Annual Report 2016

crestex

The Crescent Textile Mills Limited

بسم الله الرحمن الرحيم

CONTENTS

COMPANY INFORMATION

Board of Directors

Mr. Muhammad Rafi	Chairman
Mr. Muhammad Anwar	Chief Executive Officer
Mr. Ahmad Shafi	Director
Mr. Amjad Mehmood	Director
Mr. Anjum Muhammad Saleem	Director
Mr. Khalid Bashir	Director
Mr. Khurram Mazhar Karim	Director
Mr. Muhammad Asif (Nominee NIT)	Director

Audit Committee

Mr. Khalid Bashir	Chairman
Mr. Anjum Muhammad Saleem	Member
Mr. Khurram Mazhar Karim	Member

HR & R Committee

Mr. Khalid Bashir	Chairman
Mr. Ahmad Shafi	Member
Mr. Anjum Muhammad Saleem	Member

Chief Financial Officer

Mr. Sadiq Saleem

Corporate Secretary

Mr. Naseer Ahmad Chaudhary

Head of Internal Audit

Mr. Kashif Saleem

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Syed Masroor Ahmad — Advocate

Stock Exchange Listing

The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.

The Company's shares are quoted in leading dailies under textile composite sector.

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Burj Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Mills & Head Office

Sargodha Road,
Faisalabad, Pakistan
T: + 92-41-111-105-105
F: + 92-41-8786525
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

CorpTec Associates (Pvt) Ltd.,
503 - E, Johar Town,
Lahore, Pakistan
T: +92-42-35170336-37
F: +92-42-35170338
E: info@corptec.com.pk

www.ctm.com.pk

KEY FIGURES

Item	FY 2016	FY 2015	Unit
Profit after Tax	251	220	(Rs. in million)
Other Expenses	26	63	(Rs. in million)
Finance Cost	360	429	(Rs. in million)
Other Income	376	249	(Rs. in million)
Contribution to national exchequers	297	258	(Rs. in million)
Net Worth	4,552	3,448	(Rs. in million)
Current ratio	0.90	0.81	(Times)
Debt equity ratio	1.32	1.54	(Times)

VISION AND CORE 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.

CORE VALUES

Our core values are at the heart of our business because they define who we are, how we work, what we believe in a what we stand for. Our core values set out how we act and how we expect to be treated as part of The Crescent Textile Mills Limited.

INTEGRITY

- Walk the Talk
- Ownership
- Professional Ethics
- Personal Integrity

INNOVATION

- Creative Solutions
- Change Agent
- Transformational Approach
- Challenging the Status Quo

CUSTOMER CENTRICITY

- Excellence Service
- Customer Engagement
- Fulfilling Customer Needs
- Re-shape Environment

COMMITMENT

- Fostering the Co. Vision
- Empowering Others
- Establishing Focus
- Achieving Results

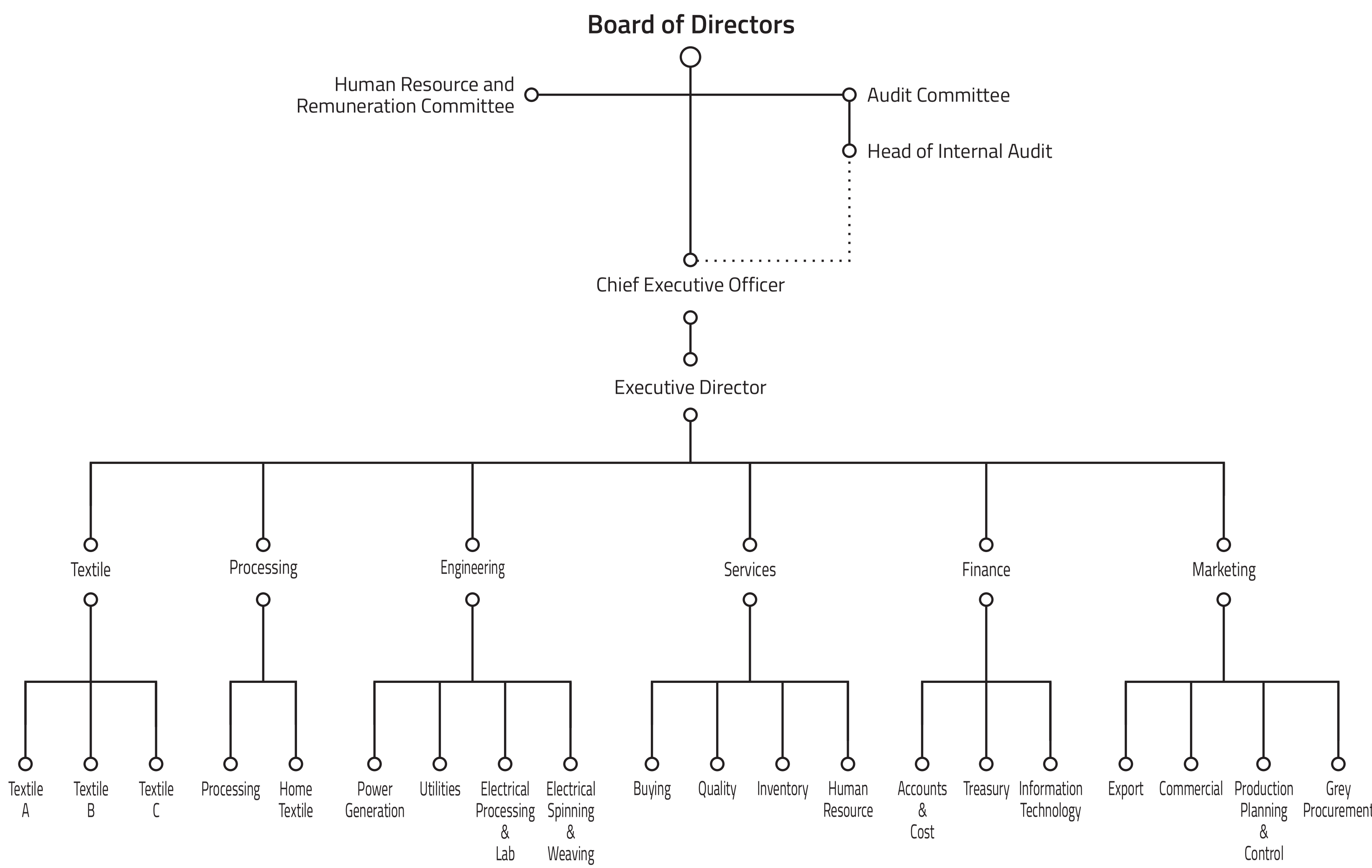
TEAMWORK

- Organizational Growth
- Developing Teams
- Knowledge Sharing
- Self Development

QUALITY

- Cultivating Excellence
- Managing Projects
- Improve Results
- Meet Expectation

MANAGEMENT STRUCTURE / ORGANIZATION CHART

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Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
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Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP
*Mobile apps are also available for download for android and ios devices

DIRECTORS' REPORT

for the year ended June 30, 2016

The directors of your company have the pleasure in presenting Annual Report along with audited Financial Statements of the company and the Auditors' Report thereon for the year ended June 30, 2016.

FINANCIAL PERFORMANCE

Comparison of the financial performance of company with previous year is as below:

(Rupees in million)	FY 16	FY 15	Var.	
				%
Sales	10,578.809	11,778.815	(1,200.005)	(10.19)
GP	1,340.172	1,457.089	(116.917)	(8.02)
Operating costs	942.816	944.995	(2.179)	(0.23)
Finance cost	360.006	428.515	(68.509)	(15.99)
Operating profit	37.350	83.579	(46.229)	(55.31)
Other income	376.305	249.272	127.033	50.96
Reversal of CBL's profit (net)	(66.980)	25.521	(92.501)	(362.45)
Taxation	96.132	138.072	(41.940)	(30.38)
NPAT	250.543	220.300	30.243	13.73
EPS (Rs)	3.57	3.89	(0.32)	(8.23)

Net sales revenues of the company during year were down by 10.19% over Same Period of Last Year (SPLY) mainly due to lower yarn sales by Rs.1,045.246 million (declined by 23.35% over SPLY). Similarly cost of sales was down by 10.49% over SPLY and company was able to earn improved gross margins by 0.30% on comparative basis. This was attributable mainly due to decrease in fuel and power cost (down by 21.79%) along with some decline in material costs.

Negative impact of plummeting margins of spinning segment eroded savings accrued to company during FY16 from the positive contribution provided by utilities cost. However, the improved performance of value added segments provided sigh of relief to some extent and company was able to achieve nominal growth in GP margins in comparison to the previous years' results.

Operating costs of the company was slightly higher as increase in salaries of the administrative staff had negative impact on net margins but this impact was neutralized through reduction in other operating expenses on comparative basis. Improved contribution from other income due to gain on disposal of fixed assets and increased dividend income received during the year, redemption of Preference Shares by Shakarganj Limited, savings in finance cost despite pending tax refunds and tax benefits from capital expenditure incurred during the year supported bottom line of company. Company posted an increase of Rs.30.243 million (higher by 13.73% over SPLY) in net after tax profit despite reversal of Rs.66.980 million on account of net share of profit included in carrying value of investment of the company in Crescent Bahuman Limited (CBL) as status of CBL was no more an associate of company on close of FY16.

APPROPRIATIONS

The Board of Directors of the company in their meeting held on 17th September 2016 proposed a final cash dividend for the year ended June 30, 2016 of Rs.1.255 per share (i.e.12.55 %) (2015: Rs. 1.45 per share) amounting to Rs.100.400 million. The proposed final cash dividend was subject to the approval of the members at the Annual General Meeting to be held on 31st October, 2016. These financial statements do not include the effect of above proposal which would be accounted for in the period in which it was approved by the members.

FINANCIAL STATEMENTS

As required under clause 5.19.4(a) of PSX Rule Book, the Chief Executive Officer and the Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorize the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company, Messrs Riaz Ahmad & Co, Chartered Accountants and their report is attached with the financial statements. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

AUDITORS

The auditors Messrs Riaz Ahmad & Co., Chartered Accountants, retire and offer themselves for re-appointment for the year 2017. The Board Audit Committee and the Board of Directors of the Company have recommended their appointment for shareholders consideration and approval at the forthcoming annual general meeting.

CHANGES IN THE BOARD AND COMMITTEES

The following changes had taken place since the previous year's Annual Report:

Mr. Amjad Mahmood and Mr. Anjum Muhammad Saleem joined the Board as non executive directors of the company falling casual vacancies created by Mr. Muhammad Arshad and Mr. Nasir Shafi, the outgoing directors. As a result of foregoing changes in the board, necessary changes were made on committees of the board.

The Board welcomed the new members and appreciated the valuable contribution of the outgoing members for a very long time while they were on the board and members its committees.

The detail of number of board and committee meetings held during the year and attendance by each director is as follows:

Sr. No.	Name	Board of Directors Meeting	Audit Committee Meeting	HR & R Committee Meeting
1	Mr. Ahmad Shafi	4/4		1/1
2	Mr. Amjad Mehmood	1/1		
3	Mr. Khalid Bashir	4/4	5/5	1/1
4	Mr. Khurram Mazhar Karim	4/4	5/5	
5	Mr. Muhammad Anwar	4/4		
6	Mr. Muhammad Arshad	3/3		
7	Mr. Muhammad Asif	3/4		
8	Mr. Muhammad Rafi	1/4		
9	Mr. Nasir Shafi	4/4	4/5	0/1

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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. Financial data of the last six years is attached; (page 22)

i. Pattern of Shareholding is attached; (page 95)

j. During the year 404,017 shares purchased by Mr. Ahmad Shafi (Director) and 169,500 shares were purchased by Mr. Khalid Bashir (Director) and her spouse. Further pursuant to the allotment of right shares the following directors have acquired the shares of the company:

Name	No. of Shares
Mr. Ahmad Shafi	1,525,884
Mr. Khalid Bashir	97,119
Mr. Khurram Mazhar Karim	38,294
Mr. Muhammad Anwar	191,717
Mr. Muhammad Rafi	75,533

The aforesaid information was also disclosed to Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) in accordance with the provisions of PSX Rule Book and Securities Act, 2015. Other than that no trading in the shares of the Company was carried out by any other Director, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, Executives and their spouses and minor children.

k. One director of the Company had already completed Directors' Training Program (DTP) while remaining all directors met the criteria of exemption under code of corporate governance.

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

m. Statement of value of investments in respect of employees' retirement plan has been given in Note 40 of the financial statements.

CHIEF EXECUTIVE'S REVIEW

The Directors endorse the contents of the Chief Executive's Review for the year ended June 30, 2016.

For and on behalf of the Board of Directors

(Muhammad Anwar)
Chief Executive Officer

CHIEF EXECUTIVE'S REVIEW
for the year ended June 30, 2016

INDUSTRY REVIEW

Dismal year for textile industry on bleak export performance - The downtrend of textile exports continued throughout the year and total drop in FY 16 exports was 7.7% to US$12.50 billion. Multiple factors including lower cotton crop, high input cost, slow yarn demand from China and slump in commodity prices rounded off the disappointing year for industry. It had a troublesome year with global economic slowdown affecting demand, high tariff and shortage of energy causing cost escalation and halts in production and problem in liquidity because of blockade of tax refunds and rebates. Local cotton prices rose 19% as compared to 3% increase in international prices on account of shortage of crop. In overall weak backdrop exports of non value added segments was significantly low as against value added which held up ground and witnessed 2% decline.

Performance of spinning segment was abysmal as yarn prices weakened more than realized prices of cotton which squeezed its spreads and resultantly the drop in both of its volumes and unit prices was significant.

OPERATIONAL PERFORMANCE

Production and sales volumes of the company remained stable and satisfactory during the year except lackluster performance of spinning segment due capacity curtailment and oversupplied local market and slowdown of exports to China. Data of the current year with last year is compared as below:

Production and sales	UoM	FY16	FY15	Var.	
		Qty		Qty	%
Production					
Yarn	Kgs	18,633.74	21,423.91	(2,790.17)	(13.02)
Grey fabric	Mtrs	9,084.26	8,176.09	908.178	11.11
Processed fabric	Mtrs	24,661.67	24,385.00	276.674	1.13
Home textiles	Mtrs	16,468.44	16,777.09	(308.645)	(1.84)
Sales					
Yarn	Kgs	12,935.97	15,402.78	(2,466.81)	(16.02)
Grey fabric	Mtrs	2,369.97	2,369.40	0.57	0.02
Processed fabric	Mtrs	4,448.81	4,358.51	90.305	2.07
Home textiles	Mtrs	20,457.10	20,259.90	197.202	0.97

Downtrend in international prices of commodities also reflected in drop of realized unit prices of the products of company during the year as below:

Sale rates	UoM	FY16	FY15	Var.	
		Unit prices		Rs.	%
Yarn	Rs./Kg	266.61	291.61	(25)	(8.57)
Grey fabric	Rs./Mtr	146.46	134.88	11.58	8.59
Processed fabric	Rs./Mtr	187.51	191.54	(4.03)	(2.1)
Home textiles	Rs./Mtr	255.91	263.42	(7.51)	(2.85)

CHIEF EXECUTIVE'S REVIEW

for the year ended June 30, 2016

Realized prices of grey fabric improved on comparative basis due change of product mix in exports during the year which yielded higher average prices. Decline in average unit prices of yarn was significant as depressed market conditions prevailed throughout due influx of Indian yarn besides abundance of local supplies coupled with lack of export demand.

