	1,976,000
Premier Financial Services (Private) Limited		
500 (2014: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2014: 2.22%)	500	500
Others		
Quoted		
Jubilee Spinning and Weaving Mills Limited		
182 629 (2014: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2014: 0.56%)	213	213
Crescent Fibres Limited		
351 657 (2014: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2014: 2.83%)	2,162	2,162
Unquoted		
Cresox (Private) Limited		
4 199 792 (2014: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2014: 11.66%)	41,998	41,998
	2,149,957	2,149,957
Less: Impairment loss recognized on investment in Cresox (Private) Limited (Note 34)	(41,998)	-
Add: Fair value adjustment	433,422	389,787
	2,541,381	2,539,744

16.1 Premier Insurance Limited in its Annual General Meeting (AGM) held on April 29, 2014 approved the consolidation of its share capital by increasing its face value of shares from Rupees 5 per share to Rupees 10 per share. Therefore the number of shares held by the Company has been reduced.

16.2 This represents 5 % unlisted, non-voting, cumulative and participatory preference shares issued by Crescent Bahuman Limited. These preference shares are convertible into non-voting ordinary shares.

	(Rupees in thousand)	2015	2014
17.	LONG TERM LOANS AND ADVANCES		
	Considered good - secured:		
	Employees	5,615	5,087
	Less: Current portion shown under current assets (Note 23)	1,951	1,778
		3,664	3,309

17.1 These represent Qarz-e-Hasna given to employees and are secured against balance to the credit of employees in the provident fund trust. These are recoverable in equal monthly installments.

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

		2015	2014
18.	LONG TERM DEPOSITS AND PREPAYMENTS		
	Security deposits	5,466	7,256
	Prepayments	-	49
		5,466	7,305
	Less: Current portion shown under current assets (Note 24)	-	39
		5,466	7,266

	(Rupees in thousand)	2015	2014 Restated
19.	DEFERRED INCOME TAX ASSET		
	Taxable temporary differences		
	Tax depreciation allowance	-	(124,126)
	Tax on investment in associate	-	(4,146)
	Surplus on revaluation of operating fixed assets	-	(278)
		-	(128,550)
	Deductible temporary differences		
	Unused tax losses	-	130,330
		-	1,780

	(Rupees in thousand)	2015	2014
20.	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores (Note 20.1)	161,115	146,930
	Spare parts	15,794	9,536
	Loose tools	82	67
		176,991	156,533

20.1 These include stores in transit of Rupees 9.550 million (2014: Rupees 10.998 milliion).

		2015	2014
21.	STOCK-IN-TRADE		
	Raw materials (Note 21.1)	199,078	239,268
	Work-in-process	102,549	122,937
	Finished goods (Note 21.2)	1,027,630	1,120,201
	Waste	8,267	7,184
		1,337,524	1,489,590

21.1 Raw materials include stock in transit of Rupees 28.743 million (2014: Rupees 120.034 million).

21.2 Finished goods include stock in transit of Rupees 94.204 million (2014: Rupees 103.843 million).

21.3 Stock-in-trade of Rupees 8.267 million (2014: Rupees 335.063 million) is being carried at net realizable value.

21.4 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2014: Rupees 30.253 million).

		2015	2014
22.	TRADE DEBTS		
	Considered good:		
	Secured (against letters of credit)	355,166	148,888
	Unsecured (Note 22.2)	2,211,541	2,099,399
		2,566,707	2,248,287
	Considered doubtful:		
	Others - unsecured	41,203	41,203
	Less: Provision for doubtful debts		
	As at July 01	41,203	26,078
	Provision made during the year (Note 34)	-	15,125
	As at June 30	41,203	41,203
		-	-

22.1 As at June 30, 2015, trade debts due from other than related parties of Rupees 631.242 million (2014: Rupees 472.612 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

(Rupees in thousand)	2015	2014
Upto 1 month	241,548	210,252
1 to 6 months	320,720	152,370
More than 6 months	68,974	109,990
	631,242	472,612

22.2 It includes amount receivable from a related party, Crescent Bahuman Limited, amounting to Rupees 639.797 million (2014: Rupees 443.071 million).

22.2.1 As at June 30, 2015, trade debts due from related party amounting to Rupees 539.632 million (2014: Rupees 438.080 million) were past due but not impaired. The Company is charging mark up on all overdue balances receivable from Crescent Bahuman Limited. The ageing analysis of these trade debts is as follows:

Upto 1 month	10,955	9,918
1 to 6 months	38,911	49,107
More than 6 months	489,766	379,055
	539,632	438,080

22.3 As at June 30, 2015, trade debts of Rupees 41.203 million (2014: Rupees 41.203 million) were impaired and provided for. The ageing of these trade debts was more than three years. These trade debts do not include amounts due from related parties.

23. LOANS AND ADVANCES

Considered good:		
Employees - interest free	99	84
Current portion of long term loans and advances (Note 17)	1,951	1,778
Advances to suppliers	31,932	12,156
Letters of credit	974	262
Income tax	383,331	350,025
	418,287	364,305
Considered doubtful:		
Advances to suppliers	589	589
Less: Provision for doubtful loans and advances		
As at July 01	589	-
Provision made during the year (Note 34)	-	589
As at June 30	589	589
	-	-

	(Rupees in thousand)	2015	2014
24.	SHORT TERM DEPOSITS AND PREPAYMENTS		
	Considered good:		
	Margin deposit	21,029	19,129
	Short term prepayments	1,772	1,289
	Current portion of long term deposits and prepayments (Note 18)	-	39
		22,801	20,457

