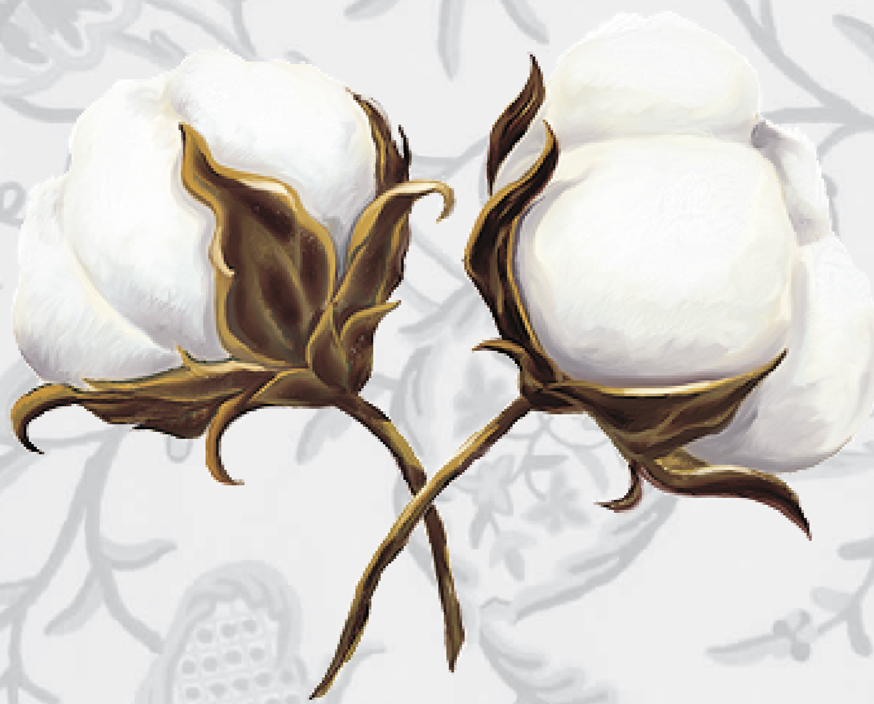
ANNUAL REPORT 2015



CCML

CRESCENT COTTON MILLS LIMITED

بسم الله الرحمن الرحيم

شروع اللہ کے نام سے

جو بڑا مہربان نہایت رحم والا ہے

In the Name of Allah,

the most merciful, the Compassionate

C O N T E N T S

CRESCENT COTTON MILLS LIMITED

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE

New Lahore Road,
Nishatabad,
Faisalabad.
Phones : (041) 8752111-4
Fax : (041) 8750366
E-mail : info@crescentcotton.com
URL : www.crescentcotton.com

KARACHI OFFICE

Office # 409, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

WORKS

Spinning Unit # 1& 2

Kotla Kahlon,
8/9 Kilometers from
Shahkot towards Sheikupura,
Shahkot Distt. Nankana.
Phones : (041) 2024350
Fax : (041) 2044590

Spinning Unit # 3

B-10, S.I.T.E., Kotri.
Phones : (022) 3870053 & 3871138
Fax : (022) 3870322

SUBSIDIARY

CRESCOT MILLS LIMITED

PRINCIPAL & REGISTERED OFFICE

Office # 409, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

Chief Executive Officer

Mr. Naveed Gulzar

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Khalid Bashir (Chairman) Mr. Muhammad Arshad (Chief Executive Officer)
DIRECTORS (In alphabetical order)	Mr. Abid Mehmood Mr. Adnan Amjad Mr. Humayun Mazhar Mr. Imtiaz Rashid Siddiqui Mr. Muhammad Anwar Mr. Naveed Gulzar
AUDIT COMMITTEE	Mr. Muhammad Anwar (Chairman) Mr. Khalid Bashir (Member) Mr. Adnan Amjad (Member)
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Abid Mehmood (Chairman) Mr. Humayun Mazhar (Member) Mr. Khalid Bashir (Member)
COMPANY SECRETARY	Mr. Sami Ullah Chaudhry
BANKERS	National Bank of Pakistan Habib Metropolitan Bank Limited
AUDITORS	Riaz Ahmad & Compnay Chartered Accountants
COMPANY REGISTRAR	Yaqub Associates (Pvt) Ltd. 2-Asad Arcade, Circular Road Faisalabad Ph: 041-2634956,2610565
URL	www.crescentcotton.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the shareholders of the Company will be held on Saturday the 31st October, 2015 at 9.30 a.m. at Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad to transact the following business:

1. To confirm the minutes of last Annual General Meeting of the Company held on May 30, 2015.

2. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.

3. To appoint External Auditors and fix their remuneration.

4. **SPECIAL BUSINESS:**
To consider and pass the following special resolution with or with out amendments under section 196 read with section 208 of the Companies Ordinance, 1984:

Resolved That consent of the Board be and is hereby accorded to make investment of upto Rs. 17,632,125/- by subscribing Right Shares of The Crescent Textile Mills Limited, an associated company.

Resolved Further that Mr. Muhammad Arshad, Chief Executive Officer of the Company be and is hereby authorised to take or cause to be taken any and all actions necessary for making investment in right shares of The Crescent Textile Mills Limited and to dispose of the said right shares as he thinks fit on behalf of the Company.

5. To transact any other business with the permission of the chair.

REGISTERED OFFICE:
Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Fax No. 8750366
Dated: October 08, 2015

On Behalf Of The Board
(Sami Ullah Ch.)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 23, 2015 to October 31, 2015 (both days inclusive).

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

4. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 of 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 identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their Participants I.D. numbers and account numbers in CDC.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of 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 and NIC Nos. shall be mentioned on the form.

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

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

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

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

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 5, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Dividend Mandate Option

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

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

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

8. Deduction of Income Tax from Dividend @ Revised Rates

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

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

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members are seeking eligibility 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 nondeduction of Zakat, if not provided earlier.

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

In pursuance of SECP notification S.R.O 787 (1)12014 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. 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.crescentcotton.com

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the company to be held on Octeber 31, 2015.

The board of directors of the company has proposed the investment of Rs. 17.632 million in the shape of equity in The Crescent Textile Mills Limited, an associated company. The Crescent Textile Mills Limited has offered 30.0551% Right Shares. The Company holds =3,352,343= shares of The Crescent Textile Mills Limited and as such has been offered =1,007,550= Right Shares valuing Rs. 17,632,125/=. The Market value of share of The Crescent Textile Mills Limited is around Rs. 22/= per share and it would be beneficial to subscribe the Right Shares.

The information required under SRO 27(1)/2012 dated January 16, 2012 are as under:-

In case of investment in securities:

(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	The Crescent Textile Mills Limited There are common directors in Crescent Cotton Mills Limited and The Crescent Textile Mills Limited.
(ii)	Purpose, benefits and period of investment;	Purpose of investment is to get share of benefit from the profits to be made by The Crescent Textile Mills Limited. It would be a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.
(iii)	Maximum amount of investment;	Pak Rupees 17,632,125/=
(iv)	Maximum price at which securities will be acquired;	Securities will be acquired at Rs. 17.50 per share.
(v)	Maximum number of securities to be acquired;	1,007,550 shares.
(vi)	Number of securities and percentage thereof held before and after the proposed investment;	Before investment, total number of shares of The Crescent Textile Mills Limited is 3,352,343 (5.44%). After investment the number of shares will be 4,359,893 (5.44%).
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;	Average price of the security is Rs. 20.50 per share.
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulations 6(1);	Not applicable.
(ix)	Break-up value of the securities intended to be acquired on the basis of the latest audited financial statements;	Rs. 56.09
(x)	Earnings per share of the associated company or associated undertaking for the last three years;	2015 Rs. 3.97 2014 Rs. 4.68 2013 Rs. 2.27
(xi)	Sources of fund from which securities will be acquired;	Company's own sources.
(xii)	Where the securities are intended to be acquired using borrowed funds - (i) Justification for investment through borrowings; and (ii) detail of guarantees and assets pledged for obtaining such funds;	 Not applicable Not applicable.
(xiii)	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment;	Not applicable.
(xiv)	Direct or indirect interest of directors, sponsor, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The directors of the Company have no direct or indirect interest in the above said special business that would require further disclosure, save their shareholdings in and remuneration by the Company.
(xv)	Any other important details necessary for the members to understand the transaction; and	The Crescent Textile Mills Limited has offered 30.0551% Right Shares.
(xvi)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operation, in addition to the information referred to above, the following further information, is required, namely (i) description of the project and its history since conceptualization; (ii) starting and expected date of completion of work; (iii) time by which such project shall become commercially operational; and (iv) expected time by which the project shall start paying return on investment;	 Not applicable Not applicable. Not applicable Not applicable.