MAIN EVENTS AND HIGHLIGHTS - FY 16

BALANCE SHEET ANALYSIS

Members' stake was elevated through jump of 32% in their holding as total equity of company rose from Rs. 3,448 million to Rs. 4,552 million over SPLY. It enhanced breakup value of the ordinary stock from Rs. 56.05 to Rs. 56.90. Injection of Right 2 (Rs. 323.533 million from issuance of 18.488 million shares @ Rs. 17.50 including Rs. 7.50 as premium), gain of Rs. 76.687 million realized on sale of 107 acres of land at Pindi Bhattian, increase in value of investments (Rs. 542.071 million) and net after profit (Rs. 250.543 million) for the year contributed to improvement in their stake in company.

Co. remunerated its members by paying Rs. 1.45/ share cash to each of ordinary stockholder for a total outlay of Rs. 89.193 million during the year.

Non- current liabilities rose by Rs. 360 million excluding its current portion mainly due to use of LTFF loans Rs. 400 million for import of machinery and its incidence on deferred tax liability. During year company repaid its debt to the tune of Rs. 111.843 million to the lending institution on timely basis.

LTFF of Rs. 1,250 million was arranged for CapEx needs of company for BMR of existing plant and machinery. Most of this facility was used in opening of letter of credits for machinery already approved by the Board.

Current liabilities of the company remained in check and depicted down trend despite an increase of Rs. 406.104 million in short term borrowings and also an overall increase in current assets of the company. This was achieved on improving financial health of the company and huge amount of undisbursed tax refunds by the GoP. Company had discharged its liabilities smoothly as funds position remained at comfortable level.

Non-Current assets showed a decent increase of Rs. 925 million as property plant and equipments remained on constant rise (net increase of Rs. 355.009 million recorded as these assets were higher to Rs. 4,494.639 million to Rs. 4,139.630 million over SPLY).

Non-current assets strengthened through import of machinery and advance for purchase of land.

Acquisition of 50.1 acres land at FIEDMAC to shift some of the business operations, mainly of value added segments, from existing premises.

Spinning capacity was adjusted to boost its efficiency by relocating and disposing of some of the older and inefficient machines of Unit 01 and 02 existed in old buildings to the renovated shed vacated due sale and shifting of looms to Hattar. Company incurred renovation cost of Rs. 59.482 million on this shed and saved substantial funds not by constructing new building for this purpose. During the year the company disposed of 27,808 spindles and added 8,064 spindles imported from Turkey. This resulted into overall reduction of capacity from 120,016 spindles to 100,272 spindles, net reduction of 19,744 spindles.

During the year Capital Expenditure of Rs. 553 million was incurred on land, building and on plant and machinery imported for BMR of existing manufacturing facilities; which was financed through LTFF of Rs. 400 million and balance through own sources.

Company disposed off 'Property, plant and equipment' which included free hold land (measuring 107 acres at Pindi Bhattian for Rs. 144.129 million), Ring Spinning Frames (27,808 spindles), 10 Cone Winders, 2 Combers. 2 Doubling Twister machines, 1 Monforts Stentor, 8 vehicles and other assets during the year as approved by the Board. The related gain of Rs. 174.345 million (Rs. 76.687 million directly in equity and Rs. 97.658 million was taken in Other Income) was accounted for. These assets were disposed off to various buyers through mutual negotiations.

CHIEF EXECUTIVE'S REVIEW

for the year ended June 30, 2016

Company subscribed to the right of Crescent Steel and Allied Products Limited (Rs. 99.044 million i.e. 1.708 million shares @ Rs. 58 including Rs. 48 as premium) and Shakarganj Limited (Rs. 31.599 million i.e. 3.160 million shares @ Rs. 10) to keep its stake intact and ensure recurring benefits like dividends and growth in share prices of these companies. Post right subscription the Shakarganj Limited redeemed 'Preference Shares' along with two (02) years' profits @ 8.50% which resulted into income of Rs. 26.205 million through gain of Rs. 21.537 million on redemption of shares (already impaired) and dividend of Rs. 4.668 million. Both of these investments stand beneficial to company currently in terms of return and growth in share price.

Higher level of short term borrowings was the result of pending Tax Refunds besides increase raw materials and HFO inventory levels.

Improvement of Current Ratio was achieved from 0.81 to 0.90 and boosted financial stability of company.

Advances and other receivables remained higher due import of cotton, machinery and most importantly lack of pending refunds due lack of disbursement by GoP throughout during last more than one year. The impact of such increase was Rs. 336.844 million and other receivables also included undisbursed dividends on Preference Shares issued by the Crescent Bahuman Limited due unabsorbed previous losses.

PROFIT AND LOSS ANALYSIS

Net sales revenues of the company for the year under review declined from Rs. 11,578.810 million during SPLY to Rs. 10,778.815 million showing negative growth of Rs. 1,200.005 million and were down by 10.19% from previous year.

Decline in cost of sales slightly edged over decline in sales revenues as consistent decreasing fuel and power cost and some advantage of lower input cost helped achieving improvement in over decline in costs of the company and depicted growth marginal growth in GP margins which was 12.67% of sales as against 12.37% during SPLY.

Operating costs remained in control and declined by Rs.2.179 million in comparison of last year (down by 0.23% from SPLY) due better control exercised by the management over such costs .

Other income showed a healthy and higher contribution of Rs. 127.033 million over SPLY as company realized gains on disposal of land, property plant and equipment along improvements in dividend income and repayment of preference shares by Shakarganj Limited. which was added in income due already impaired.

Finance cost was reduced despite increase in short term borrowings as mark up rates were down because SBP continued to cut the discount on back of contained inflation. Use of US$ loans at cheaper rates and timely repayment of long term debt also contributed positively in reducing this cost.

Reversal of CBL's share of profits (net); which were added to investment in this company as the same was being recorded under equity method of valuation, reduced current year's profit of the company by Rs. 66.980 million. It was necessitated because as company's investment in ordinary stock of CBL had fallen from 32.99% to 19.8% due increase in its equity base upon issuance of Right by the company during the year.

Taxation was down as tax rebate on investment in plant and machinery; which helped in decreasing current year's liability of the company despite an increase in deferred tax liability.

PROFIT, DIVIDEND AND ACCUMULATED FREE RESERVES

Including previous year's profit the company had Rs. 2,833.144 million of revenue reserves and out of the same Rs. 89.193 million were utilized towards payment of final dividend @ Rs. 1.45/ Share on 61,512,404 shares fully paid during the current year as approved by the members in Annual General Meeting of the company held on October 31,2015. These reserves were further boosted with profitability, gain on fair value of investments and premium on Right 2 issued during the year and were up by Rs. 918.790 million to close reserves at Rs. 3,751.934

million available for distribution at the end of financial year 2016. Thus net increase of 32.43% was recorded in the value of shareholders in FY2016.

FUTURE PLANS

Company had established LCs of Rs.660 million for the import of plant and machinery under the approved capital expenditure budget by the Board; which included machines for all its segments and will be added during FY17. The installation of these machines will contribute positively to the financial performance of company. FIEDMC (Faisalabad Industrial Estate, Development and Management Company) has allotted 50 acres of land to the company against down payment of 15% and balance to be paid in installments over period of 6 years. Company intends to shift its value added segments in FIEDMC and construction of building is likely to be started during FY17 after completion of necessary spade work. The services of consultants were already hired to complete the building design; which was under review during current period.

Upon shifting of business operations in FIDMC the company could get tax incentives due grant of SEZ by the GoP to this estate as it has built required infrastructure and ensures provision of utilities to the industrial units in future at lower cost to boost exports of the country.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Over the year company has demonstrated its enduring commitment to play the role of responsible corporate citizen. Throughout of its more than 6 decades of itssustainable business operations this commitment is reflective an excellent relationship with all the stakeholders including Govt, Semi Govt agencies, NGOs and all those who have been connected to the social uplift of the community development. The collaboration and participation is diversified and extends in providing:

- Education to the underprivileged class of the society to enable them play role of responsible citizen.
- Health and medical facilities to needy and poor citizens to discharge social and religious obligation.
- Disaster relief and rehabilitation work for the affected community to aid restoration their normal life.
- Sports and environmental activities to keep community and environment healthy and hazard free.

EDUCATION

Under the CSR commitment of the company has been partnering with The Citizen Foundation (TCF), welfare organization working under Govt and NGOs working for promotion of education in the rural areas. Company has

CHIEF EXECUTIVE'S REVIEW
for the year ended June 30, 2016

been funding 03 Units primary sections of TCF, already built by company in remote area of Faisalabad, for annual running expense amounting to Rs. 6.60 million. Similarly, company is contributing regularly for educational societies and organizations involved in such noble cause. In addition to cash contribution senior officials have volunteered 336 hours to their structured programs throughout the year.

HEALTH AND MEDICAL CARE

Company has donated Rs. 4.243 million to reputable institutions engaged in providing health and medical facilities for poor and needy class of the society including Shaukat Khanum, Cancer Hospital and Research Centre, Chiniot Blood Bank and Dialysis Centre and Islamia Hospital Chiniot besides providing funds for purchase of essential medical equipments. Company arranges annually bed sheets for full requirement of Islamia Hospital, Faisalabad and The Kidney Centre, Karachi.

To ensure health and safety at the workplace employees are trained to protect themselves 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 well equipped fire fighting department is looking after immediate fire hazardous.

ENVIRONMENTAL PROTECTION

Conservation of environment and to protect its environment from hazard always remains on top priority for the company so that no vulnerable process emission can harm community at large. Operational facilities are continuously evaluated through required safety equipments to fulfill this commitment. Company had also installed ETP (Effluent Treatment Plant) for water being discharged from its fabric processing facilities.

Business and operations of the company are certified for compliance of international standards and regulatory requirements from national and international agencies. We have achieved 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 for Fabric, Human Ecology
Oeko-Tex 100	Product Standards for Home Textiles, Human Ecology
SA 8000	Social accountability
SEDEX	Audit Data Bank for sharing with customers
SMETA/ETI Code	Ethical Trading Initiative
Ecolabelling Norway (SWAN)	Environmental, Health and Quality requirements

TREES PLANTATION

Trees and plants are the prime source of environmental purification and beautification. Trees inhale carbon dioxide and exhale oxygen, reduce temperature and create a healthy effect, both physically and psychologically, on human beings. In fact, forests are the only natural industry which produces oxygen. Today world is facing environmental problems like Global warming, ozone depletion and pollution are burning issues. Solution to these problems lies in planting more trees.

During the year, we planted 955 trees. Over the years, our plantation size has increased to 12,000 trees. By planting trees we are reducing CO2 emissions and contributing towards healthy, natural living environment for all our employees and society at large.

EMPLOYMENT OPPORTUNITIES AND INDUSTRIAL RELATIONS

Company has a long and established history of keeping its cordial relations across at all levels with mutual trust,

CHIEF EXECUTIVE'S REVIEW
for the year ended June 30, 2016

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. Upholding its social responsibility and commitment appropriate share of jobs is provided to the social persons. Reasonable opportunities are 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 leaves, 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 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 (KPK) 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. Throughout the year no shutdowns were witnessed in any segments except due to routine overhaul and maintenance and rather efforts were made to optimize the use of gas, steady plant operations through monitoring of efficient utilization of energy by installing gauges and meters to avoid its losses.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the company contributed Rs. 297 million to national exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US$ 66 million through the export of its products.

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. 1,160.213 million (Rs. 1,069.642 million audited accounts of FY15).

ERP AND IT DEVELOPMENT

To meet ever growing business challenges and ensure timely and accurate MIS for online monitoring operational

CHIEF EXECUTIVE'S REVIEW

for the year ended June 30, 2016

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. Oracle 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. Company has engaged PWC for designing and developing Enterprise Resource Planning (ERP) business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources. Scope of work in phase I includes Oracle Purchasing, Oracle Inventory, Oracle Landed Cost Management, Oracle Enterprise Asset Management and Oracle Order Management.

Scope of work in phase II will involve manufacturing and before going for manufacturing a gap analysis document will be published to identify 'As Is' prior to planning and common understanding in black and white. Customization of Cotton Offers recording and approval process, Comparative Chart Approval and Gate Pass System interfacing with Weighing Scale Integration, HVI Interfacing and Management Portal will be under taken.

Future scenario will be Single Sign on, Rationalize Multiple Systems into one common solution, speedy information delivery with lower transactions, integrated systems in a single database, same look and feel of improved standardize business processes.

FUTURE BUSINESS OUTLOOK

Currently cotton prices are on the rise owing to concerns of lower crop locally and internationally and are expected to ease off once the new crop arrives. In case prices move in upward trajectory it may result into losses if eventually prices fall on the back of low demand. To address continuous decline in exports the GoP has announced some measures in the Budget of FY 17 which included Zero Rating Scheme, reduction in ERF mark up rates and release of pending GST Refunds. The likely impact of the these measures may reflect in future periods but industry still remains uncompetitive in the region due high cost of doing business.

Commerce Minister has already hinted at the downwards revision of exports target due to the multiple of exogenous and endogenous factors. Exports are likely to witness further plunge if obstacles faced by the industry are not addressed on war footings. Lately in FY16 supply of RLNG has helped in improving operational performance and going forward its uninterrupted supply may bring some positivity but its increasing cost poses risk to margins.

Despite host of issues that plague the industry we are confident to ride out the challenges through focused improvement in value added products by reducing inefficiencies and controlling the finance cost in the future periods. We are hopeful that with additions of new machines under BMR and our efforts to cost control will yield better results in future for improved returns to the members of the company.

In the end, on behalf of the Board, I express my gratitude to the members for reposing confidence and trust in our performance. We also acknowledge the efforts of our team of professionals and appreciate continued support of our vendors, customers and bankers who contributed in our performance and together we shall add more value and pride in future for all the stakeholders.