25. ACCRUED INTEREST

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

		2015	2014
26.	OTHER RECEIVABLES		
	Considered good:		
	Due from related parties (Note 26.1)	1,123	33,123
	Export rebate and claims	61,226	38,947
	Sales tax and special excise duty refundable	211,557	126,295
	Dividend receivable from related parties	469,300	370,500
	Miscellaneous	775	1,965
		743,981	570,830
	Considered doubtful:		
	Export rebate, sales tax and special excise duty refundable	41,744	46,539
	Less: Provision for doubtful debts		
	As at July 01	46,539	20,018
	Add: Provision made during the year (Note 34)	-	26,521
	Less: Provision written off during the year	4,795	-
	As at June 30	41,744	46,539
		-	-
26.1	This represents amounts due from following related parties:		
	Premier Insurance Limited	-	33,086
	Shams Textile Mills Limited	-	32
	Shakarganj Limited (formerly Shakarganj Mills Limited)	-	5
	Employees' Provident Fund Trust	1,123	-
		1,123	33,123

	(Rupees in thousand)	2015	2014
27.	SHORT TERM INVESTMENTS		
	Available for sale		
	Others - quoted		
	Samba Bank Limited		
	12 346 238 (2014: 12 346 238) paid ordinary shares of		
	Rupees 10 each. Equity held 1.22% (2014: 1.22%)	37,444	37 ,444
	Add: Fair value adjustment	28,608	44,782
		66,052	82,226
28.	CASH AND BANK BALANCES		
	With banks:		
	On current accounts		
	Including US$ 7,009 (2014: US$ 4,335)	4,594	5,915
	Cash in hand	601	1,020
		5,195	6,935

29. Freehold land of the Company situated at Pindi Bhattian having measurement of approximately 107 acres has been classified as held for sale following the approval of the management of the Company and shareholders in the AGM of the Company held on October 30, 2014. The Company is in the process to undertake all necessary steps including negotiation and signing of documents required to complete this transaction and it is expected to be completed during the next financial year.

		2015	2014
30.	SALES		
	Local (Note 30.1)	4,635,365	5,728,761
	Export (Note 30.2)	7,107,705	6,624,095
	Export rebate	49,834	41,978
	Duty drawback	41,871	16,663
		11,834,775	12,411,497
30.1	Local		
	Sales	4,562,204	5,558,959
	Waste	156,072	206,253
	Processing income	3,562	70,527
	Cold storage	15,566	13,118
		4,737,404	5,848,857
	Less: Sales tax	102,039	120,096
		4,635,365	5,728,761

30.2 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 55.960 million (2014: Rupees 24.345 million) has been included in export sales.

	(Rupees in thousand)	2015	2014
31.	COST OF SALES		
	Raw materials consumed (Note 31.1)	3,862,836	4,569,942
	Cloth and yarn purchased	1,318,259	1,727,225
	Stores, spare parts and loose tools consumed	569,628	543,217
	Packing materials consumed	593,123	464,539
	Processing and weaving charges	714,327	550,883
	Salaries, wages and other benefits (Note 31.2)	880,041	766,222
	Fuel and power	1,422,244	1,630,600
	Repair and maintenance	55,556	63,525
	Insurance	10,587	12,087
	Depreciation (Note 14.1.4)	184,110	207,344
	Other factory overheads	22,598	18,194
		9,633,309	10,553,778
	Work-in-process		
	Opening stock	122,937	158,593
	Closing stock	(102,549)	(122,937)
		20,388	35,656
	Cost of goods manufactured	9,653,697	10,589,434
	Finished goods		
	Opening stock	1,127,385	950,099
	Closing stock	(1,035,897)	(1,127,385)
		91,488	(177,286)
		9,745,185	10,412,148
	Cost of sales - purchased for resale	576,541	623,912
		10,321,726	11,036,060
31.1	Raw material consumed		
	Opening stock	239,268	431,837
	Add: Purchased during the year	3,822,646	4,377,373
		4,061,914	4,809,210
	Less: Closing stock	(199,078)	(239,268)
		3,862,836	4,569,942

31.2 Salaries, wages and other benefits include provident fund contribution of Rupees 13.755 million (2014: Rupees 12.182 million) by the Company.

	(Rupees in thousand)	2015	2014
32.	DISTRIBUTION COST		
	Salaries, wages and other benefits (Note 32.1)	33,759	25,296
	Freight and shipment	179,335	154,185
	Duties and other charges	106,288	91,981
	Commission to selling agents	327,604	338,840
	Advertisement	1,398	458
		648,384	610,760

32.1 Salaries, wages and other benefits include provident fund contribution of Rupees 1.157 million (2014: Rupees 0.931 million) by the Company.

33.	ADMINISTRATIVE EXPENSES		
	Salaries, wages and other benefits (Note 33.1)	155,922	112,123
	Meeting fee to non-executive directors	660	770
	Traveling, conveyance and entertainment	14,205	15,213
	Rent, rates and taxes (Note 33.2)	4,503	6,169
	Repair and maintenance	19,558	17,273
	Insurance	1,207	1,736
	Printing and stationery	2,191	1,967
	Communication	2,881	2,989
	Subscription	6,183	7,056
	Legal and professional	6,306	6,092
	Auditors' remuneration (Note 33.3)	1,330	1,330
	Software maintenance	804	1,587
	Amortization	-	1,900
	Depreciation (Note 14.1.4)	8,711	8,647
	Other charges	9,325	10,701
		233,786	195,553

33.1 Salaries, wages and other benefits include provident fund contribution of Rupees 4.764 million (2014: Rupees 3.699 million) by the Company.

33.2 This includes ijarah (operating lease) rentals amounting to Rupees 1.909 million (2014: Rupees 4.295 million) of vehicles.