VISION

To continue to hold a highly prestigious profile amongst the national as well as international industry through producing international quality yarn, embroidered cloth, grey cloth and socks, while ever endeavoring for a sustainable growth of the Company.

MISSION

The company's primary mission is to be a profitable performance proven leader in quality yarn, embroidered cloth, grey cloth and socks manufacturing, with recognition coming from our customers, our equity holders, our employees and the public at large. The company seeks to accomplish this in a manner that contributes to the strengthening of the free enterprise system, to the development and growth of its employees, and to the goals of the country and the community towards fulfilling its social responsibilities /obligations in a befitting manner.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the year ended June 30, 2015 together with the auditors' report thereon.

Financial Results

The financial results of the Company are summarized below :-

	(RUPEES IN THOUSAND)	
	2015	**2014**
(Loss)/Profit before taxation	(11,964)	112,008
Taxation	(9,490)	(15,108)
(Loss)/Profit after taxation	(21,454)	96,900

Due to the stringent cash flow position of the company, the board has not recommended any dividend during the year.

Statement on Corporate and financial reporting framework

- The financial statements, prepared by the management of the Company, present fairly it's state of affairs, the result of it's operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 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.
- The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvement in the system.
- There are no significant doubts upon the listed Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Details of significant deviations in the Company's operating results during the current year are stated in the Chief Executive Officer's Review.
- Summarized key operating and financial data for last six years is annexed.
- All the statutory payments on account of taxes, duties, levies and charges have been made except those disclosed in the financial statements.
- There have been two (2) Board Meetings during the year and attendance of each director is stated under :-

NAME OF DIRECTOR (In alphabetical order)	MEETINGS ATTENDED
Mr. Abid Mahmood	2
Mr. Adnan Amjad	2
Mr. Humayun Mazhar	1
Mr. Imtiaz Rashid Siddiqui	1
Mr. Khalid Bashir	2
Mr. Muhammad Anwar	2
Mr. Naveed Gulzar	2

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

- During the year four (2) meetings of the Audit Committee were held and following were the attendance :-

NAME OF DIRECTOR (In alphabetical order)	MEETINGS ATTENDED
Mr. Adnan Amjad	2
Mr. Khalid Bashir	2
Mr. Muhammad Anwar	2

Due to order dated October 30, 2013 of Lahore High Court, Lahore and subsequent advice of the Securities & Exchange Commission of Pakistan, meetings of the board were held after dismissal of winding up petition by the Lahore High Court, Lahore.

Financial Statements

A winding up petition # CO 36 of 2013 was filed by Dr. Yasir Mehmood etc. against the Company in the Lahore High Court, Lahore. On January 26, 2015 the honorable judge of Lahore High Court, Lahore was pleased to dismiss the winding up petition filed against the company. The petitioner has filed an Intra Court Appeal before the Lahore High Court Lahore which still lies pending.

Pattern of Shareholding

The pattern of shareholding as per section 236 of the Companies Ordinance, 1984 is attached.