For and on behalf of the Board of Directors

(Muhammad Anwar)
Chief Executive Officer

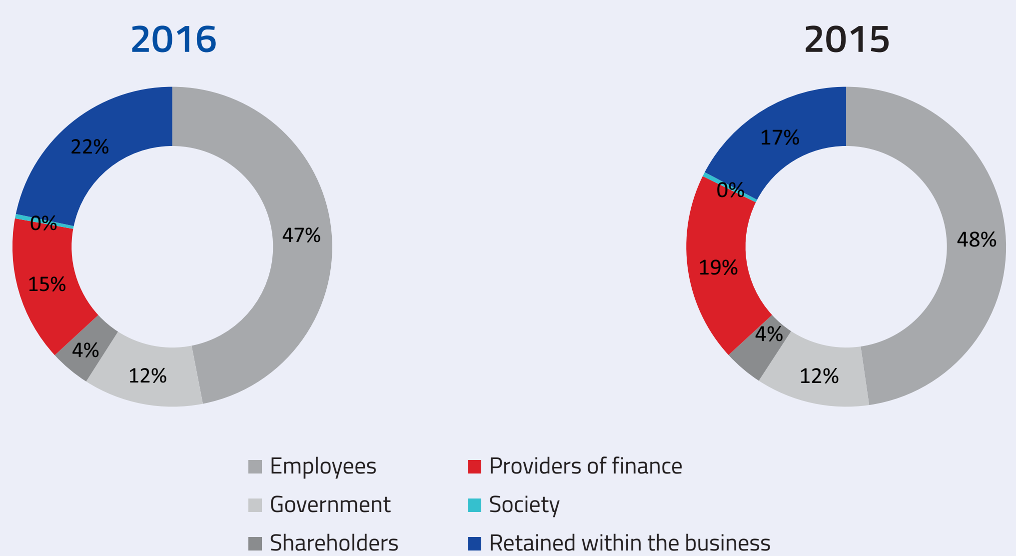
STATEMENT OF VALUE ADDITION

(Rupees in million)	2016	2015
Wealth Generated		
Total revenue	10,579	11,779
Bought-in-material and services	8,129	9,536
Net wealth generated	2,450	2,243
Wealth Distributed		
To Employees		
Salaries, wages and other benefits	1,150	1,070
To Government		
Taxes and duties	297	258
To Shareholders		
Dividend*	100	89
To Providers of Finance		
Finance cost	360	429
To Society		
Donation toward health and education	11	10
Retained within the business for future growth		
Retained earnings and depreciation**	532	387
	2,450	2,243

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

**Retained earnings excludes share of associate profit / loss and other comprehensive income.

Distribution of Wealth



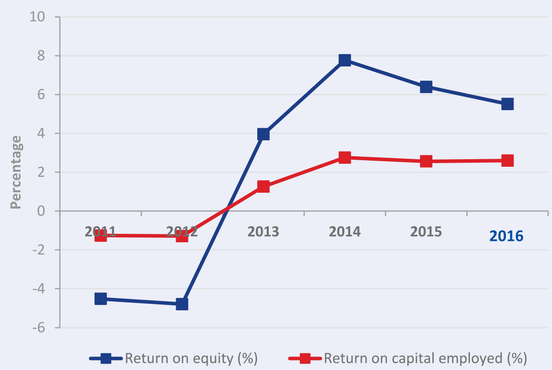
PERFORMANCE INDICATORS

		2016	2015	2014	2013	2012	2011
A. PROFITABILITY RATIOS							
Gross profit ratio	%	12.67	12.37	11.08	11.22	11.89	9.25
Net profit to sales	%	2.37	1.87	1.93	0.84	(0.92)	(0.77)
EBITDA margin to sales *	%	8.71	8.32	8.32	8.04	7.81	5.20
Operating leverage ratio	%	100	67	30	283	(324)	(140)
Return on equity	%	5.51	6.39	7.76	3.96	(4.79)	(4.52)
Return on capital employed	%	2.60	2.56	2.76	1.26	(1.29)	(1.26)
B. LIQUIDITY RATIOS							
Current ratio	Times	0.90	0.81	0.76	0.71	0.77	0.74
Quick ratio	Times	0.62	0.58	0.51	0.48	0.57	0.51
Cash to current liabilities	%	0.14	0.08	0.11	0.08	0.29	0.23
Cash flow from operations to sales	%	1.01	6.50	9.11	8.40	11.67	0.98
C. ACTIVITY / TURNOVER RATIOS							
Inventory turnover	Times	6	7	7	8	7	10
No. of days in inventory	Days	59	50	50	48	52	37
Debtor turnover	Times	4	5	5	4	3	5
No. of days in receivables	Days	85	75	69	91	108	74
Creditors turnover	Times	9	10	11	7	6	15
No. of days in payables	Days	39	37	33	52	59	24
Total assets turnover	Times	0.76	0.95	1.04	1.06	0.96	1.17
Property, plant and equipment turnover	Times	2.35	2.85	2.97	2.97	3.26	3.66
Operating cycle	Days	105	88	87	87	102	87
D. INVESTMENT / MARKET RATIO							
Basic and diluted earnings /(loss) per share	Rs.	3.57	3.89	4.68	2.27	(2.38)	(2.31)
Price earning ratio	Times	5.26	5.43	4.38	7.78	(3.74)	(6.90)
Dividend Yield ratio **	%	6.67	6.86	6.10	-	-	-
Dividend Payout ratio **	%	40.00	40.45	26.69	-	-	-
Dividend Cover ratio **	Times	2.85	2.68	3.75	-	-	-
Cash dividend **	%	1.255	14.50	12.50	-	-	-
Market value per share							
- At the end of the period	Rs.	18.82	21.15	20.49	17.70	8.90	15.90
- Highest during the period	Rs.	24.43	22.53	26.98	20.05	15.90	28.00
- Lowest during the period	Rs.	17.30	16.24	13.35	8.60	7.27	13.25
Break up value w/o surplus on revaluation	Rs.	56.90	56.05	62.55	57.43	49.62	51.06
Break up value with surplus on revaluation	Rs.	84.58	93.30	109.10	103.98	82.95	84.40
E. CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Times	1.32	1.54	1.74	2.15	2.61	2.73
Weighted average cost of debt	%	6.37	8.03	8.25	9.39	11.52	8.24
Long term debt to Equity ratio	%	9.78	3.22	4.00	10.16	20.43	22.55
Interest Cover ratio	Times	1.96	1.84	1.73	1.42	0.98	0.97

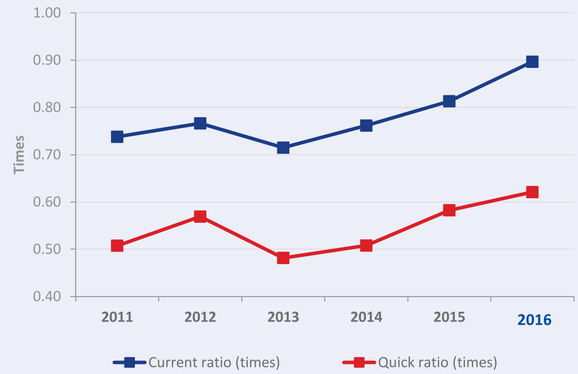
* EBITDA stands for earning before interest, taxes, depreciation and amortization.

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

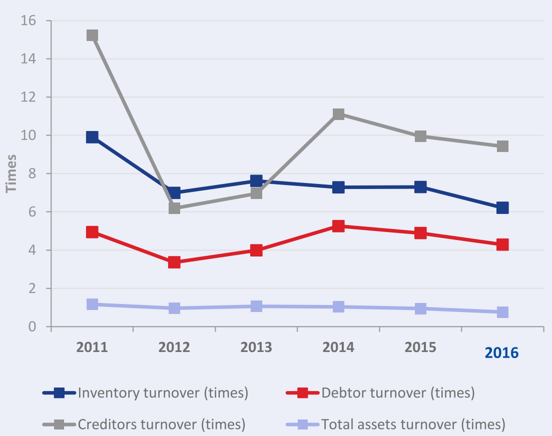
RETURN ON CAPITAL AND EQUITY



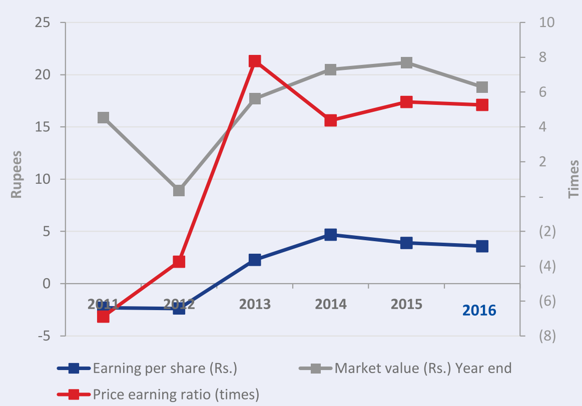
LIQUIDITY



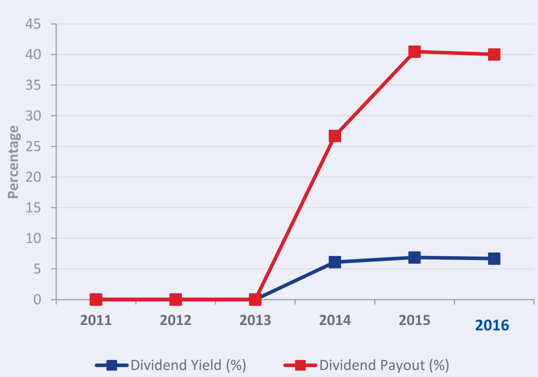
ASSET MANAGEMENT



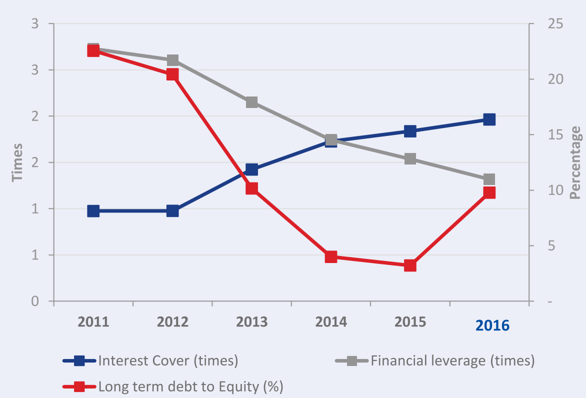
PER SHARE RESULT



DIVIDEND AND RETURNS



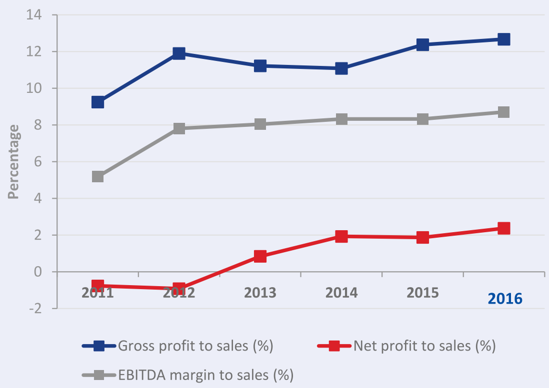
DEBT MANAGEMENT



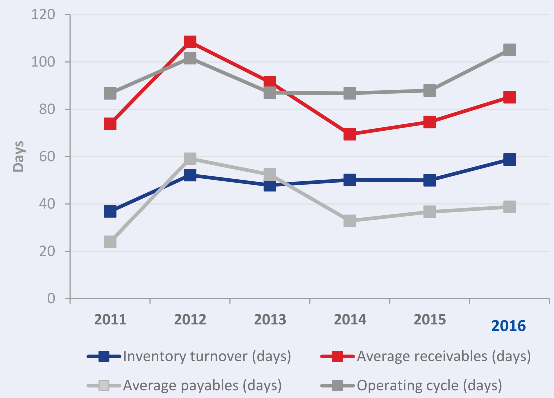
KEY OPERATING AND FINANCIAL DATA

(Rupees in million)	2016	2015	2014	2013	2012	2011
SUMMARY OF PROFIT AND LOSS ACCOUNT						
Sales	10,579	11,779	12,411	13,262	12,729	14,759
Gross profit	1,340	1,457	1,375	1,488	1,514	1,365
Profit from operations	774	761	863	802	866	659
Share of profit / (loss) from associate	(67)	26	(48)	29	(123)	(145)
Profit / (loss) before taxation	347	358	343	247	(18)	(13)
Profit / (loss) after taxation	251	220	239	112	(117)	(113)
SUMMARY OF BALANCE SHEET						
Property, plant and equipment	4,495	4,140	4,176	4,468	3,905	4,035
Stock in trade	1,636	1,338	1,490	1,541	1,550	1,658
Trade debts	2,366	2,567	2,248	2,476	4,173	3,392
Current assets	5,923	5,343	4,944	5,104	6,615	5,827
Non-Current asset held for sale	-	84				
Total assets	13,875	12,453	11,983	12,543	13,213	12,616
Shareholders' equity	4,552	3,448	3,078	2,826	2,442	2,513
Surplus on revaluation of operating fixed assets	2,214	2,291	2,291	2,291	1,640	1,640
Long term financing	445	111	123	287	499	567
Trade and other payables	925	1,191	1,026	1,070	2,501	1,319
Short term borrowings	5,485	5,079	5,082	5,568	5,598	5,936
Current liabilities	6,606	6,571	6,491	7,139	8,632	7,896
Total equity and liabilities	13,875	12,453	11,983	12,543	13,213	12,616
SUMMARY OF CASH FLOW STATEMENT						
Cash and cash equivalents at the beginning of the year	5	7	6	25	19	16
Net cash from / (used in) operating activities	(547)	104	434	379	599	(601)
Net cash (used in) / from investing activities	(467)	(223)	274	(110)	(104)	(302)
Net cash from / (used in) financing activities	1,018	117	(707)	(288)	(489)	905
Net increase / (decrease) in cash and cash equivalents	4	(2)	1	(19)	6	2
Cash and cash equivalents at the end of the year	9	5	7	6	25	19