33.3	Auditors' remuneration:		
	Audit fee	1,100	1,100
	Half yearly review	200	200
	Reimbursable expenses	30	30
		1,330	1,330

	(Rupees in thousand)	2015	2014
34.	OTHER EXPENSES		
	Donations (Note 34.1)	9,794	12,375
	Provision for doubtful debts (Note 22)	-	15,125
	Provision for doubtful loans and advances (Note 23)	-	589
	Provision for doubtful rebate, sales tax and special excise duty refundable (Note 26)	-	26,521
	Workers' profit participation fund (Note 9.2)	11,033	11,531
	Impairment loss on long term investment (Note 16)	41,998	-
	Property, plant and equipment written off	-	446
		62,825	66,587
34.1	There is no interest of any director or his spouse in donees' fund.		
35.	OTHER INCOME		
	Income from financial assets		
	Dividend income (Note 35.1)	111,434	118,078
	Profit on sale of right offer	-	1,010
	Mark-up on loans and advances (Note 35.2)	59,039	48,502
		170,473	167,590
	Income from non-financial assets		
	Sale of empties and scrap	16,086	19,265
	Rental income	763	796
	Gain on sale of property, plant and equipment	5,869	173,066
	Sundry receipts	121	10
		22,839	193,137
		193,312	360,727
35.1	Dividend income		
	From related parties:		
	Crescent Bahuman Limited-Preference dividend	98,800	98,800
	Premier Insurance Limited	85	170
	Crescent Steel and Allied Products Limited	10,246	16,145
	Shams Textile Mills Limited	-	2,436
	Crescent Cotton Mills Limited	1,952	-
		111,083	117,551
	From others:		
	Crescent Fibres Limited	351	527
		111,434	118,078

35.2 This relates to markup charged on overdue receivables from Crescent Bahuman Limited (an associate).

	(Rupees in thousand)	2015	2014
36.	FINANCE COST		
	Mark up on:		
	Long term financing	21,247	27,665
	Liabilities against assets subject to finance lease	7,725	11,659
	Short term borrowings	391,065	423,154
	Interest on workers' profit participation fund (Note 9.2)	792	755
	Bank charges and commission	7,685	9,086
		428,514	472,319

36.1 Net gain on fair value of derivative financial instruments amounting to Rupees 23.435 million (2014: Rupees 21.494 million) is adjusted against finance cost.

36.2 Exchange loss on foreign currency loans of the Company amounting to Rupees 88.873 million (2014: Exchange gain of Rupees 44.603 million) is adjusted against finance cost.

	(Rupees in thousand)	2015	2014 Restated
37.	TAXATION		
	Charge for the year:		
	Current (Note 37.1)	104,294	122,353
	Prior year adjustment	(49)	(63,299)
		104,245	59,054
	Deferred (Note 37.3)	33,983	45,351
		138,228	104,405

37.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at June 30, 2015 are Rupees 350.604 million (2014: Rupees 394.939 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

37.2 Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2015. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on October 03, 2015 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

	(Rupees in thousand)	2015	2014 Restated
37.3	Deferred income tax effect due to:		
	Tax depreciation allowance	137,279	124,126
	Unused tax losses	(112,193)	(130,330)
	Tax on investment in associate	6,853	4,146
	Surplus on revaluation of operating fixed assets	302	278
		32,241	(1,780)
	Opening balance as at July 01,	1,780	47,185
	Related to surplus on revaluation of operating fixed assets	(38)	(54)
		33,983	45,351
38.	EARNINGS PER SHARE - BASIC AND DILUTED		
	There is no dilutive effect on the basic earnings per share which is based on:		
	Profit attributable to ordinary shareholders (Rupees in thousand)	221,694	239,019
	Weighted average number of ordinary shares (Numbers)	55 787 977	51 065 324
	Earnings per share (Rupees)	3.97	4.68
39.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	359,922	343,424
	Adjustments for non-cash charges and other items:		
	Depreciation	192,821	215,991
	Amortization	-	1,900
	Gain on sale of property, plant and equipment	(5,869)	(173,066)
	Dividend income	(111,434)	(118,078)
	Impairment loss on long term investment	41,998	-
	Provision for doubtful debts	-	15,125
	Provision for doubtful loans and advances	-	589
	Provision for doubtful rebate, sales tax and special excise duty refundable	-	26,521
	Provision for workers' profit participation fund	11,033	11,531
	Share of (profit) / loss from associate	(27,070)	47,521
	Finance cost	428,514	472,319
	Property, plant and equipment written off	-	446
	Working capital changes (Note 39.1)	(123,908)	286,902
		766,007	1,131,125

	(Rupees in thousand)	2015	2014
39.1	Working capital changes		
	(Increase) / decrease in current assets:		
	- Stores, spare parts and loose tools	(20,458)	(32,304)
	- Stock-in-trade	152,066	50,939
	- Trade debts	(318,420)	212,677
	- Loans and advances	(20,676)	34,083
	- Short term deposits and prepayments	(2,344)	4,555
	- Accrued interest	(676)	1,041
	- Other receivables	(74,351)	61,256
		(284,859)	332,247
	Increase / (decrease) in trade and other payables	160,951	(45,345)
		(123,908)	286,902

40. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

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

	Chief Executive Officer		Director		Executives	
(Rupees in thousand)	2015	2014	2015	2014	2015	2014
Managerial remuneration	7,200	6,100	3,400	371	85,574	60,766
Allowances						
House rent	3,240	2,745	1,530	167	19,454	13,691
Cost of living	-	-	-	-	278	220
Utilities	720	610	200	37	7,537	5,477
Servant	-	-	160	30	400	600
Medical	-	-	-	-	7,117	5,105
Special	-	-	-	-	7,416	5,665
Reimbursable expenses	1,737	1,549	-	-	1,848	1,690
Contribution to provident fund	450	381	213	23	4,827	3,533
	13,347	11,385	5,503	628	134,451	96,747
Number of persons	1	1	1	1	63	49

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

40.2 Aggregate amount charged in the financial statements for meeting fee to six directors (2014: seven directors) was Rupees 660,000 (2014: Rupees 770,000).

40.3 Last year, one executive was elected as director in the EOGM of the Company held on May 16, 2014.

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

	(Rupees in thousand)	2015	2014
41.	EMPLOYEES' RETIREMENT BENEFITS		
	Contribution to Employees' Provident Fund Trust	19,676	16,812
	Contribution to Employees' Old Age Benefit Institution	21,740	21,535
		41,416	38,347

42. PROVIDENT FUND RELATED DISCLOSURE

Following information is based on un-audited financial statements of the provident fund for the year ended June 30, 2015 and audited financial statements of the provident fund for the year ended June 30, 2014:

	2015	2014
Size of the fund - Total assets	1,083,393	967,739
Cost of investments	1,003,249	919,149
Percentage of investments made	100.00	99.99
Fair value of investments	1,083,393	967,595

42.1 The break-up of cost of investments is as follows:

	2015	2014	2015	2014
	(Percentage)		(Rupees in thousand)	
Bank deposits	52%	73%	523,847	666,899
Advances to members	8%	12%	83,677	107,747
Defence saving certificates	5%	5%	50,000	50,000
Listed securities	35%	10%	345,725	94,503
	100%	100%	1,003,249	919,149

42.2 The above investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose with the exception of investment in listed securities which exceeds the prescribed limit.