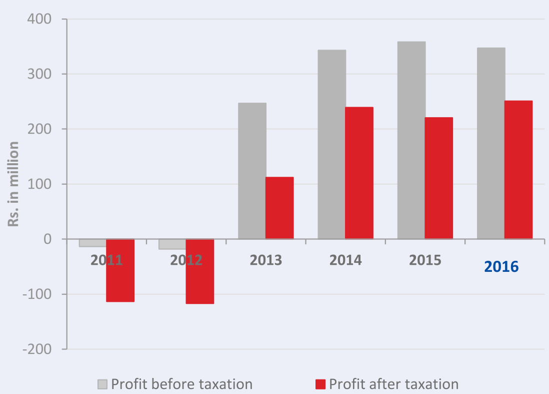
PROFITABILITY



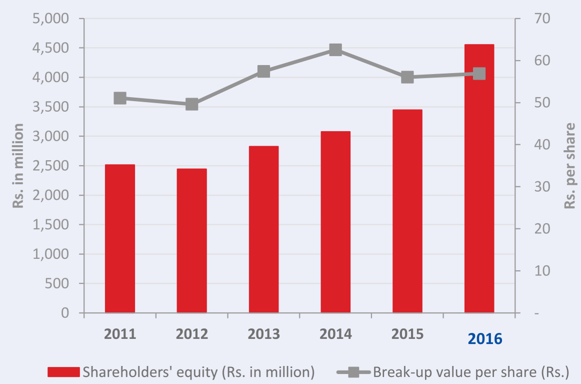
MANAGEMENT OF WORKING CAPITAL



PROFIT BEFORE AND AFTER TAX



SHAREHOLDERS' EQUITY AND BREAK-UP VALUE PER SHARE



VERTICAL ANALYSIS

for the last six financial years

(Rupees in million)	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%
BALANCE SHEET												
Property, plant and equipment	4,495	32.4	4,140	33.2	4,176	34.8	4,468	35.6	3,905	29.6	4,035	32.0
Intangible assets	-	-	-	-	-	-	2	0.0	4	0.0	-	-
Investment in associate	-	-	336	2.7	311	2.6	358	2.9	329	2.5	452	3.6
Long term investments	3,449	24.9	2,541	20.4	2,540	21.2	2,553	20.4	2,287	17.3	2,255	17.9
Long term loans and advances	3	0.0	4	0.0	3	0.0	4	0.0	3	0.0	3	0.0
Long term deposits and prepayments	5	0.0	5	0.0	7	0.1	7	0.1	7	0.1	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	185	1.3	177	1.4	157	1.3	124	1.0	152	1.2	160	1.3
Stock in trade	1,636	11.8	1,338	10.7	1,490	12.4	1,541	12.3	1,550	11.7	1,658	13.1
Trade debts	2,366	17.1	2,567	20.6	2,248	18.8	2,476	19.7	4,173	31.6	3,392	26.9
Loans and advances	469	3.4	418	3.4	364	3.0	305	2.4	267	2.0	309	2.4
Short term deposits and prepayments	29	0.2	23	0.2	21	0.2	25	0.2	41	0.3	67	0.5
Accrued interest	4	0.0	5	0.0	4	0.0	5	0.0	4	0.0	3	0.0
Other receivables	1,131	8.2	744	6.0	571	4.8	566	4.5	353	2.7	182	1.4
Short term investments	94	0.7	66	0.5	82	0.7	56	0.4	50	0.4	37	0.3
Cash & bank balances	9	0.1	5	0.0	7	0.1	6	0.0	25	0.2	19	0.1
Non-Current assets held for sale	-	-	84	0.7	-	-	-	-	-	-	-	-
TOTAL ASSETS	13,875	100	12,453	100	11,983	100	12,543	100	13,213	100	12,616	100
Issued, subscribed and paid up share capital	800	5.8	615	4.9	492	4.1	492	3.9	492	3.7	492	3.9
Reserves	3,752	27.0	2,833	22.7	2,586	21.6	2,334	18.6	1,950	14.8	2,021	16.0
Shareholders' equity	4,552	32.8	3,448	27.7	3,078	25.7	2,826	22.5	2,442	18.5	2,513	19.9
Surplus on revaluation of operating fixed assets	2,214	16.0	2,291	18.4	2,291	19.1	2,291	18.3	1,640	12.4	1,640	13.0
Long term financing	445	3.2	100	0.8	79	0.7	210	1.7	401	3.0	512	4.1
Liabilities against assets subject to finance lease	-	-	11	0.1	44	0.4	77	0.6	98	0.7	55	0.4
Deferred liability	58	0.4	32	0.3	-	-	-	-	-	-	-	-
Trade and other payables	925	6.7	1,191	9.6	1,026	8.6	1,070	8.5	2,501	18.9	1,319	10.5
Accrued mark-up	60	0.4	85	0.7	97	0.8	161	1.3	145	1.1	141	1.1
Short term borrowings	5,485	39.5	5,079	40.8	5,082	42.4	5,568	44.4	5,598	42.4	5,936	47.0
Current portion of non-current liabilities	66	0.5	112	0.9	164	1.4	221	1.8	267	2.0	350	2.8
Provision for taxation	70	0.5	104	0.8	122	1.0	119	0.9	121	0.9	151	1.2
TOTAL EQUITY AND LIABILITIES	13,875	100	12,453	100	11,983	100	12,543	100	13,213	100	12,616	100
PROFIT AND LOSS ACCOUNT												
Sales	10,579	100.0	11,779	100.0	12,411	100.0	13,262	100.0	12,729	100.0	14,759	100.0
Cost of sales	9,239	87.3	10,322	87.6	11,036	88.9	11,774	88.8	11,215	88.1	13,395	90.8
Gross profit	1,340	12.7	1,457	12.4	1,375	11.1	1,488	11.2	1,514	11.9	1,365	9.2
Distribution cost	633	6.0	648	5.5	611	4.9	686	5.2	629	4.9	641	4.3
Administrative expenses	283	2.7	234	2.0	195	1.6	187	1.4	200	1.6	203	1.4
Other expenses	26	0.2	63	0.5	67	0.5	19	0.1	13	0.1	41	0.3
Other income	376	3.6	249	2.1	361	2.9	206	1.6	194	1.5	179	1.2
Profit from operations	774	7.3	761	6.5	863	7.0	802	6.0	866	6.8	659	4.5
Finance cost	360	3.4	429	3.6	472	3.8	584	4.4	761	6.0	527	3.6
Share of profit / (loss) from associate	(67)	(0.6)	26	0.2	(48)	(0.4)	29	0.2	(123)	(1.0)	(145)	(1.0)
Profit / (loss) before taxation	347	3.3	358	3.0	343	2.8	247	1.9	(18)	(0.1)	(13)	(0.1)
Taxation	96	0.9	138	1.2	104	0.8	135	1.0	99	0.8	100	0.7
Profit / (loss) after taxation	251	2.4	220	1.9	239	1.9	112	0.8	(117)	(0.9)	(113)	(0.8)

HORIZONTAL ANALYSIS

for the last six financial years

(Rupees in million)	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%
BALANCE SHEET												
Property, plant and equipment	4,495	8.6	4,140	(0.9)	4,176	(6.5)	4,468	14.4	3,905	(3.2)	4,035	1.4
Intangible assets	-	-	-		-	(100.0)	2	(50.0)	4	100.0	-	-
Investment in associate	-	(100)	336	8.0	311	(13.1)	358	8.8	329	(27.1)	452	(26.9)
Long term investments	3,449	35.7	2,541	0.0	2,540	(0.5)	2,553	11.6	2,287	1.4	2,255	783.8
Long term loans and advances	3	(25.0)	4	33.3	3	(25.0)	4	33.3	3	10.0	3	(99.9)
Long term deposits and prepayments	5	-	5	(28.6)	7	-	7	-	7	177.8	3	(10.9)
Deferred income tax asset	-	-	-	(100)	2	(95.7)	47	(25.4)	63	48.8	42	100.0
Stores, spare parts and loose tools	185	4.5	177	12.7	157	26.6	124	(18.4)	152	(5.1)	160	(5.7)
Stock in trade	1,636	22.3	1,338	(10.2)	1,490	(3.3)	1,541	(0.6)	1,550	(6.5)	1,658	58.3
Trade debts	2,366	(7.8)	2,567	14.2	2,248	(9.2)	2,476	(40.7)	4,173	23.0	3,392	31.5
Loans and advances	469	12.2	418	14.8	364	19.3	305	14.2	267	(13.6)	309	37.6
Short term deposits and prepayments	29	26.1	23	9.5	21	(16.0)	25	(39.0)	41	(38.9)	67	1,027.0
Accrued interest	4	(20.0)	5	25.0	4	(20.0)	5	25	4	42.6	3	100.0
Other receivables	1,131	52.0	744	30.3	571	0.9	566	60.3	353	94.1	182	66.2
Short term investments	94	42.4	66	(19.5)	82	46.4	56	12.0	50	33.5	37	(24.7)
Cash & bank balances	9	80.0	5	(28.6)	7	16.7	6	(76.0)	25	34.9	19	12.9
Non-Current asset held for sale	-	(100)	84	100	-	-	-	-	-	-	-	-
TOTAL ASSETS	13,875	11.4	12,453	3.9	11,983	(4.5)	12,543	(5.1)	13,213	4.7	12,616	14.8
Issued, subscribed and paid up share capital	800	30.1	615	25.0	492	-	492	-	492	-	492	-
Reserves	3,752	32.4	2,833	9.6	2,586	10.8	2,334	19.7	1,950	(3.5)	2,021	(7.3)
Shareholders' equity	4,552	32.0	3,448	12.0	3,078	8.9	2,826	15.7	2,442	(2.8)	2,513	(6.0)
Surplus on revaluation of operating fixed assets	2,214	(3.4)	2,291	-	2,291	-	2,291	39.7	1,640	(0.0)	1,640	(0.0)
Long term financing	445	345	100	26.6	79	(62.4)	210	(47.6)	401	(21.7)	512	(22.0)
Liabilities against assets subject to finance lease	-	(100)	11	(75.0)	44	(42.9)	77	(21.4)	98	79.4	55	100.0
Deferred liability	58	81.3	32	100	-	-	-	-	-	-	-	(100.0)
Trade and other payables	925	(22.3)	1,191	16.1	1,026	(4.1)	1,070	(57.2)	2,501	89.7	1,319	152.9
Accrued mark-up	60	(29.4)	85	(12.4)	97	(39.8)	161	11.0	145	3.0	141	31.9
Short term borrowings	5,485	8.0	5,079	(0.1)	5,082	(8.7)	5,568	(0.5)	5,598	(5.7)	5,936	22.6
Current portion of non-current liabilities	66	(41.1)	112	(31.7)	164	(25.8)	221	(17.2)	267	(23.8)	350	(22.4)
Provision for taxation	70	(32.7)	104	(14.8)	122	2.5	119	(1.7)	121	(19.9)	151	66.2
TOTAL EQUITY AND LIABILITIES	13,875	11.4	12,453	3.9	11,983	(4.5)	12,543	(5.1)	13,213	4.7	12,616	14.8
PROFIT AND LOSS ACCOUNT												
Sales	10,579	(10.2)	11,779	(5.1)	12,411	(6.4)	13,262	4.2	12,729	(13.8)	14,759	35.9
Cost of sales	9,239	(10.5)	10,322	(6.5)	11,036	(6.3)	11,774	5.0	11,215	(16.3)	13,395	42.4
Gross profit	1,340	(8.0)	1,457	6.0	1,375	(7.6)	1,488	(1.7)	1,514	10.9	1,365	(6.3)
Distribution cost	633	(2.3)	648	6.1	611	(10.9)	686	9.1	629	(1.9)	641	36.3
Administrative expenses	283	20.9	234	20.0	195	4.3	187	(6.5)	200	(1.4)	203	11.5
Other expenses	26	(58.7)	63	(6.0)	67	252.6	19	46.2	13	(68.2)	41	(48.1)
Other income	376	51.0	249	(31.0)	361	75.2	206	6.2	194	8.4	179	(3.1)
Profit from operations	774	1.7	761	(11.8)	863	7.6	802	(7.4)	866	31.5	659	(27.6)
Finance cost	360	(16.0)	429	(9.2)	472	(19.2)	584	(23.3)	761	44.4	527	(7.0)
Share of profit / (loss) from associate	(67)	(357.7)	26	(154.2)	(48)	(265.5)	29	(123.6)	(123)	(15.2)	(145)	(220.8)
Profit / (loss) before taxation	347	(3)	358	5	343	39	247	(1,472)	(18)	33.7	(13)	(102.9)
Taxation	96	(30.4)	138	32.7	104	(23.0)	135	36.4	99	(1.0)	100	(15.8)
Profit / (loss) after taxation	251	13.8	220	(7.7)	239	113.5	112	(195.7)	(117)	3.1	(113)	(132.9)

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

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 chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX) 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. Amjad Mehmood
	Mr. Anjum Muhammad Saleem
	Mr. Khalid Bashir
	Mr. Khurram Mazhar Karim
	Mr. Muhammad Asif
	Mr. Muhammad Rafi

2 Directors have confirmed that none of them is serving as a Director on 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 Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4 Two casual vacancies were occurred on the Board of Directors on April 14, 2016 and June 29, 2016 that were duly filled up by the directors on the same day.

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 other executive and non-executive directors have been taken by the board / shareholders.

8 Meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along

with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9 One director of the Company had already completed Directors' Training Program (DTP) while remaining all directors met the criteria of exemption under code of corporate governance.

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 of 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 The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from said list.

24 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 June 30, 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

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 rule 5.19.1(b) of the Regulations of Pakistan Stock Exchange Limited.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date: September 17, 2016
Faisalabad

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of THE CRESCENT TEXTILE MILLS LIMITED ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date: September 17, 2016
Faisalabad

BALANCE SHEET AS AT JUNE 30, 2016

(Rupees in '000)	Note	2016	2015 Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (2015: 100 000 000)			
ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital	3	800,000	615,124
Reserves	4	3,751,934	2,833,144
TOTAL EQUITY		4,551,934	3,448,268
Surplus on revaluation of operating fixed			
assets - net of deferred income tax	5	2,214,012	2,290,704
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	445,371	99,994
Liabilities against assets subject to finance lease	7	-	11,059
Deferred income tax liability	8	58,026	32,086
		503,397	143,139
CURRENT LIABILITIES			
Trade and other payables	9	925,013	1,191,175
Accrued mark-up	10	59,941	85,254
Short term borrowings	11	5,484,784	5,078,680
Current portion of non-current liabilities	12	65,745	111,795
Provision for taxation		70,227	104,294
		6,605,710	6,571,198
TOTAL LIABILITIES		7,109,107	6,714,337
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		13,875,053	12,453,309

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

(Muhammad Anwar)
Chief Executive Officer

BALANCE SHEET AS AT JUNE 30, 2016

(Rupees in '000)	Note	2016	2015 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	4,494,639	4,139,630
Investment in associate	15	-	336,244
Long term investments	16	3,449,038	2,541,381
Long term loans and advances	17	2,867	3,664
Long term deposits		5,288	5,466
		7,951,832	7,026,385
CURRENT ASSETS			
Stores, spare parts and loose tools	18	185,062	176,991
Stock-in-trade	19	1,635,911	1,337,524
Trade debts	20	2,365,485	2,566,707
Loans and advances	21	469,018	418,287
Short term deposits and prepayments	22	29,450	22,801
Accrued interest	23	4,109	5,068
Other receivables	24	1,130,440	743,981
Short term investments	25	94,449	66,052
Cash and bank balances	26	9,297	5,195
		5,923,221	5,342,606
Non-current asset held for sale	27	-	84,318
		5,923,221	5,426,924
TOTAL ASSETS		13,875,053	12,453,309

(Anjum Muhammad Saleem)
Director

PROFIT AND LOSS ACCOUNT
for the Year Ended June 30, 2016

(Rupees in '000)	Note	2016	2015
			Restated
Sales	28	10,578,809	11,778,815
Cost of sales	29	9,238,638	10,321,726
Gross profit		1,340,171	1,457,089
Distribution cost	30	633,356	648,384
Administrative expenses	31	283,063	233,786
Other expenses	32	26,396	62,825
		942,815	944,995
		397,356	512,094
Other income	33	376,305	249,272
Profit from operations		773,661	761,366
Finance cost	34	360,006	428,514
Share of profit from associate		59,520	25,521
Reversal of carrying amount of investment in associate		(126,500)	-
Profit before taxation		346,675	358,373
Taxation	35	96,132	138,073
Profit after taxation		250,543	220,300
Earnings per share - basic and diluted (Rupees)	36	3.57	3.89

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

(Muhammad Anwar)
Chief Executive Officer

(Anjum Muhammad Saleem)
Director

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended June 30, 2016

(Rupees in '000)	2016	2015 Restated
Profit after taxation	250,543	220,300
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	563,608	27,461
Reclassification adjustment for gain realized on redemption of available for sale investment	(21,537)	-
Other comprehensive income for the year	542,071	27,461
Total comprehensive income for the year	792,614	247,761

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

(Muhammad Anwar)
Chief Executive Officer

(Anjum Muhammad Saleem)
Director

CASH FLOW STATEMENT
for the Year Ended June 30, 2016

(Rupees in '000)	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	106,451	766,007
Finance cost paid		(384,456)	(439,469)
Income tax paid		(167,635)	(155,610)
Dividend paid		(89,807)	(58,937)
Workers' profit participation fund paid		(12,152)	(9,695)
Net decrease / (increase) in long term loans and advances		797	(355)
Net decrease in long term deposits		178	1,800
Net cash (used in) / generated from operating activities		(546,624)	103,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(581,244)	(247,464)
Proceeds from sale of property, plant and equipment		50,235	12,160
Proceeds from non-current asset held for sale		144,129	-
Investments made		(130,643)	-
Proceeds from redemption of available for sale investment		27,461	-
Dividend received		22,883	12,634
Net cash used in investing activities		(467,179)	(222,670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of right shares		323,533	184,537
Proceeds from long term financing		400,111	100,000
Repayment of long term financing		(79,174)	(130,350)
Repayment of liabilities against assets subject to finance lease		(32,669)	(33,865)
Short term borrowings - net		406,104	(3,133)
Net cash from financing activities		1,017,905	117,189
Net increase / (decrease) in cash and cash equivalents		4,102	(1,740)
Cash and cash equivalents at the beginning of the year		5,195	6,935
Cash and cash equivalents at the end of the year (Note 26)		9,297	5,195

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

(Muhammad Anwar)
Chief Executive Officer

(Anjum Muhammad Saleem)
Director

STATEMENT OF CHANGES IN EQUITY

for the Year Ended June 30, 2016

(Rupees in '000)	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, 2014	492,099	-	434,569	434,569	1,773,643	30,000	347,146	2,150,789	2,585,358	3,077,457
Transactions 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)
- Issue of 25% right shares issued 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	-	-	-	-	-	-	220,300	220,300	220,300	220,300
Other comprehensive income for the year	-	-	27,461	27,461	-	-	-	-	27,461	27,461
Total comprehensive Income for the year	-	-	27,461	27,461	-	-	220,300	220,300	247,761	247,761
Balance as at June 30, 2015 - Restated	615,124	61,512	462,030	523,542	1,773,643	30,000	505,959	2,309,602	2,833,144	3,448,268
Transactions with owners:										
- Final dividend for the year ended June 30, 2015 at the rate of Rupees 1.45 per share	-	-	-	-	-	-	(89,193)	(89,193)	(89,193)	(89,193)
- Issue of 30.0551% right shares at premium of Rupees 7.5 per share	184,876	138,657	-	138,657	-	-	-	-	138,657	323,533
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	25	25	25	25
Transfer from surplus on revaluation of operating fixed assets on disposal of operating fixed asset	-	-	-	-	-	-	76,687	76,687	76,687	76,687
Profit for the year	-	-	-	-	-	-	250,543	250,543	250,543	250,543
Other comprehensive income for the year	-	-	542,071	542,071	-	-	-	-	542,071	542,071
Total comprehensive Income for the year	-	-	542,071	542,071	-	-	250,543	250,543	792,614	792,614
Balance as at June 30, 2016	800,000	200,169	1,004,101	1,204,270	1,773,643	30,000	744,021	2,547,664	3,751,934	4,551,934

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

(Muhammad Anwar)
Chief Executive Officer

(Anjum Muhammad Saleem)
Director

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2016

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 Pakistan Stock Exchange Limited. 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) Standards that are effective in current year and are relevant to the Company

Following standards are mandatory for the Company's accounting periods beginning on or after July 01, 2015:

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 does not have signifincat impact on these 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 does not have significant impact on the these financial statements except for certain additional disclosures.

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

There are other standards 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.

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, 2016 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 as 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 de-recognition 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 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). 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 aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after January 01, 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 01, 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after January 01, 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in 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 which is based on revenue, generated by an activity by using 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.

Amendments to IAS 28 (deferred indefinitely) 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.

On September 25, 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. The amendment is effective for annual periods beginning on or after January 01, 2016. The amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

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, 2016 but are considered not to be relevant to 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.

d) 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

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.

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.

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for the Year Ended June 30, 2016

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 the contractual provisions of 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.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

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

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

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

2016	2015		2016	2015
(Number of Shares)			(Rupees in '000)	
50 571 213	32 083 617	Ordinary shares of Rupees 10 each fully paid in cash	505,712	320,836
29 428 787	29 428 787	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	294,288	294,288
80 000 000	61 512 404		800,000	615,124

3.1 Movement during the year

61 512 404	49 209 923	As at July 01	615,124	492,099
18 487 596	12 302 481	Ordinary shares of Rupees 10 each issued during the year as fully paid right shares	184,876	123,025
80 000 000	61 512 404		800,000	615,124

3.2 Ordinary shares of the Company held by related parties:

(Number of Shares)	2016	2015
The Crescent Textile Mills Limited-Employees Provident Fund-Trustee	7 588 015	4 565 684
Crescent Cotton Mills Limited (Note 16.1)	-	3 352 343
Crescent Foundation	1 675 858	1 288 576
Crescent Steel and Allied Products Limited (Note 16.4)	-	452 379
Suraj Cotton Mills Limited	1 104 000	-
Premier Insurance Limited	755 985	427 500
Shakarganj Limited	5 898	5 898
	11 129 756	10 092 380

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for the Year Ended June 30, 2016

4. RESERVES

(Rupees in '000)	2016	2015
		Restated
Composition of reserves is as follows:		
Capital reserves		
Premium on issue of right shares (Note 4.1)	200,169	61,512
Fair value reserve (Note 4.2)	1,004,101	462,030
	1,204,270	523,542
Revenue reserves		
Dividend equalization reserve	30,000	30,000
General reserve	1,773,643	1,773,643
Unappropriated profit	744,021	505,959
	2,547,664	2,309,602
	3,751,934	2,833,144

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 '000)	2016	2015
Balance as at July 01	462,030	434,569
Fair value adjustment during the year	563,608	27,461
Reclassification adjustment for gain realized on redemption of available for sale investment	(21,537)	-
Balance as at June 30	1,004,101	462,030

	(Rupees in '000)	2016	2015
5.	SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
	Surplus on revaluation of operating fixed assets as at July 01	2,291,018	2,291,047
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	25	25
	Adjustment of surplus on sale of operating fixed asset	76,687	-
	Related deferred income tax liability	4	4
		76,716	29
		2,214,302	2,291,018
	Less:		
	Deferred income tax liability as at July 01	314	280
	Adjustment of deferred income tax liability due to re-assessment at year end	(20)	38
	Incremental depreciation charged during the year transferred to profit and loss account	(4)	(4)
		290	314
		2,214,012	2,290,704

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.

		2016	2015
6.	LONG TERM FINANCING		
	Financing from banking companies - secured (Note 6.1)	500,104	179,167
	Less: Current portion shown under current liabilities (Note 12)	54,733	79,173
		445,371	99,994

6.1

Lender (Rupees in '000)	2016	2015	Rate of interest per annum	Number of installments	Date of repayment of first installment	Interest payable	Security
Allied Bank Limited	-	4,594	SBP 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	SBP 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	4,598	13,796	SBP 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	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	7,895	39,474	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	87,500	100,000	3 months KIBOR plus 2.75 % without any floor or cap	16 equal quarterly installments	January 03, 2016	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
Pak Libya Holding Company (Private) Limited	200,000	-	SBP rate for LTFF plus 2.50%	16 equal quarterly installments	June 11, 2017	Quarterly	Joint pari passu charge over fixed and current assets of the Company.
The Bank of Punjab	47,400	-	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	March 31, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
The Bank of Punjab	56,299	-	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	July 20, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
The Bank of Punjab	47,142	-	SBP rate for LTFF plus 2.50%	20 equal quarterly installments	August 26, 2017	Quarterly	Joint pari passu charge over fixed assets of the Company.
National Bank of Pakistan	49,270	-	6 months KIBOR plus 2.50 % without any floor or cap	12 equal half yearly installments	September 30, 2017	Half yearly	Joint pari passu charge over fixed assets of the Company.
	500,104	179,167					

(Rupees in '000)	2016	2015
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	11,391	47,068
Less: Un-amortized finance charge	379	3,387
Present value of future minimum lease payments	11,012	43,681
Less: Current portion shown under current liabilities (Note 12)	11,012	32,622
	-	11,059

7.1 The minimum lease payments have been discounted at an implicit interest rate of six months KIBOR plus 2.75% per annum (2015: 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 8.92% to 9.27% (2015: 9.83% to 12.87%) 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:

	2016		2015	
(Rupees in '000)	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	11,391	-	35,566	11,502
Less: Un-amortized finance charge	379	-	2,944	443
Present value of future minimum lease payments	11,012	-	32,622	11,059

(Rupees in '000)	2016	2015 Restated
8. DEFERRED INCOME TAX LIABILITY		
Taxable temporary differences		
Tax depreciation allowance	154,873	137,279
Tax on investment in associate	-	6,698
Surplus on revaluation of operating fixed assets	290	302
	155,163	144,279
Deductible temporary differences		
Unused tax losses	(97,137)	(112,193)
	58,026	32,086

	(Rupees in '000)	2016	2015
9.	TRADE AND OTHER PAYABLES		
	Creditors (Note 9.1)	434,986	594,979
	Accrued liabilities	440,727	550,724
	Advances from customers	14,501	8,297
	Retention money payable	1,409	2,542
	Income tax deducted at source	2,461	2,555
	Sales tax deducted at source	4,466	3,947
	Unclaimed dividend	8,749	9,363
	Payable to Employees' Provident Fund Trust	101	-
	Workers' profit participation fund (Note 9.2)	16,580	14,559
	Other payables	1,033	4,209
		925,013	1,191,175

9.1 This includes amount of Rupees 3.277 million (2015: Rupees 4.846 million) due to related parties.

9.2	Workers' profit participation fund		
	Balance as on July 01	14,559	12,429
	Interest for the year (Note 34)	863	792
	Provision for the year (Note 32)	13,310	11,033
		28,732	24,254
	Less: Payments during the year	12,152	9,695
	Balance as on June 30	16,580	14,559

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.

10.	ACCRUED MARK-UP		
	Long term financing	3,989	4,578
	Liabilities against assets subject to finance lease	13	501
	Short term borrowings	55,939	80,175
		59,941	85,254

	(Rupees in '000)	2016	2015
11.	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Short term finances (Note 11.1 and Note 11.4)	1,209,681	661,782
	State Bank of Pakistan (SBP) refinance (Note 11.2 and Note 11.4)	2,115,600	1,965,600
	Short term foreign currency finances (Note 11.3 and Note 11.4)	2,159,503	2,381,998
		5,484,784	5,009,380
	Others - unsecured (Note 11.5)	-	69,300
		5,484,784	5,078,680

11.1 The finances aggregating to Rupees 1,846 million (2015: Rupees 1,703 million) are obtained from banking companies under mark-up agreements and carry mark up ranging from KIBOR plus 1.75 to 3.00 percent (2015: 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 3.40 to 4.50 percent (2015: 6.00 to 7.50 percent) per annum are payable. These form part of aggregate borrowing limits of Rupees 2,116 million (2015: Rupees 1,966 million).

11.3 Short term foreign currency finances amounting to Rupees 2,425 million (2015: Rupees 2,776 million) are available at mark-up ranging from LIBOR plus 1.34 to 2.75 percent (2015: LIBOR plus 2.60 to 4.50 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 represented loan obtained from Crescent Model Farm which was repayable on demand. It carried mark-up at the rate of one month KIBOR plus 1.50 percent (2015: one month KIBOR plus 1.50 percent) per annum.

		2016	2015
12.	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Current portion of long term financing (Note 6)	54,733	79,173
	Current portion of liabilities against assets subject to finance lease (Note 7)	11,012	32,622
		65,745	111,795

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended June 30, 2016

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 157.232 million (2015: 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 166.641 million (2015: Rupees 75.729 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 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 (2015: Rupees 40.691 million). The Company's management is confident that appeal is likely to succeed.

iv) 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 (2015: 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 920.181 million (2015: Rupees 104.951 million).

ii) Letters of credit other than for capital expenditure are of Rupees 84.016 million (2015: Rupees 144.275 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 '000)	2016	2015
Not later than one year	502	871
Later than one year and not later than five years	60	562
	562	1,433

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended June 30, 2016

	(Rupees in '000)	2016	2015
14.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets (Note 14.1)		
	-Owned	4,319,844	3,926,969
	-Leased	47,983	114,027
	Capital work-in-progress (Note 14.2)	126,812	98,634
		4,494,639	4,139,630

14.1 Operating fixed assets

(Rupees in '000)	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
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
Year ended June 30, 2016													
Opening 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
Additions	-	-	59,482	26,659	427,992	3,028	27,342	4,803	-	3,760	-	553,066	-
Assets transferred from leased assets to owned assets													
Cost	-	-	-	-	88,433	-	-	-	-	-	-	88,433	(88,433)
Accumulated depreciation	-	-	-	-	(32,683)	-	-	-	-	-	-	(32,683)	32,683
	-	-	-	-	55,750	-	-	-	-	-	-	55,750	(55,750)
Disposals:													
Cost	-	-	(111)	-	(65,083)	-	-	(6,873)	-	(40)	-	(72,107)	-
Accumulated depreciation	-	-	93	-	53,980	-	-	5,606	-	40	-	59,719	-
	-	-	(18)	-	(11,103)	-	-	(1,267)	-	-	-	(12,388)	-
Depreciation charge	-	(77)	(12,755)	(4,028)	(169,429)	(1,026)	(7,504)	(5,005)	(175)	(2,562)	(992)	(203,553)	(10,294)
Closing net book value	2,217,852	5,769	157,052	60,764	1,793,711	6,147	42,570	21,782	703	4,571	8,923	4,319,844	47,983
At June 30, 2016													
Cost / revalued amount	2,217,852	7,133	407,771	105,026	4,640,380	24,099	98,037	48,113	6,145	30,657	113,523	7,698,736	76,314
Accumulated depreciation	-	(1,364)	(250,719)	(44,262)	(2,846,669)	(17,952)	(55,467)	(26,331)	(5,442)	(26,086)	(104,600)	(3,378,892)	(28,331)
Net book value	2,217,852	5,769	157,052	60,764	1,793,711	6,147	42,570	21,782	703	4,571	8,923	4,319,844	47,983
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 4,298 million (2015: Rupees 3,904 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:

	2016			2015		
(Rupees in '000)	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land - Freehold	5,771	-	5,771	5,771	-	5,771
Land - Leasehold	4,719	1,171	3,548	4,719	1,123	3,596
	10,490	1,171	9,319	10,490	1,123	9,367

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

(Rupees in '000)	2016	2015
Cost of sales (Note 31)		
-Owned assets	193,470	171,440
-Leased assets	10,294	12,670
	203,764	184,110
Administrative expenses (Note 33)	10,083	8,711
	213,847	192,821

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 '000)							
Plant and Machinery							
Ring Frame	22	2,966	2,479	487	1,430	Negotiation	FAG Textile, Faisalabad
Ring Frame	42	6,786	5,342	1,444	20,510	Negotiation	Mr. Adnan Idrees, Faisalabad
Cone Winder	2	6,561	5,230	1,331	3,025	Negotiation	Waqas Rafiq International, Lahore
Cone Winder	1	659	552	107	1,460	Negotiation	Zahid Jee Textile Mills Limited, Faisalabad
Cone Winder	7	15,018	12,758	2,260	6,267	Negotiation	Mr. Muhammad Ahmad, Faisalabad
Manforts Stenter	1	18,600	15,353	3,247	8,100	Negotiation	Mr. Imran Javed Mughal, Faisalabad
Comber	2	2,233	1,866	367	370	Negotiation	Mr. Adnan Idrees, Faisalabad
Twister Volkmann	7	8,985	7,586	1,399	3,465	Negotiation	Mr. Khuram Hanif, Faisalabad
Wascator Lab Washer Extractor	1	933	561	372	11	Negotiation	Mr. Muhammad Arif, Faisalabad
		62,741	51,727	11,014	44,638		
Vehicles							
Toyota Corolla	1	1,724	1,253	471	900	Company Policy	Mr. Shahzad Hyder (Company's employee)
Hyundai Shehzore	1	669	587	82	475	Negotiation	Mr. Ghulam Sabir, Faisalabad
Suzuki Cultus	1	878	571	307	528	Company Policy	Mr. Tahir Rashid (Company's employee)
Suzuki Mehran	1	400	335	65	375	Insurance Claim	Premier Insurance Limited (An associated Company)
Suzuki Cultus	1	609	530	79	460	Negotiation	Mr. Naseer Ahmad, Faisalabad
Suzuki Cultus	1	629	532	97	525	Negotiation	Mr. Khalid Javed, Faisalabad
Toyota Fork Lifter	1	1,255	1,161	94	400	Insurance Claim	Premier Insurance Limited (An associated Company)
		6,164	4,969	1,195	3,663		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000		3,202	3,023	179	1,934		
		72,107	59,719	12,388	50,235		

	(Rupees in '000)	2016	2015
14.2	Capital work-in-progress		
	Buildings on freehold land	141	55,190
	Buildings on leasehold land	1,457	1,461
	Plant and machinery	67,428	20,286
	Gas and electric installations	-	21,697
	Advance against purchase of land	49,911	-
	Advance against Enterprise Resource Planning (ERP) implementation	7,875	-
		126,812	98,634

	(Rupees in '000)	2016	2015 Restated
15.	INVESTMENT IN ASSOCIATE		
	Crescent Bahuman Limited - unquoted		
	Nil (2015: 26 926 433) ordinary shares of Rupees 10 each (Note 15.2)	-	269,264
	Share of post acquisition reserve:		
	As at July 01	66,980	41,459
	Share of profit after income tax	59,520	25,521
		126,500	66,980
	Adjustment of carrying amount of investment due to loss of significant influence in associate	(126,500)	-
	As at June 30	-	336,244

15.1 The Company has restated the post acquisition reserve as at June 30, 2015 in respect of its investment in Crescent Bahuman Limited (CBL) by revising the share of post acquisition profit from the associate. Previously, share of post acquisition profit of associate was recognized on the basis of un-audited financial statements of the associate for the year ended June 30, 2015. Now, the share of profit from associate is restated on the basis of audited financial statements of associate for the year ended June 30, 2015. 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, 2015, investment in associate, unappropriated profit and deferred income tax liability have been decreased by Rupees 1.549 million, Rupees 1.394 million and Rupees 0.155 million respectively.