	(Number of persons)	2015	2014
43.	NUMBER OF EMPLOYEES		
	Number of employees as on June 30	5 916	5 847
	Average number of employees during the year	5 779	5 929

44. TRANSACTIONS WITH RELATED PARTIES

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

(Rupees in thousand)	2015	2014
Associated companies		
Purchase of goods and services	57,677	154,214
Sale of goods and services	228,258	63,207
Dividend income	111,083	117,551
Dividend paid	4,253	-
Insurance premium paid	18,037	16,867
Insurance claim received	40,832	19,729
Interest income	59,039	48,502
Other related parties		
Dividend paid	11,508	-
Contribution to Employees' Provident Fund Trust	19,676	16,812

(Number of Shares)	2015	2014
Associated companies		
Right shares issued	835 968	-
Bonus shares received	12 717	620 967
Other related parties		
Right shares issued	2 704 657	-

	(Figures in thousand)		2015	2014
45.	PLANT CAPACITY AND ACTUAL PRODUCTION			
	Spinning			
	100 % plant capacity converted to 20s count based			
	on 3 shifts per day for 1 095 shifts (2014: 1 095 shifts)	(Kgs.)	38 562	38 562
	Actual production converted to 20s count based			
	on 3 shifts per day for 1005 shifts (2014: 1005 shifts)	(Kgs.)	34 533	34 265
	Weaving			
	100 % plant capacity at 50 picks based on 3 shifts			
	per day for 1 095 shifts (2014: 1 095 shifts)	(Sq. Mtr.)	42 520	52 367
	Actual production converted to 50 picks based			
	on 3 shifts per day for 1 026 shifts (2014: 540 shifts)	(Sq. Mtr.)	30 509	34 841

Dyeing, Finishing and Home Textile

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

	Power Plant			
	Generation capacity	(MWH)	258	258
	Actual generation	(MWH)	70	53

45.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to gas and electricity shutdowns. Actual power generation in comparison to installed capacity is low due to periodical scheduled maintenance and availability of FESCO connections.

46. SEGMENT INFORMATION

(Rupees in thousand)	Spinning 2015	Spinning 2014	Weaving 2015	Weaving 2014	Processing & Home Textile 2015	Processing & Home Textile 2014
Sales						
External	4,617,652	5,190,962	402,685	1,122,798	6,798,872	6,084,619
Intersegment	1,722,091	1,890,423	4,036,502	5,120,035	-	-
	6,339,743	7,081,385	4,439,187	6,242,833	6,798,872	6,084,619
Cost of sales	5,926,126	6,589,233	4,328,377	6,222,117	5,829,251	5,243,111
Gross profit	413,617	492,152	110,810	20,716	969,621	841,508
Distribution cost	66,433	70,458	20,401	32,632	559,484	506,222
Administrative expenses	93,435	66,175	14,925	26,248	114,618	95,112
	159,868	136,633	35,326	58,880	674,102	601,334
Profit / (loss) before taxation and unallocated income and expenses	253,749	355,519	75,484	(38,164)	295,519	240,174
Unallocated income and expenses:						
Other expenses						
Other income						
Finance cost						
Share of profit / (loss) from associate						
Taxation						
Profit after taxation						

46.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in thousand)	Spinning 2015	Spinning 2014	Weaving 2015	Weaving 2014	Processing & Home Textile 2015	Processing & Home Textile 2014
Total assets for reportable segments	1,661,815	1,665,119	1,002,525	911,856	2,654,001	2,526,417
Unallocated assets						
Total assets as per balance sheet						
All segment assets are allocated to reportable segments other than those directly relating to corporate						
Total liabilities for reportable segments	2,630,185	2,531,419	558,023	947,307	2,082,500	1,920,017
Unallocated liabilities						
Total liabilities as per balance sheet						
All segment liabilities are allocated to reportable segments other than major portion of trade and other						

	Power Generation		Cold Storage		Elimination of inter-segment transactions		Total - Company	
	2015	2014	2015	2014	2015	2014	2015	2014 Restated
	-	-	15,566	13,118	-	-	11,834,775	12,411,497
	1,207,636	1,480,138	-	-	(6,966,229)	(8,490,596)	-	-
	1,207,636	1,480,138	15,566	13,118	(6,966,229)	(8,490,596)	11,834,775	12,411,497
	1,192,875	1,463,687	11,326	8,508	6,966,229	8,490,596	10,321,726	11,036,060
	14,761	16,451	4,240	4,610	-	-	1,513,049	1,375,437
	2,066	1,448	-	-	-	-	648,384	610,760
	10,058	7,328	750	690	-	-	233,786	195,553
	12,124	8,776	750	690	-	-	882,170	806,313
	2,637	7,675	3,490	3,920	-	-	630,879	569,124
							(62,825)	(66,587)
							193,312	360,727
							(428,514)	(472,319)
							27,070	(47,521)
							(138,228)	(104,405)
							221,694	239,019

	Power Generation		Cold Storage		Total - Company	
	2015	2014	2015	2014	2015	2014 Restated
	332,699	375,181	20,238	17,003	5,671,278	5,495,576
					6,783,580	6,486,397
					12,454,858	11,981,973
and tax assets.						
	116,074	66,183	1,998	1,338	5,388,780	5,466,264
					1,325,712	1,147,485
					6,714,492	6,613,749
payables, current and deferred tax liabilities.						

46.2 Geographical Information

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

(Rupees in thousand)	2015	2014
Europe	5,219,071	3,697,254
America	809,327	1,283,022
Asia, Africa and Australia	1,171,012	1,702,460
Pakistan	4,635,365	5,728,761
	11,834,775	12,411,497

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

46.4 Revenue from major customers

There was no major customer of the Company during the year (2014: no major customer of the Company).

46.5 Trading segment of the Company has been merged into Processing and Home Textile segment because the Trading segment was not meeting any of the requirements of the quantitative thresholds as mentioned in IFRS 8.

47. FINANCIAL RISK MANAGEMENT

47.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

(Rupees in thousand)	2015	2014
Cash at banks - USD	7,009	4,335
Trade debts - USD	14,808,649	14,628,750
Trade debts - Euro	1,759,730	254,765
Trade and other payables - USD	(480,752)	(487,053)
Trade and other payables - Euro	-	(13,479)
Short term borrowings - USD	(23,464,375)	(28,410,199)
Derivative financial instruments - USD	(5,887,548)	(5,970,149)
Net exposure - USD	(15,017,017)	(20,234,316)
Net exposure - Euro	1,759,730	241,286

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	101.39	102.79
Reporting date rate	101.50	98.55
Rupees per Euro		
Average rate	121.43	139.45
Reporting date rate	113.57	134.46

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 72.401 million (2014: Rupees 94.719 million) lower / higher and Rupees 9.493 million (2014: Rupees 1.541 million) higher / lower respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected / forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly bases, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities / payments to assets / receipts, using source inputs in foreign currency and arranging cross currency swaps. The Company maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay / settle / rollover the Company's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities. Balances in foreign currency are also maintained in current accounts with banking companies.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on statement of comprehensive income (fair value reserve)	
(Rupees in thousand)	2015	2014	2015	2014
KSE 100 (5% increase)	-	-	31,547	30,173
KSE 100 (5% decrease)	-	-	(31,547)	(30,173)

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

iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, liabilities against assets subject to finance lease, short term borrowings, preference shares obtained from CBL and trade debts of CBL. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

(Rupees in thousand)	2015	2014
Fixed rate instruments		
Financial assets		
Preference shares-CBL	1,976,000	1,976,000
Financial liabilities		
Long term financing	21,307	83,308
Short term borrowings	1,965,600	1,655,600
Floating rate instruments		
Financial assets		
Trade debts-CBL	639,797	443,071
Financial liabilities		
Long term financing	157,860	126,209
Liabilities against assets subject to finance lease	43,681	77,546
Short term borrowings	3,113,080	3,426,213

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 25.411 million (2014: Rupees 30.276 million) lower / higher mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet date were outstanding for the whole year.

Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points. Cross currency swaps are also arranged to transfer exposure to more stable markets.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

(Rupees in thousand)	2015	2014
Investments	2,607,433	2,621,970
Loans and advances	5,714	5,171
Deposits	26,495	26,385
Trade debts	2,566,707	2,248,287
Accrued interest	5,068	4,392
Other receivables	471,198	405,588
Bank balances	4,594	5,915
	5,687,209	5,317,708

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counter party default rate:

(Rupees in thousand)	Rating Short Term	Rating Long Term	Agency	2015	2014
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	179	269
Allied Bank Limited	A1+	AA+	PACRA	1,222	1,945
Habib Bank Limited	A-1+	AAA	JCR-VIS	5	1,068
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,497	51
MCB Bank Limited	A1+	AAA	PACRA	228	354
NIB Bank Limited	A1+	AA -	PACRA	1	1
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	570	61
United Bank Limited	A-1+	AA+	JCR-VIS	195	121
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	581	1,716
Meezan Bank Limited	A-1+	AA	JCR-VIS	12	37
The Bank of Punjab	A1+	AA-	PACRA	100	292
Burj Bank Limited	A-2	A-	JCR-VIS	4	-
				4,594	5,915

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 22.

Credit risk management

The Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by counterparties. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2015, the Company had Rupees 1,436 million (2014: Rupees 1,232 million) available borrowing limits from financial institutions and Rupees 5.195 million (2014: Rupees 6.935 million) cash and bank balances. The management believes the liquidity risk to be low.

Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2015:

(Rupees in thousand)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	179,167	214,176	55,201	39,659	46,757	72,559
Liabilities against assets subject to finance lease	43,681	47,068	18,794	16,772	11,502	-
Trade and other payables	1,161,817	1,161,817	1,161,817	-	-	-
Accrued mark-up	85,254	85,254	85,254	-	-	-
Short term borrowings	5,078,680	5,258,367	3,581,069	1,677,298	-	-
	6,548,599	6,766,682	4,902,135	1,733,729	58,259	72,559

Contractual maturities of financial liabilities as at June 30, 2014:

(Rupees in thousand)	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	209,517	234,110	94,871	53,211	72,854	13,174
Liabilities against assets subject to finance lease	77,546	89,931	20,941	20,940	41,881	6,169
Trade and other payables	969,320	969,320	969,320	-	-	-
Accrued mark-up	97,001	97,001	97,001	-	-	-
Short term borrowings	5,081,813	5,269,925	3,686,373	1,583,552	-	-
	6,435,197	6,660,287	4,868,506	1,657,703	114,735	19,343

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at June 30. The rates of interest / mark-up have been disclosed in Note 6, 7 and 11 to these financial statements.