15.2 As a result of elimination in representation of the Company on the Board of Directors of CBL and decrease in shareholding in CBL from 32.99% to 19.80%, the Company has lost significant influence over CBL, therefore the Company has reclassified this investment as available for sale (others - unquoted) in Note 16.

15.3 The summarized financial information of CBL on the basis of audited financial statements for the year ended June 30, 2015 is as follows:

(Rupees in '000)	2015
Associate's balance sheet:	
Current assets	6,618,917
Non-current assets	3,564,642
Current liabilities	(7,189,604)
Non-current liabilities	(1,232,585)
Net assets	1,761,370
Associate's revenue and profit:	
Revenue	8,314,316
Profit before taxation for the year	114,700
Profit after taxation for the year	77,361

	(Rupees in '000)	2016	2015
16.	LONG TERM INVESTMENTS		
	Available for sale		
	Related parties		
	Quoted		
	Crescent Jute Products Limited		
	2 738 637 (2015: 2 738 637) fully paid ordinary shares of Rupees 10 each. Equity held 11.52% (2015: 11.52%)	1,123	1,123
	Crescent Cotton Mills Limited		
	Nil (2015: 975 944) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2015: 4.56%) (Note 16.1)	-	5,124
	Shams Textile Mills Limited		
	812 160 (2015: 812 160) fully paid ordinary shares of Rupees 10 each. Equity held 9.40% (2015: 9.40%)	4,629	4,629
	Premier Insurance Limited		
	117 003 (2015: 97 503) fully paid ordinary shares of Rupees 10 each. Equity held 0.28% (2015: 0.28%)	35	35
	Shakarganj Limited		
	8 587 328 (2015: 5 427 488) fully paid ordinary shares of Rupees 10 each. Equity held 7.81% (2015: 7.81%) (Note 16.2)	52,223	20,624
	Nil (2015: 2 746 050) fully paid preference shares of Rupees 10 each. Equity held Nil (2015: 7.94%) (Note 16.3)	-	5,924

(Rupees in '000)	2016	2015
Crescent Steel and Allied Products Limited		
Nil (2015: 6 830 643) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2015: 11%) (Note 16.4)	-	91,625
Unquoted		
Crescent Bahuman Limited		
Nil (2015: 197 600 000) fully paid preference shares of Rupees 10 each. Equity held Nil (2015: 73.37%) (Note 16.4 and Note 16.6)	-	1,976,000
Premier Financial Services (Private) Limited		
Nil (2015: 500) fully paid ordinary shares of Rupees 1,000 each. Equity held Nil (2015: 2.22%) (Note 16.1)	-	500
Others		
Quoted		
Crescent Steel and Allied Products Limited		
8 538 303 (2015: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 11% (2015: Nil) (Note 16.4 and Note 16.5)	190,669	-
Crescent Cotton Mills Limited		
975 944 (2015: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 4.56% (2015: Nil) (Note 16.1)	5,124	-
Jubilee Spinning and Weaving Mills Limited		
182 629 (2015: 182 629) fully paid ordinary shares of Rupees 10 each. Equity held 0.56% (2015: 0.56%)	213	213
Crescent Fibres Limited		
351 657 (2015: 351 657) fully paid ordinary shares of Rupees 10 each. Equity held 2.83% (2015: 2.83%)	2,162	2,162
Unquoted		
Crescent Bahuman Limited		
26 926 433 (2015: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 19.80% (2015: Nil) (Note 15.2)	269,264	-
197 600 000 (2015: Nil) fully paid preference shares of Rupees 10 each. Equity held 73.37% (2015: Nil) (Note 16.4 and Note 16.6)	1,976,000	-
Premier Financial Services (Private) Limited		
500 (2015: Nil) fully paid ordinary shares of Rupees 1,000 each. Equity held 2.22% (2015: Nil) (Note 16.1)	500	-

(Rupees in '000)	2016	2015
Cresox (Private) Limited		
4 199 792 (2015: 4 199 792) fully paid ordinary shares of Rupees 10 each. Equity held 11.66% (2015: 11.66%)	-	41,998
	2,501,942	2,149,957
Less: Impairment loss recognized	-	(41,998)
Add: Fair value adjustment	947,096	433,422
	3,449,038	2,541,381

16.1 Crescent Cotton Mils Limited and Premier Financial Services (Private) Limited ceased to be the related parties due to elimination of common directorship on April 14, 2016.

16.2 Company subscribed 3 159 840 right shares at the price of Rupees 10 per share subsequent to members' approval in Extra Ordinary General Meeting (EOGM) held on March 17, 2016.

16.3 During the year preference shares were redeemed by Shakarganj Limited.

16.4 Crescent Bahuman Limited and Crescent Steel and Allied Products Limited ceased to be the related parties due to elimination of common directorship on June 29, 2016.

16.5 Company subscribed 1 707 660 right shares at the price of Rupees 58 per share subsequent to members' approval in Annual General Meeting (AGM) held on October 31, 2015.

16.6 This represents unlisted non-voting cumulative and participatory preference shares carrying preference dividend at the rate of 5 percent per annum issued by Crescent Bahuman Limited. At the expiry of nine years from the date of issue (October 01, 2010), all outstanding preferences shares along with accumulated dividends, if any, will be converted into non-voting ordinary shares at a price of Rupees 10 per ordinary share.

17. LONG TERM LOANS AND ADVANCES

	2016	2015
Considered good - secured:		
Employees	6,079	5,615
Less: Current portion shown under current assets (Note 21)	3,212	1,951
	2,867	3,664

17.1 These represent interest free loans against household items 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.

	(Rupees in '000)	2016	2015
18.	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores (Note 18.1)	157,955	161,115
	Spare parts	26,826	15,794
	Loose tools	281	82
		185,062	176,991

18.1 These include stores in transit of Rupees 24.752 million (2015: Rupees 9.550 million).

		2016	2015
19.	STOCK-IN-TRADE		
	Raw materials (Note 19.1)	584,701	199,078
	Work-in-process	107,784	102,549
	Finished goods (Note 19.2)	938,090	1,027,630
	Waste	5,336	8,267
		1,635,911	1,337,524

19.1 Raw materials include stock in transit of Rupees 363.937 million (2015: Rupees 28.743 million).

19.2 Finished goods include stock in transit of Rupees 62.890 million (2015: Rupees 94.204 million) and stock with third parties amounting to Rupees 176.359 million (2015: Rupees 233.762 million).

19.3 Stock-in-trade of Rupees 5.336 million (2015: Rupees 8.267 million) is being carried at net realizable value.

		2016	2015
20.	TRADE DEBTS		
	Considered good:		
	Secured (against letters of credit)	407,733	355,166
	Unsecured:		
	Related parties (Note 20.1 and 20.3)	5,649	639,797
	Others (Note 20.2)	1,952,103	1,571,744
		2,365,485	2,566,707
	Considered doubtful:		
	Others - unsecured	41,203	41,203
	Less: Provision for doubtful debts	(41,203)	(41,203)
		-	-

		2016	2015
20.1	This represents amounts due from following related parties:		
	Crescent Bahuman Limited	-	639,797
	Suraj Cotton Mills Limited	5,649	-
		5,649	639,797

20.2 As at June 30, 2016, trade debts due from other than related parties of Rupees 905.148 million (2015: Rupees 631.242 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 '000)	2016	2015
Upto 1 month	240,996	241,548
1 to 6 months	92,545	320,720
More than 6 months	571,607	68,974
	905,148	631,242

20.3 As at June 30, 2016, trade debts due from related parties amounting to Rupees Nil (2015: Rupees 539.632 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:

Upto 1 month	-	10,955
1 to 6 months	-	38,911
More than 6 months	-	489,766
	-	539,632

Crescent Bahuman Limited has been ceased to be a related party as mentioned in Note 16.4. Therefore its overdue balance has been transferred to Note 20.2.

20.4 As at June 30, 2016, trade debts of Rupees 41.203 million (2015: 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.

21. LOANS AND ADVANCES

Considered good:		
Employees - interest free	85	99
Current portion of long term loans and advances (Note 17)	3,212	1,951
Advances to suppliers	12,887	31,932
Letters of credit	6,107	974
Income tax	446,727	383,331
	469,018	418,287
Considered doubtful:		
Advances to suppliers	589	589
Less: Provision for doubtful loans and advances	(589)	(589)
	-	-

	(Rupees in '000)	2016	2015
22.	SHORT TERM DEPOSITS AND PREPAYMENTS		
	Considered good:		
	Margin deposit	27,529	21,029
	Current portion of long term deposits	179	-
	Short term prepayments	1,742	1,772
		29,450	22,801

23. ACCRUED INTEREST

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

	(Rupees in '000)	2016	2015
24.	OTHER RECEIVABLES		
	Considered good:		
	Due from related parties (Note 24.1)	525	1,123
	Export rebate and claims	63,118	61,226
	Sales tax and special excise duty refundable	485,005	211,557
	Dividend receivable	580,907	469,300
	Miscellaneous	885	775
		1,130,440	743,981
	Considered doubtful:		
	Export rebate, sales tax and special excise duty refundable	43,987	41,744
	Less: Provision for doubtful debts		
	As at July 01	41,744	46,539
	Add: Provision made during the year (Note 32)	2,243	-
	Less: Provision written off during the year	-	4,795
	As at June 30	43,987	41,744
		-	-
24.1	This represents amounts due from following related parties:		
	Employees' Provident Fund Trust	-	1,123
	Premier Insurance Limited	525	-
		525	1,123

(Rupees in '000)		2016	2015
25.	SHORT TERM INVESTMENTS		
	Available for sale		
	Others - quoted		
	Samba Bank Limited		
	12 346 238 (2015: 12 346 238) fully paid ordinary shares of		
	Rupees 10 each. Equity held 1.22% (2015: 1.22%)	37,444	37,444
	Add: Fair value adjustment	57,005	28,608
		94,449	66,052
26.	CASH AND BANK BALANCES		
	With banks:		
	On current accounts		
	including US$ 4,180 (2015: US$ 7,009)	7,996	4,594
	Cash in hand	1,301	601
		9,297	5,195

27. NON-CURRENT ASSET HELD FOR SALE

During the year, freehold land of the Company situated at Pindi Bhattian having measurement of 107 acres with book value of Rupees 84.318 million has been sold at the price of Rupees 144.129 million to Nishat Agriculture Farming (Private) Limited through negotiation, following the approval of the management of the Company and shareholders in the AGM of the Company held on October 30, 2014.

		2016	2015
28.	SALES		
	Local (Note 28.1)	3,643,162	4,635,365
	Export	6,880,439	7,051,745
	Export rebate	49,130	49,834
	Duty drawback	6,078	41,871
		10,578,809	11,778,815
28.1	Local		
	Sales	3,605,149	4,562,204
	Waste	137,657	156,072
	Processing income	721	3,562
	Cold storage	17,184	15,566
		3,760,711	4,737,404
	Less: Sales tax	117,549	102,039
		3,643,162	4,635,365

	(Rupees in '000)	2016	2015
29.	COST OF SALES		
	Raw materials consumed (Note 29.1)	3,219,622	3,862,836
	Cloth and yarn purchased	1,287,230	1,318,259
	Stores, spare parts and loose tools consumed	622,918	569,628
	Packing materials consumed	570,888	593,123
	Processing and weaving charges	688,832	714,327
	Salaries, wages and other benefits (Note 29.2)	918,418	880,041
	Fuel and power	1,112,343	1,422,244
	Repair and maintenance	71,772	55,556
	Insurance	11,331	10,587
	Depreciation (Note 14.1.4)	203,764	184,110
	Other factory overheads	37,958	22,598
		8,745,076	9,633,309
	Work-in-process		
	Opening stock	102,549	122,937
	Closing stock	(107,784)	(102,549)
		(5,235)	20,388
	Cost of goods manufactured	8,739,841	9,653,697
	Finished goods		
	Opening stock	1,035,897	1,127,385
	Closing stock	(943,426)	(1,035,897)
		92,471	91,488
		8,832,312	9,745,185
	Cost of sales - purchased for resale	406,326	576,541
		9,238,638	10,321,726
29.1	Raw materials consumed		
	Opening stock	199,078	239,268
	Add: Purchased during the year	3,605,245	3,822,646
		3,804,323	4,061,914
	Less: Closing stock	(584,701)	(199,078)
		3,219,622	3,862,836

29.2 Salaries, wages and other benefits include provident fund contribution of Rupees 14.896 million (2015: Rupees 13.755 million) by the Company.

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for the Year Ended June 30, 2016

	(Rupees in '000)	2016	2015
30.	DISTRIBUTION COST		
	Salaries, wages and other benefits (Note 30.1)	37,240	33,759
	Freight and shipment	154,776	179,335
	Duties and other charges	104,152	106,288
	Commission to selling agents	335,168	327,604
	Advertisement	2,020	1,398
		633,356	648,384

30.1 Salaries, wages and other benefits include provident fund contribution of Rupees 1.341 million (2015: Rupees 1.157 million) by the Company.

		2016	2015
31.	ADMINISTRATIVE EXPENSES		
	Salaries, wages and other benefits (Note 31.1)	194,267	155,922
	Meeting fee to non-executive directors	700	660
	Traveling, conveyance and entertainment	17,265	14,205
	Rent, rates and taxes (Note 31.2)	3,622	4,503
	Repair and maintenance	22,189	19,558
	Insurance	1,362	1,207
	Printing and stationery	2,789	2,191
	Communication	3,697	2,881
	Subscription	10,365	6,183
	Legal and professional	4,609	6,181
	Auditors' remuneration (Note 31.3)	1,748	1,455
	Software maintenance	-	804
	Depreciation (Note 14.1.4)	10,083	8,711
	Other charges	10,367	9,325
		283,063	233,786

31.1 Salaries, wages and other benefits include provident fund contribution of Rupees 6.005 million (2015: Rupees 4.764 million) by the Company.

31.2 This includes ijarah (operating lease) rentals amounting to Rupees 0.871 million (2015: Rupees 1.909 million) of vehicles.

		2016	2015
31.3	Auditors' remuneration:		
	Audit fee	1,200	1,100
	Half yearly review	250	200
	Reimbursable expenses	48	30
	Other certification fees	250	125
		1,748	1,455

	(Rupees in '000)	2016	2015
32.	OTHER EXPENSES		
	Donations (Note 32.1)	10,843	9,794
	Provision for doubtful other receivables (Note 24)	2,243	-
	Workers' profit participation fund (Note 9.2)	13,310	11,033
	Impairment loss on long term investment (Note 16)	-	41,998
		26,396	62,825
32.1	There is no interest of any director or his spouse in donees' fund.		
33.	OTHER INCOME		
	Income from financial assets		
	Dividend income (Note 33.1)	134,490	111,434
	Gain on redemption of preference shares	21,537	-
	Exchange gain	48,943	55,960
	Mark-up on loans and advances (Note 33.2)	52,411	59,039
		257,381	226,433
	Income from non-financial assets		
	Sale of empties and scrap	20,430	16,086
	Rental income	836	763
	Gain on sale of property, plant and equipment	37,847	5,869
	Gain on sale of non-current asset held for sale	59,811	-
	Sundry receipts	-	121
		118,924	22,839
		376,305	249,272
33.1	Dividend income		
	From related parties:		
	Crescent Bahuman Limited-Preference dividend	98,800	98,800
	Crescent Steel and Allied Products Limited	30,396	10,246
	Shakarganj Limited - Preference dividend	4,668	-
	Premier Insurance Limited	98	85
	Crescent Cotton Mills Limited	-	1,952
		133,962	111,083
	From others:		
	Crescent Fibres Limited	528	351
		134,490	111,434

33.2 This relates to mark-up charged on overdue receivables from Crescent Bahuman Limited.

	(Rupees in '000)	2016	2015
34.	FINANCE COST		
	Mark up on:		
	Long term financing	21,962	21,247
	Liabilities against assets subject to finance lease	2,233	7,725
	Short term borrowings	315,253	391,065
	Interest on workers' profit participation fund (Note 9.2)	863	792
	Bank charges and commission	19,695	7,685
		360,006	428,514

34.1 Net gain on fair value of derivative financial instruments amounting to Rupees 15.361 million (2015: Rupees 23.435 million) is adjusted against finance cost.