47.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

(Rupees in thousand)	Level 1	Level 2	Level 3	Total
As at June 30, 2015				
Assets				
Available for sale financial assets	588,935	-	-	588,935
As at June 30, 2014				
Assets				
Available for sale financial assets	603,472	-	-	603,472

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as on June 30, 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

47.3 Financial instruments by categories

(Rupees in thousand)	Loans and receivables	Available for sale	Total
As at June 30, 2015			
Assets as per balance sheet			
Investments	-	2,607,433	2,607,433
Loans and advances	5,714	-	5,714
Deposits	26,495	-	26,495
Trade debts	2,566,707	-	2,566,707
Accrued interest	5,068	-	5,068
Other receivables	471,198	-	471,198
Cash and bank balances	5,195	-	5,195
	3,080,377	2,607,433	5,687,810

(Rupees in thousand)	Financial liabilities at amortized cost
Liabilities as per balance sheet	
Long term financing	179,167
Liabilities against assets subject to finance lease	43,681
Accrued mark-up	85,254
Short term borrowings	5,078,680
Trade and other payables	1,161,817
	6,548,599

(Rupees in thousand)	Loans and receivables	Available for sale	Total
As at June 30, 2014			
Assets as per balance sheet			
Investments	-	2,621,970	2,621,970
Loans and advances	5,171	-	5,171
Deposits	26,385	-	26,385
Trade debts	2,248,287	-	2,248,287
Accrued interest	4,392	-	4,392
Other receivables	405,588	-	405,588
Cash and bank balances	6,935	-	6,935
	2,696,758	2,621,970	5,318,728

(Rupees in thousand)	Financial liabilities at amortized cost
Liabilities as per balance sheet	
Long term financing	209,517
Liabilities against assets subject to finance lease	77,546
Accrued mark-up	97,001
Short term borrowings	5,081,813
Trade and other payables	969,320
	6,435,197

47.4 Offsetting financial assets and financial liabilities

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

47.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, liabilities against assets subject to finance lease and short term borrowings obtained by the Company as referred to in Note 6, 7 and 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Company's strategy has been changed from last year is to maintain a gearing ratio of 50% debt and 50% equity (2014: 60% debt and 40% equity).

(Rupees in thousand)	2015	2014 Restated
Borrowings	5,301,528	5,368,876
Total equity	3,449,662	3,077,457
Total capital employed	8,751,190	8,446,333
Gearing ratio (Percentage)	60.58	63.56

The decrease in the gearing ratio resulted primarily from issue of right shares by the Company.

48. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the year ended June 30, 2015 amounting to Rupees 1.45 (2014: Rupees 1.25) per share at their meeting held on October 03, 2015. The Board of Directors also proposed to issue 30.0551 % right share (2014: 25%) of total issued subscribed and paid up capital. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 03, 2015 by the Board of Directors of the Company.

50. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

51. GENERAL

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

(Muhammad Anwar)
Chief Executive Officer

(Khalid Bashir)
Director

Pattern of Shareholding - (Form "34")
as at June 30, 2015

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
520	1	100	17,235	1	220,001	225,000	221,981
510	101	500	144,218	1	235,001	240,000	235,500
248	501	1,000	201,250	4	240,001	245,000	973,097
462	1,001	5,000	1,218,901	5	245,001	250,000	1,235,679
149	5,001	10,000	1,158,598	3	260,001	265,000	785,370
61	10,001	15,000	771,137	2	270,001	275,000	548,137
34	15,001	20,000	603,336	2	275,001	280,000	553,578
26	20,001	25,000	608,482	1	285,001	290,000	288,750
17	25,001	30,000	475,656	2	290,001	295,000	585,955
7	30,001	35,000	233,855	3	295,001	300,000	899,003
12	35,001	40,000	463,661	2	300,001	305,000	604,527
7	40,001	45,000	303,734	1	305,001	310,000	305,638
15	45,001	50,000	739,522	1	310,001	315,000	311,625
5	50,001	55,000	267,523	1	340,001	345,000	340,500
2	55,001	60,000	114,500	2	370,001	375,000	747,875
6	60,001	65,000	372,546	1	390,001	395,000	394,778
6	65,001	70,000	403,280	1	400,001	405,000	404,923
1	70,001	75,000	74,915	1	410,001	415,000	413,750
5	75,001	80,000	381,760	1	425,001	430,000	427,500
3	80,001	85,000	250,741	1	435,001	440,000	439,697
1	85,001	90,000	88,624	1	450,001	455,000	452,379
5	90,001	95,000	463,960	1	485,001	490,000	488,951
6	95,001	100,000	593,910	2	495,001	500,000	1,000,000
4	105,001	110,000	428,627	1	500,001	505,000	500,611
3	115,001	120,000	352,701	1	510,001	515,000	511,588
5	120,001	125,000	618,033	1	540,001	545,000	540,323
3	125,001	130,000	384,622	1	550,001	555,000	553,000
2	130,001	135,000	261,311	1	575,001	580,000	575,155
2	135,001	140,000	277,505	1	580,001	585,000	581,250
3	140,001	145,000	426,009	1	585,001	590,000	590,000
1	145,001	150,000	148,999	1	635,001	640,000	637,886
2	150,001	155,000	309,255	1	690,001	695,000	690,306
1	155,001	160,000	156,445	1	745,001	750,000	750,000
3	160,001	165,000	485,970	1	1,045,001	1,050,000	1,049,799
1	165,001	170,000	166,500	2	1,285,001	1,290,000	2,578,214
2	175,001	180,000	358,516	2	1,350,001	1,355,000	2,704,637
1	185,001	190,000	188,340	1	1,445,001	1,450,000	1,446,129
1	190,001	195,000	190,993	1	2,045,001	2,050,000	2,047,375
1	195,001	200,000	197,556	1	2,495,001	2,500,000	2,500,000
1	200,001	205,000	204,637	1	2,575,001	2,580,000	2,575,085
1	205,001	210,000	206,018	1	3,350,001	3,355,000	3,352,343
1	210,001	215,000	210,275	1	3,925,001	3,930,000	3,927,492
3	215,001	220,000	652,678	1	4,250,001	4,255,000	4,565,684
				2211			61,512,404

Pattern of Shareholding - (Form "34")

as at June 30, 2015

Categories of Shareholders	Numbers	Shares Held	% age
Individual	2,128	36,884,784	60.0
Joint Stock Companies	57	12,713,992	20.7
Associated Companies	6	10,092,380	16.4
Executives	4	1,489,634	2.4
Insurance Companies	2	292,685	0.5
Mutual Funds	1	25,383	0.0
Financial Institutation	6	7,576	0.0
Modaraba & Modaraba Cos	2	842	0.0
Non-Residents	5	5,128	0.0
Grnd Ttl	2,211	61,512,404	100

Pattern of Shareholding - (Form "34")
as at June 30, 2015

Categories of Shareholders

1	Directors, Chief Executive Officer, Their Spouse and Minor Children		
	Chairman, CEO & Director	(Number of shares held)	
	Chairman & CEO	Total	% age
	Muhammed Rafi	251,319	0.4
	Muhammad Anwar	637,886	1.0
	Directors		
	Ahmad Shafi	1,655,734	2.7
	Muhammad Arshad	301,214	0.5
	Nasir Shafi	299,341	0.5
	Khalid Bashir	273,163	0.4
	Khurram Mazhar Karim	127,415	0.2
	Muhammad Asif Nominee NIT		
	Directors' Spouse		
	Tanveer Khalid Bashir	123,472	0.2
	Mussarat Rafi	70,763	0.1
	Shaheen Nasir	10,196	0.0
	Abida Anwar	6,402	0.0
		3,756,905	6.1
2	Executives	1,489,634	2.4
3	Associated Companies, Undertaking & Related Parties		
	Crescent Cotton Mills Ltd	3,352,343	5.4
	Trustee-The Crescent Textile Mills Ltd Empl. Provident Fund	4,565,684	7.4
	Crescent Foundation	1,288,576	2.1
	Crescent Steel and Allied Products Ltd.	452,379	0.7
	Premier Insurance Limited	427,500	0.7
	Shakarganj Mills Limited	5,898	0.0
		10,092,380	16.4
4	NIT & ICP		
	Cdc - Trustee National Investment (Unit) Trust	2,575,085	4.2
	National Bank of Pakistan	1,049,799	1.7
	Trustee National Bank of Pakistan Employees Pension Fund	188,340	0.3
	Investment Corporation of Pakistan	9,000	0.0
	Trustee National Bank of Pakistan Emp Benevolent Fund Trust	6,609	0.0
	National Bank of Pakistan Investar Accounts Ndfc	2,054	0.0
	National Bank of Pakistan.	1,156	0.0
	Idbl (Icp Unit)	349	0.0
		3,832,392	6.2

Pattern of Shareholding - (Form "34")
as at June 30, 2015

5	Mutual Funds		
	Tri. Star Mutual Fund Ltd.	25,383	0.0
		25,383	0.0
6	Banks, NBFC's, DFI's, Takaful, Pension Funds	7,576	0.0
7	Modarabas	842	0.0
8	Insurance Companies	292,685	0.5
9	Non-Residents	5,128	0.0
10	Other companies, Corporate Bodies, Trust etc.	8,881,600	14.4
11	General Public	33,127,879	53.9
	Grand Total	61,512,404	100
	Shareholders more than 5% shareholding		
	Trustee-The Crescent Textile Mills Ltd Empl. Provident Fund	4,565,684	7.4
	Cs Capital (Pvt) Ltd	3,927,492	6.4
	Crescent Cotton Mills Ltd	3,352,343	5.4

Notice of Annual General Meeting

Notice is hereby given that the 66thAnnual General Meeting of the shareholders of The Crescent Textile Mills Limited (the "Company") will be held on Saturday, the October 31, 2015 at 9:00 a.m. at the registered office of the Company at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore to transact the following business:-

Ordinary Business:

1 To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.

2 To approve, as recommended by the Board of Directors, payment of cash dividend @ 14.5% i.e. Rs. 1.45 per share for the year ended June 30, 2015.

3. To appoint Auditors of the Company and fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass with or without modification, the following resolutions as special resolution:

"Resolved that the approval of the members of the Crescent Textile Mills Limited (the "Company") be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for long term equity investment of Rs. 99,044,280 in Crescent Steel and Allied Products Limited, an associated company, for subscribing 1,707,660 ordinary right shares at Rs.58 per share including a premium of Rs 48 per share offered to the Company on its existing shareholding as per term and conditions disclosed to the members.

Resolved Further That Mr. Muhammad Anwar, Chief Executive Officer and Mr. Ahmad Shafi, Executive Director of the Company, be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions."

By Order of the Board
(Naseer Ahmad Chaudhary)
Corporate Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T: +92-042-111-245-245
F: +92-042-111-222-245
Dated: October 03, 2015

Notice of Annual General Meeting

Notes:

1. Right Shares and Book Closure:
   The Board of Directors of the Company has declared 30.0551% right shares (30.0551 right shares for every 100 shares held) at a premium of Rs. 7.5 per share (total Rs. 17.5 per share). The right shares will be offered to all the members whose names will appear on the Members' Register of the Company at the close of business on November 14, 2015. The Members' Register will remain closed from November 15, 2015 to November 22, 2015 (both days inclusive) for right share entitlement. Physical / CDC transfers received in order at the Share Registrar's Office of the Company by the close of business on October 22, 2015 will be treated in time for the entitlement of cash dividend to the transferee and to attend the meeting. The Members' Register will remain closed from October 23, 2015 to October 31, 2015 (both days inclusive).

2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

3. Shareholders are requested to immediately notify the change in address, if any.

4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

   a. For attending the meeting:
      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 authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

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

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

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

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

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

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

Notice of Annual General Meeting

5. Computerized National Identity Card (CNIC) / National Tax Number (NTN)

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Dividend Mandate Option

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

7. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2015 along with Auditors and Directors Reports thereon on its website: www.ctm.com.pk

8. Deduction of Income Tax from Dividend @ Revised Rates

Pursuant to the amendment in section 150 of the Income Tax Ordinance, 2001 through Finance Act 2015, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	12.5%
Income Tax Return Non Filer	17.5%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for deduction at reduce tax are requested to provide us valid tax certificate or documentary evidence as the case may be. Members desiring non deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat, if not provided earlier.

The FBR has clarified that shareholders accounts jointly held by filers and Non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated individually as either a filer or a non-filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the close of business on October 22, 2015.