34.2 Exchange loss on foreign currency loans of the Company amounting to Rupees 69.250 million (2015: Rupees 88.873 million) is adjusted against finance cost.

	(Rupees in '000)	2016	2015
			Restated
35.	TAXATION		
	Charge for the year:		
	Current (Note 35.1)	70,227	104,294
	Prior year adjustment	(55)	(49)
		70,172	104,245
	Deferred (Note 35.3)	25,960	33,828
		96,132	138,073

35.1 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, 2016 are Rupees 313.345 million (2015: Rupees 350.604 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

35.2 Under Section 5A of the Income Tax Ordinance, 2001, 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 cash dividend equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of tax year 2016. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on September 17, 2016 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2016

	(Rupees in '000)	2016	2015 Restated
35.3	Deferred income tax effect due to:		
	Tax depreciation allowance	154,873	137,279
	Unused tax losses	(97,137)	(112,193)
	Tax on investment in associate	-	6,698
	Surplus on revaluation of operating fixed assets	290	302
		58,026	32,086
	Opening balance as at July 01,	(32,086)	1,780
	Related to surplus on revaluation of operating fixed assets	20	(38)
		25,960	33,828
36.	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 '000)	250,543	220,300
	Weighted average number of ordinary shares (Numbers)	70 214 592	56 632 915
	Earnings per share (Rupees)	3.57	3.89
37.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	346,675	358,373
	Adjustments for non-cash charges and other items:		
	Depreciation	213,847	192,821
	Gain on sale of property, plant and equipment	(37,847)	(5,869)
	Gain on sale of non-current asset held for sale	(59,811)	-
	Dividend income	(134,490)	(111,434)
	Gain on redemption of preference shares	(21,537)	-
	Impairment loss on long term investment	-	41,998
	Provision for doubtful other receivables	2,243	-
	Provision for workers' profit participation fund	13,310	11,033
	Share of profit from associate	(59,520)	(25,521)
	Adjustment of carrying amount of investment due to loss of significant influence in associate	126,500	-
	Finance cost	360,006	428,514
	Working capital changes (Note 37.1)	(642,925)	(123,908)
		106,451	766,007

	(Rupees in '000)	2016	2015
37.1	Working capital changes		
	(Increase) / decrease in current assets:		
	- Stores, spare parts and loose tools	(8,071)	(20,458)
	- Stock-in-trade	(298,387)	152,066
	- Trade debts	201,222	(318,420)
	- Loans and advances	12,665	(20,676)
	- Short term deposits and prepayments	(6,649)	(2,344)
	- Accrued interest	959	(676)
	- Other receivables	(277,095)	(74,351)
		(375,356)	(284,859)
	(Decrease) / increase in trade and other payables	(267,569)	160,951
		(642,925)	(123,908)

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements 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 '000)	2016	2015	2016	2015	2016	2015
Managerial remuneration	7,200	7,200	4,200	3,760	107,092	85,974
Allowances						
House rent	3,240	3,240	1,890	1,530	26,278	19,454
Cost of living	-	-	-	-	298	278
Utilities	720	720	-	-	8,849	7,537
Medical	-	-	-	-	8,009	7,117
Special	-	-	-	-	8,158	7,416
Reimbursable expenses	1,282	1,737	-	-	2,189	1,848
Contribution to provident fund	450	450	263	213	6,297	4,827
	12,892	13,347	6,353	5,503	167,170	134,451
Number of persons	1	1	1	1	69	63

38.1 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.

38.2 Aggregate amount charged in the financial statements for meeting fee to six non-executive directors (2015: six non-executive directors) was Rupees 700,000 (2015: Rupees 660,000).

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

	(Rupees in '000)	2016	2015
39.	EMPLOYEES' RETIREMENT BENEFITS		
	Contribution to Employees' Provident Fund Trust	22,242	19,676
	Contribution to Employees' Old Age Benefit Institution	24,690	21,740
		46,932	41,416

40. PROVIDENT FUND RELATED DISCLOSURE

Following information is based on un-audited financial statements of the provident fund for the year ended June 30, 2016 and audited financial statements of the provident fund for the year ended June 30, 2015:

	2016	2015
Size of the fund - Total assets	1,160,213	1,069,642
Cost of investments	1,079,036	1,012,485
Percentage of investments made	100	100
Fair value of investments	1,160,113	1,069,642

40.1 The break-up of fair value of investments is as follows:

	2016	2015	2016	2015
	(Percentage)		(Rupees in '000)	
Bank deposits	35%	49%	399,824	522,344
Advances to members	2%	8%	26,662	83,765
Defence saving certificates	10%	10%	114,559	103,809
Listed securities	53%	33%	619,068	359,724
	100%	100%	1,160,113	1,069,642

40.2 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)	2016	2015
41.	NUMBER OF EMPLOYEES		
	Number of employees as on June 30	5 382	5 916
	Average number of employees during the year	5 546	5 779

42. 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 '000)	2016	2015
Associated companies		
Purchase of goods and services	8,748	57,677
Sale of goods and services	416,787	228,258
Dividend income	133,962	111,083
Dividend paid	6,145	4,253
Insurance premium paid	26,612	18,037
Insurance claim received	6,448	40,832
Interest income	52,411	59,039
Other related parties		
Dividend paid	16,470	11,508
Contribution to Employees' Provident Fund Trust	22,242	19,676

(Number of Shares)	2016	2015
Associated companies		
Right shares issued	2 195 033	835 968
Right shares subscribed	4 867 500	-
Bonus shares received	19 500	12 717
Other related parties		
Right shares issued	5 729 023	2 704 657

(Figures in '000)		2016	2015
43. PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based			
on 3 shifts per day for 1 098 shifts (2015: 1 095 shifts)	(Kgs.)	33 587	38 562
Actual production converted to 20s count based			
on 3 shifts per day for 1 011 shifts (2015: 1 005 shifts)	(Kgs.)	28 881	34 533
Weaving			
100 % plant capacity at 50 picks based on 3 shifts			
per day for 1 098 shifts (2015: 1 095 shifts)	(Sq. Mtr.)	42 636	42 520
Actual production converted to 50 picks based			
on 3 shifts per day for 1 050 shifts (2015: 1 026 shift)	(Sq. Mtr.)	32 475	30 509

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)	102	70

43.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity of textile facilities is mainly due to periodical scheduled maintenance. Actual power generation in comparison to installed capacity is low due to periodical scheduled / unscheduled maintenance and low demand.

44. SEGMENT INFORMATION

(Rupees in '000)	Spinning 2016	Spinning 2015	Weaving 2016	Weaving 2015	Processing & Home Textile 2016	Processing & Home Textile 2015
Sales						
External	3,543,790	4,616,300	433,780	402,296	6,584,055	6,744,653
Intersegment	1,553,331	1,722,091	3,778,217	4,036,502	-	-
	5,097,121	6,338,391	4,211,997	4,438,798	6,584,055	6,744,653
Cost of sales	5,024,653	5,926,126	4,089,001	4,328,377	5,466,209	5,829,251
Gross profit	72,468	412,265	122,996	110,421	1,117,846	915,402
Distribution cost	52,149	66,433	23,501	20,401	554,873	559,484
Administrative expenses	85,189	93,435	23,796	14,925	159,906	114,618
	137,338	159,868	47,297	35,326	714,779	674,102
(Loss) / profit before taxation and unallocated income and expenses	(64,870)	252,397	75,699	75,095	403,067	241,300
Unallocated income and expenses:						
Other expenses						
Other income						
Finance cost						
Share of profit from associate						
Reversal of carrying amount of investment in associate						
Taxation						
Profit after taxation						

44.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning 2016	Spinning 2015	Weaving 2016	Weaving 2015	Processing & Home Textile 2016	Processing & Home Textile 2015
Total assets for reportable segments	2,300,510	1,661,815	1,017,400	1,002,525	2,436,194	2,654,001
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	3,151,599	2,630,185	700,195	558,023	2,057,772	2,082,500
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	
	2016	2015	2016	2015	2016	2015	2016	2015
								Restated
	-	-	17,184	15,566	-	-	10,578,809	11,778,815
	892,368	1,207,636	-	-	(6,223,916)	(6,966,229)	-	-
	892,368	1,207,636	17,184	15,566	(6,223,916)	(6,966,229)	10,578,809	11,778,815
	871,562	1,192,875	11,129	11,326	6,223,916	6,966,229	9,238,638	10,321,726
	20,806	14,761	6,055	4,240	-	-	1,340,171	1,457,089
	2,833	2,066	-	-	-	-	633,356	648,384
	13,380	10,058	792	750	-	-	283,063	233,786
	16,213	12,124	792	750	-	-	916,419	882,170
	4,593	2,637	5,263	3,490	-	-	423,752	574,919
							26,396	62,825
							376,305	249,272
							360,006	428,514
							59,520	25,521
							(126,500)	-
							96,132	138,073
							250,543	220,300

	Power Generation		Cold Storage		Total - Company	
	2016	2015	2016	2015	2016	2015
						Restated
	305,997	332,699	22,779	20,238	6,082,880	5,671,278
					7,792,173	6,782,031
					13,875,053	12,453,309
and tax assets.						
	146,275	116,074	1,800	1,998	6,057,641	5,388,780
					1,051,466	1,325,557
					7,109,107	6,714,337

payables, current and deferred tax liabilities.

44.2 Geographical Information

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

(Rupees in '000)	2016	2015
Europe	4,886,493	5,178,503
America	921,912	803,037
Asia, Africa and Australia	1,127,242	1,161,910
Pakistan	3,643,162	4,635,365
	10,578,809	11,778,815

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

44.4 Revenue from major customers

There was no major customer of the Company during the year (2015: no major customer of the Company).

45. FINANCIAL RISK MANAGEMENT

45.1 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 used 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's exposure to currency risk was as follows:

	2016	2015
Cash at banks - USD	4,180	7,009
Trade debts - USD	13,513,470	14,808,649
Trade debts - Euro	766,247	1,759,730
Trade and other payables - USD	(289,630)	(480,752)
Short term borrowings - USD	(20,665,100)	(23,464,375)
Derivative financial instruments - USD	-	(5,887,548)
Net exposure - USD	(7,437,080)	(15,017,017)
Net exposure - Euro	766,247	1,759,730
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	104.33	101.39
Reporting date rate	104.50	101.50
Rupees per Euro		
Average rate	115.81	121.43
Reporting date rate	116.08	113.57

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 36.916 million (2015: Rupees 72.401 million) lower / higher and Rupees 4.225 million (2015: Rupees 9.493 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.

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 Pakistan Stock Exchange Limited (PSX) 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 other comprehensive income (fair value reserve)	
(Rupees in '000)	2016	2015	2016	2015
PSX 100 (5% increase)	-	-	64,887	31,547
PSX 100 (5% decrease)	-	-	(64,887)	(31,547)

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 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 '000)	2016	2015
Fixed rate instruments		
Financial assets		
Long term financing	355,439	21,307
Short term borrowings	2,115,600	1,965,600
Floating rate instruments		
Financial assets		
Trade debts-CBL	641,403	639,797
Financial liabilities		
Long term financing	144,665	157,860
Liabilities against assets subject to finance lease	11,012	43,681
Short term borrowings	3,369,184	3,113,080

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 27.393 million (2015: Rupees 25.411 million) lower / higher mainly as a result of higher / lower interest expense / income 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.

(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 '000)	2016	2015
Investments	3,543,487	2,607,433
Loans and advances	6,164	5,714
Deposits	32,817	26,495
Trade debts	2,365,485	2,566,707
Accrued interest	4,109	5,068
Other receivables	582,317	471,198
Bank balances	7,996	4,594
	6,542,375	5,687,209

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 counterparty default rate:

(Rupees in '000)	Rating Short Term	Long Term	Agency	2016	2015
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	182	179
Allied Bank Limited	A1+	AA+	PACRA	1,029	1,222
Habib Bank Limited	A-1+	AAA	JCR-VIS	105	5
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	3,952	1,497
MCB Bank Limited	A1+	AAA	PACRA	1,654	228
NIB Bank Limited	A1+	AA -	PACRA	1	1
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	292	570
United Bank Limited	A-1+	AAA	JCR-VIS	127	195
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	561	581
Meezan Bank Limited	A-1+	AA	JCR-VIS	12	12
The Bank of Punjab	A1+	AA-	PACRA	78	100
Burj Bank Limited	A-2	BBB+	JCR-VIS	3	4
				7,996	4,594

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 20.

(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, 2016, the Company had Rupees 902 million (2015: Rupees 1,436 million) available borrowing limits from financial institutions and Rupees 9.297 million (2015: Rupees 5.195 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, 2016:

(Rupees in '000)	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	500,104	582,116	39,897	43,375	136,560	362,284
Liabilities against assets subject to finance lease	11,012	11,391	8,528	2,863	-	-
Trade and other payables	886,904	886,904	886,904	-	-	-
Accrued mark-up	59,941	59,941	59,941	-	-	-
Short term borrowings	5,484,784	5,631,145	3,689,268	1,941,877	-	-
	6,942,745	7,171,497	4,684,538	1,988,115	136,560	362,284

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

(Rupees in '000)	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

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.

45.2 Financial instruments by categories

(Rupees in '000)	Loans and receivables	Available for sale	Total
As at June 30, 2016			
Assets as per balance sheet			
Investments	-	3,543,487	3,543,487
Loans and advances	6,164	-	6,164
Deposits	32,817	-	32,817
Trade debts	2,365,485	-	2,365,485
Accrued interest	4,109	-	4,109
Other receivables	582,317	-	582,317
Cash and bank balances	9,297	-	9,297
	3,000,189	3,543,487	6,543,676

(Rupees in '000)	Financial liabilities at amortized cost
Liabilities as per balance sheet	
Long term financing	500,104
Liabilities against assets subject to finance lease	11,012
Accrued mark-up	59,941
Short term borrowings	5,484,784
Trade and other payables	886,904
	6,942,745

(Rupees in '000)	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 '000)	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

45.3 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.

45.4 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 which was unchanged from last year is to maintain a gearing ratio of 50% debt and 50% equity (2015: 50% debt and 50% equity).

(Rupees in '000)	2016	2015 Restated
Borrowings	5,995,900	5,301,528
Total equity	4,551,934	3,448,268
Total capital employed	10,547,834	8,749,796
Gearing ratio (Percentage)	56.84	60.59

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

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

(Rupees in '000)	Level 1	Level 2	Level 3	Total
Financial assets - recurring fair value measurement				
At June 30, 2016				
Available for sale financial assets	1,297,723	-	-	1,297,723
At June 30, 2015				
Available for sale financial assets	630,933	-	-	630,933

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short-term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices.

47. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

(Rupees in '000)	Level 1	Level 2	Level 3	Total
At June 30, 2016				
Land - freehold	-	2,217,852	-	2,217,852
Land - leasehold	-	5,769	-	5,769
	-	2,223,621	-	2,223,621
At June 30, 2015				
Land - freehold	-	2,217,852	-	2,217,852
Land - leasehold	-	5,846	-	5,846
Non-current asset held for sale	-	84,318	-	84,318
	-	2,308,016	-	2,308,016

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The fair value of freehold and leasehold land has been determined as on June 30, 2013 by Messers Hamid Mukhtar and Company (Private) Limited, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP) as per basis stated in Note 14.1.1 to the financial statements.

48. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

48.1 Description	Note	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements	2015 Carried under Non-Shariah arrangements	2015 Carried under Shariah arrangements
(Rupees in '000)					
Assets					
Loans and advances					
Loans to employees	17 and 21	-	6,164	-	5,714
Advances to suppliers	21	-	12,887	-	31,932
Deposits					
Deposits		-	32,996	-	26,495
Bank balances	26	-	7,996	-	4,594
Liabilities					
Loan and advances					
Long term financing	6	500,104	-	179,167	-
Liabilities against assets subject to finance lease	7	11,012	-	43,681	-
Advances from customers	9	-	14,501	-	8,297
Short term borrowings	11	5,425,184	59,600	5,019,080	59,600
Income					
Realized gain on investments	33	-	21,537	-	-
Other comprehensive income					
Unrealized gain / (loss) on investments	4.2	17,919	524,152	(11,587)	39,048

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended June 30, 2016

	(Rupees in '000)	Note	2016	2015
48.2	Dividend income earned from	33		
	Crescent Bahuman Limited-Preference dividend		98,800	98,800
	Crescent Steel and Allied Products Limited		30,396	10,246
	Shakarganj Limited - Preference dividend		4,668	-
	Premier Insurance Limited		98	85
	Crescent Cotton Mills Limited		-	1,952
	Crescent Fibres Limited		528	351
			134,490	111,434
48.3	Sources of other income	33		
	Dividend income		134,490	111,434
	Gain on redemption of preference shares		21,537	-
	Gain on sale of property, plant and equipment		37,847	5,869
	Gain on sale of non-current asset held for sale		59,811	-
	Exchange gain		48,943	55,960
	Mark-up on loans and advances		52,411	59,039
	Sale of empties and scrap		20,430	16,086
	Rental income		836	763
	Sundry receipts		-	121
			376,305	249,272
48.4	Exchange (loss) / gain	33 and 34		
	From actual currency		(20,307)	(32,913)
	From derivative financial instruments		15,361	23,435
48.5	External revenue from different business segments			
	Spinning		3,543,790	4,616,300
	Weaving		433,780	402,296
	Processing and Home Textile		6,584,055	6,744,653
	Cold Storage		17,184	15,566
			10,578,809	11,778,815

48.6 Relationship with banks

Name	Relationship with Non Islamic window operations	Relationship with Islamic window operations
Al Baraka Bank (Pakistan) Limited		✔
Allied Bank Limited	✔	
Burj Bank Limited	✔	
Habib Bank Limited	✔	
Habib Metropolitan Bank Limited	✔	
MCB Bank Limited	✔	
National Bank of Pakistan	✔	
NIB Bank Limited	✔	
Standard Chartered Bank (Pakistan) Limited	✔	
The Bank of Punjab	✔	
United Bank Limited	✔	

49. 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, 2016 amounting to Rupees 1.255 (2015: Rupees 1.45) per share at their meeting held on September 17, 2016. 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.

50. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 17, 2016 by the Board of Directors of the Company.

51. CORRESPONDING FIGURE

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made except for the exchange gain amounting to Rupees 55.960 million reclassified from export sales to other income.

52. GENERAL

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

(Muhammad Anwar)
Chief Executive Officer

(Anjum Muhammad Saleem)
Director

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2016

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
514	1	100	16,297	1	210,001	215,000	210,275
511	101	500	145,107	2	215,001	220,000	437,146
245	501	1,000	197,800	1	235,001	240,000	240,000
482	1,001	5,000	1,292,959	3	240,001	245,000	728,598
157	5,001	10,000	1,244,471	1	250,001	255,000	254,329
63	10,001	15,000	791,440	1	255,001	260,000	256,931
31	15,001	20,000	552,607	1	260,001	265,000	262,867
30	20,001	25,000	694,138	1	265,001	270,000	267,936
23	25,001	30,000	640,876	1	280,001	285,000	280,310
11	30,001	35,000	366,237	1	285,001	290,000	288,697
8	35,001	40,000	307,218	1	290,001	295,000	291,981
8	40,001	45,000	348,074	1	295,001	300,000	300,000
10	45,001	50,000	493,303	1	305,001	310,000	306,279
6	50,001	55,000	314,666	1	315,001	320,000	318,667
3	55,001	60,000	174,759	4	320,001	325,000	1,288,394
6	60,001	65,000	379,112	1	330,001	335,000	333,297
8	65,001	70,000	537,921	2	335,001	340,000	679,540
4	70,001	75,000	288,082	1	340,001	345,000	342,937
4	75,001	80,000	307,598	1	365,001	370,000	366,573
1	80,001	85,000	83,000	1	385,001	390,000	389,308
2	85,001	90,000	175,007	1	390,001	395,000	391,743
1	90,001	95,000	92,199	1	405,001	410,000	406,096
4	95,001	100,000	394,602	1	425,001	430,000	426,622
2	100,001	105,000	206,633	2	450,001	455,000	904,444
2	105,001	110,000	213,635	1	485,001	490,000	485,593
3	110,001	115,000	333,837	2	495,001	500,000	1,000,000
1	115,001	120,000	118,763	1	500,001	505,000	500,611
1	120,001	125,000	122,051	2	525,001	530,000	1,052,964
2	125,001	130,000	254,477	1	535,001	540,000	537,500
1	130,001	135,000	130,672	2	540,001	545,000	1,082,326
3	135,001	140,000	415,970	1	550,001	555,000	553,000
1	140,001	145,000	141,000	1	570,001	575,000	571,848
3	145,001	150,000	448,375	1	595,001	600,000	597,564
3	150,001	155,000	458,771	1	600,001	605,000	601,157
3	155,001	160,000	477,669	2	615,001	620,000	1,235,014
4	160,001	165,000	645,128	1	635,001	640,000	635,905
3	165,001	170,000	502,710	1	640,001	645,000	642,756
1	170,001	175,000	171,926	2	650,001	655,000	1,300,550
3	175,001	180,000	530,304	1	665,001	670,000	665,346
2	185,001	190,000	376,910	1	690,001	695,000	690,306
2	190,001	195,000	385,780	1	720,001	725,000	720,195
1	195,001	200,000	200,000	1	745,001	750,000	748,018
3	200,001	205,000	608,214	1	755,001	760,000	755,985

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2016

Shareholders	Form	to	Total Shares	Shareholders	Form	to	Total Shares
1	765,001	770,000	767,324	1	1,590,001	1,595,000	1,594,629
1	795,001	800,000	797,562	2	1,675,001	1,680,000	3,353,097
1	825,001	830,000	829,603	1	1,700,001	1,705,000	1,700,875
1	940,001	945,000	943,158	1	2,875,001	2,880,000	2,877,601
1	1,045,001	1,050,000	1,049,799	1	3,585,001	3,590,000	3,585,635
1	1,100,001	1,105,000	1,104,000	1	4,355,001	4,360,000	4,359,891
1	1,195,001	1,200,000	1,200,000	1	5,925,001	5,930,000	5,929,364
1	1,385,001	1,390,000	1,389,541	1	7,585,001	7,590,000	7,588,015
				2,249			80,000,000

Categories of Shareholders	Numbers	Shares Held	% age
Individual	2,152	44,025,923	55.0
Joint Stock Companies	62	21,260,224	26.6
Associated Companies	5	11,129,756	13.9
Financial Institutation	12	1,610,796	2.0
Executives	7	1,566,263	2.0
Insurance Companies	3	375,685	0.5
Mutual Funds	1	25,383	0.0
Non-Residents	5	5,128	0.0
Modaraba & Modaraba Cos	2	842	0.0
Grnd Ttl	2,249	80,000,000	100

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2016

	Categories of Shareholders	Physical	CDC	Total	% age
		(Number of shares held)			
1	Directors, Chief Executive Officer, Their Spouse and Minor Children				
	Chairman & Chief Executive				
	Mr. Muhammad Rafi	3,642	323,210	326,852	0.41
	Mr. Muhammad Anwar		829,603	829,603	1.04
	Directors				
	Mr. Ahmad Shafi		3,585,635	3,585,635	4.48
	Mr. Amjad Mahmood		102,589	102,589	0.13
	Mr. Anjum Muhammad Saleem	130	542,003	542,133	0.68
	Mr. Khalid Bashir	26	642,756	642,782	0.80
	Mr. Khurram Mazhar Karim		165,709	165,709	0.21
	Mr. Muhammad Asif (Nominee NIT)				
	Director's Spouses and Their Minor Childern				
	Mst. Naheed Amjad		426,622	426,622	0.53
	Mrs. Tanveer Khalid Bashir	121	342,937	343,058	0.43
	Mst. Mussarat Rafi	5,646	86,383	92,029	0.12
	Mrs. Saira Anjum Saleem		75,431	75,431	0.09
	Mst. Abida Anwar		8,326	8,326	0.01
		9,565	7,131,204	7,140,769	8.93
2	Executives	164,977	1,401,286	1,566,263	1.96
3	Associated Companies, Undertakings & Related Parties				
	Trustee - The Crescent Textile Mills Ltd Employees' Provident Fund		7,588,015	7,588,015	9.49
	Crescent Foundation	1,675,858		1,675,858	2.09
	Suraj Cotton Mills Limited		1,104,000	1,104,000	1.38
	Premier Insurance Limited		755,985	755,985	0.94
	Shakarganj Limited	5,898		5,898	0.01
		1,681,756	9,448,000	11,129,756	13.91
4	NIT & ICP (Name Wise Detail)				
	CDC - Trustee National Investment (unit) Trust		2,877,601	2,877,601	3.60
	Trustee National Bank Of Pakistan Employees Pension Fund		188,340	188,340	0.24
	Investment Corporation of Pakistan	9,000		9,000	0.01
	Trustee National Bank Of Pakistan Emp Benevolent Fund Trust		6,609	6,609	0.01
		9,000	3,072,550	3,081,550	3.85
5.	Mutual Funds (Name Wise Detail)				
	Tri. Star Mutual Fund Ltd.		25,383	25,383	0.03
		-	25,383	25,383	0.03

PATTERN OF SHAREHOLDING - (FORM "34")

as at June 30, 2016

		Physical	CDC	Total	% age
		(Number of shares held)			
6	Banks, NBFCs, DFIs, Takaful, Pension Funds	9,823	1,600,973	1,610,796	2.01
7	Modarabas	842	-	842	0.00
8	Insurance Companies	704	374,981	375,685	0.47
9	Non-Residents	5,128	-	5,128	0.01
10	Other Companies,Corporate Bodies, Trust etc.	53,599	18,125,075	18,178,674	22.72
11	General Public	3,882,625	33,002,529	36,885,154	46.11
	Grand Total	5,818,019	74,181,981	80,000,000	100.00
	Shareholders More Than 5.00%				
	Trustee - The Crescent Textile Mills Ltd Empl. Provident Fund			7,588,015	9.49
	Cs Capital (Pvt) Ltd			5,929,364	7.41
	Crescent Cotton Mills Limited			4,359,891	5.45

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 67thAnnual General Meeting of the shareholders of The Crescent Textile Mills Limited (the "Company") will be held on Monday, the October 31, 2016 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, 2016 together with the Directors' and Auditors' Reports thereon.

2 To approve, as recommended by the Board of Directors, payment of cash dividend @ 12.55% i.e. Rs. 1.255 per share for the year ended June 30, 2016.

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

Special Business:

4. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution as an Ordinary Resolution, with or without modification:

   "Resolved that consent & approval of the members of The Crescent Textile Mills Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2017 through CD or DVD or USB instead of transmitting the same in hard copies.

   Resolved Further that Chief Executive Officer or Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution."

5. To consider and, if deemed fit, pass the following resolution as Special Resolution with or without modification for alteration in the Articles of Association of the Company:

   "Resolved that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 34A immediately after the existing Article 34 to read as under;

   34A. ELECTRONIC VOTING: The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article.

   Resolved Further that the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/ statutory forms as may be required and complying with all other regulatory requirements so as to effectuate the alteration in the Article of Association of the Company."

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 06, 2016

Notes:

1. The Share Transfer Books of the Company will remain closed from October 25, 2016 to October 31, 2016 (both days inclusive). Transfers received in order at Share Registrar's Office, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 24, 2016, will be treated in time for the entitlement of cash dividend to the transferees and to attend the meeting.

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. 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.

NOTICE OF ANNUAL GENERAL MEETING

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.

4. 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.

5. 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.

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

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2016 along with Auditors and Directors Reports thereon on its website: www.ctm.com.pk

7. Deduction of Income Tax from Dividend @ Revised Rates

Pursuant to the amendment in section 150 of the Income Tax Ordinance, 2001 through Finance Act 2016, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	12.5%
Income Tax Return Non Filer	20.0%

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.

NOTICE OF ANNUAL GENERAL MEETING

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 AGM date.

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

8. 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 31 OCTOBER 2016

Circulations of Annual Reports through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 34A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company, as specified in the notice of meeting.

The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

67th Annual General Meeting

crestex

The Crescent Textile Mills Limited

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore, Pakistan

PROXY FORM

I/We ______________________________ being member(s) 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 67th Annual General Meeting of the Company to be held on Monday the October 31, 2016 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 ____________ 2016.

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

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

Affix Revenue Stamp of Rs. 5/-
Member's Signature

Date:

Place: Lahore

CDC A/C #															
CNIC #															

Note:

1. 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.
2. CDC account holders will further have to follow the following guidelines:
   - 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.

The Crescent Textile Mills Limited

67 واں سالانہ اجلاس عام

رجسٹرڈ آفس
45۔اے، آف: ظفر علی روڈ،
گلبرگ۔V، لاہور، پاکستان

مختار نامہ

میں/ہم ______________________________

کا/کے ______________________________

بحثییت رکن کریسنٹ ٹیکسٹائل ملز لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فولیو نمبر ______________________________

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی نمبر ______________________________

اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ______________________________

محترم/محترمہ ______________________________

کو اپنے/ہمارے ایماء پر مورخہ 31 اکتوبر 2016ء سوموار

بمقام: رجسٹرڈ آفس: A-45، آف: ظفر علی روڈ، گلبرگ-V، لاہور۔

منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز ____________ بتاریخ ____________ 2016ء کو دستخط کئے گئے۔

گواہان:

دستخط: ______________

نام: ______________

پتہ: ______________

____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ______________

پانچ روپے مالیت کے رسید ٹکٹ پر دستخط

دستخط: ______________

نام: ______________

پتہ: ______________

____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ______________

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

نوٹ:

1۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کرسکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کردے۔

2۔ سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ جس کی سیکیوریٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

(ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

(ج) بینیفیشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(و) کارپوریٹ ادارہ ہونے کی صورت میں بحثییت ممبر (رکن)، بورڈ آف ڈائریکٹرز قرارداد/مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

B o o k P o s t

If undelivered, please return to:

Mills & Head Office
Sargodha Road,
Faisalabad, Pakistan
T:+92-41-111-105-105
F:+92-41-8786525
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
CorpTec Associates (Pvt) Limited,
503-E, Johar Town,
Lahore, Pakistan
T:+92-42-35170336-7
F:+92-42-35170338
E: info@corptec.com.pk

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