Folio/CDC Account No.	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder

9. Transmission of Financial Statements to the Members through e-mail

In pursuance of SECP notification S.R.O 787 (I)/2014 dated September 08, 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through e-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.ctm.com.pk

STATEMENT OF MATERIAL FACTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING TO BE HELD ON OCTOBER 31, 2015

Crescent Steel and Allied Products Limited ("CSAP") is an associated company of the Crescent Textile Mills Limited (the "Company") by virtue of common directorship with an existing investment of 6,830,643 Ordinary Shares representing 11% of the total paid-up capital of CSAP. Mr. Nasir Shafi and Mr. Khurram Mazhar Karim are common directors in both companies.

CSAP has issued 25% right shares and the Company has been offered 1,707,660 right shares on its above mentioned shareholding at a price of Rs. 58 per share including Rs. 48 as premium per share. Accordingly, the Board of Directors of the Company has approved subscription of right shares amounting to Rs. 99,044,280/- and has recommended the same for approval of shareholders pursuant to the requirement of Section 208 of the Companies Ordinance, 1984.

The Directors, sponsors and majority shareholders of the Company and their relatives have no interest, directly or indirectly, in CSAP and the proposed investment except to the extent of their/spouse's shareholdings that is as under:

Name	% of Shareholding
Mr. Muhammad Rafi	0.23
Mr. Muhammad Anwar	0.03
Mr. Ahmad Shafi	0.54
Mr. Khalid Bashir	0.18
Mr. Khurram Mazhar Karim	0.01
Mr. Muhammad Arshad	0.40
Mr. Nasir Shafi	0.06

The Directors submit that they have carried out necessary due diligence for the proposed investment in CSAP and duly signed recommendation of the due diligence report shall be available for inspection of members in the general meeting along with audited accounts of the associated company.

CSAP and its sponsors/directors have no interest in the Company except for their respective shareholdings in the Company, that is as under:

Notice of Annual General Meeting

Name	% of Shareholding
Mr. Ahsan M. Saleem	1.02
Mr. Khurram Mazhar Karim	0.21
Mr. Nasir Shafi	0.51
Mr. Zahid Bashir	0.16

Latest annual/reviewed audited accounts of CSAP shall be made available for inspection of members in the annual general meeting.

Information required under Clause (a) of sub regulation 1 of regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

i.	Name of the associated company	Crescent Steel and Allied Products Limited (CSAP)
	Criteria of associated relationship	Common directorship
ii.	Purpose	To keep intact strategic interest in CSAP.
	Benefits	To earn return on equity of CSAP through dividend income and capital appreciation
	Period of investment	Strategic investment - Long term
iii.	Maximum amount of investment	Rs 99,044,280
iv.	Maximum price at which securities will be acquired	Rs 58 per share
v.	Maximum number of securities to be acquired	1,707,660 ordinary shares
vi.	Shareholding before investment	No of shares: 6,830,643 Shareholding Percentage: 11%
	Shareholding after investment	No of shares: 8,538,303 Shareholding Percentage: 11%
vii.	Average of the preceding twelve weekly average price of the security intended to be acquired	Rs 91.95 per share (Jul 15 - Sep 15)
viii.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1) of the Companies (investment in Associated Companies or Associated Undertakings) Regulations, 2012	Not applicable as CSAP is listed security.

ix.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs 65.2 per share as at June 30, 2015 as per audited accounts.
x.	Earnings per share for the last three years	2015 Rs 1.71 per share 2014 Rs 5.80 per share 2013 Rs 13.14 per share
xi.	Source of funds from which shares will be acquired.	Investment will be made from the company's funds.
xii.	Requirement if shares are intended to be acquired using borrowed fund	Not applicable.
xiii.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	The Company will be subscribing to right shares, hence no agreement is required.
xiv.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the associated company or transaction under consideration.	Directors are interested in investee company to the extent of their shareholding.
xv.	Any other important details necessary for the members to understand the transaction; and	None
xvi.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required namely.	Not applicable
	(I) Description of the project and its history since conceptualization;	
	(II) Starting and expected date of completion of work;	
	(III) Time by which such project shall become commercially operational; and	
	(IV) Expected time by which the project shall start paying return on investment	

crestex
The Crescent Textile Mills Limited

66th Annual General Meeting

Share Registrar
Crescent Group (Pvt) Ltd.,
10th Floor, BOP Tower, 10-B,
Block E-2, Main Boulevard, Gulberg,
Lahore, Pakistan

PROXY FORM

I/We ______________________________ of Faisalabad a member/member of The Crescent Textile Mills Limited and holder of ______________________________ shares as per Registered Folio # / CDC Participant ID # / Sub A/C # / Investor A/C # ______________ do hereby appoint ______________________________ of ______________ or failing him ______________________________ of ______________________________ who is also member of the Company vide Registered Folio # ______________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the 66th Annual General Meeting of the Company to be held on Saturday the October 31, 2015 at 9:00 a.m. at Registered Office 45-A, Off: Zafar Ali Road, Guliberg V, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of ____________ 2015.

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

Affix Revenue
Stamp of Rs. 5/-

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

Member's Signature

Date:

Place: Lahore

CDC A/C #															
CNIC #															

Note:

1. The Form of Proxy should be deposited at the Share Registrar Office of the Company not later than 48 hours before the time for holding the meeting.

2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards/Passport in original to provide his/her identity, and in case of Proxy, must enclosed an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents for such purpose.

Book Post

If undelivered, please return to:

Mills & Head Office
Sargodha Road,
Faisalabad, Pakistan
T: +92-41-111-105-105
F: +92-41-111-103-104
E: crestex@ctm.com.pk

Registered Office
45-A, Off: Zafar Ali Road, Gulberg-V,
Lahore, Pakistan
T: +92-42-111-245-245
F: +92-42-111-222-245
E: mailho@crescentbahuman.com

Share Registrar
Crescent Group (Pvt) Ltd
10th Floor BOP Tower, 10-B, Block E - 2,
Main Boulevard, Gulberg,
Lahore, Pakistan
T: +92-42-35783801-2
F: +92-42-35783811
E: corpsecry@cresjute.com

www.ctm.com.pk