During the year the detail of shares purchased by director and spouses of directors is as under:-

SR.#	NAME OF DIRECTOR/SPOUSE/MINOR	SHARES PURCHASED
1.	Mr. Khalid Bashir (Director)	2,000
2.	Mr. Adnan Amjad (Director)	500
2.	Mrs. Marium Naveed W/o. Mr. Naveed Gulzar	100
3.	Mrs. Shireen Abid W/o. Mr. Abid Mehmood	103,898

Except that of the above directors/spouses/minor children, remaining directors, CFO, Company Secretary and their spouses and minor children have not traded in the shares of the Company.

Related parties
The transactions between the related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. These transactions have been ratified by the Audit Committee and approved by the Board.

Corporate Governance
The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

Committees Of The Board
The board of directors in compliance with the Code of Corporate Governance has established an Audit Committee and Human Resources and Remuneration Committee. The names of its members are given in the company profile.

Corporate Social Responsibility
Your company understands its corporate responsibility towards the society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing best quality products and after-sales technical services to its valued customers.

Your company regularly donates generous amounts to various institutions constituted for dealing with natural calamities as part of its philanthropic activities. Your company is providing healthy, safe and learning work environment to its employees and sends them to attend training courses, seminars, workshops and conferences both within the country and abroad.

Acquisition Of Spinning Unit
Company has signed an Assets Sale & Purchase Agreement for the purchase of a complete Spinning Unit. Due to some pending litigation of the seller connected with the assets purchased, company has not yet taken possession of the assets. Management is confident that during the current financial year the spinning unit will be acquired.

External Auditors
The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending June 30, 2016.

Statement Of Compliance With Best Practices On Transfer Pricing
The company has fully complied with best practices on Transfer Pricing as contained in Listing Regulation No. 38 of the Karachi Stock Exchange.

Post Balance Sheet Events
There is no significant post balance sheet event which needs mention in Directors' Report.

Consolidated financial statements
Consolidated financial statements with accompanying information have been annexed as required under section 237 of the Companies Ordinance, 1984.

Crescot Mills Limited

- The auditors have drawn attention that the company has ceased all production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the company is no more a going concern. The company has been de-listed from KSE with effect from 28 July 2005.

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
October 08, 2015

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview Of Economy And Industry

Though structural issues continue to restrict Pakistan's growth, the country's economic health has started to show signs of emerging recovery during the fiscal year 2014-2015. The government's efforts to tackle the chronicle energy crises and improve the security situation have driven better growth numbers as compared to the preceding years. Continuation of concrete efforts is required to encourage investment that is essential for sustainable economic growth.

China and Pakistan entered into a thorough plan to create an economic corridor between the two nations. The corridor is likely to serve as driver for connectivity between South Asia and East Asia. These new trade linkages are expected to increase and Pakistan will benefit from key export markets and hope for bright future of Pakistan Economy. The GDP growth rate has been estimated at 4.5% for the fiscal year 2016, with the assistance of macroeconomic stability, reduced oil prices, improvement in domestic energy and investment related to the China-Pakistan Economic Corridor.

The textile industry of Pakistan is the most important sector of the country. It is one of the largest employment generating sector in Pakistan. This industry contributes incredibly to the GDP and provides livelihood to more than 15 million people. During the financial year 2014-2015, textile industry continued to face energy crisis which had affected the loss of production resulting in increased cost of production. Demand of yarn and fabric from China had immensely decreased which ultimately reduced the sale sales turnover and ultimately the margin in sales.

Financial And Operational Performance

The current fiscal year has not been very good for the textile industry as a whole. Our textile business faced a number of challenges where both the demand and margins fell considerably. The previous years had been excellent for the spinning mills as both the demand and margins were high, so although this year we have no profits, our company has performed much better than many in the industry.

The company has been able to post pre-tax loss Rs. 11.964 million against pre-tax profit of Rs. 112.008 million in the last year.

Sales of during the year under review has been recorded at Rs. 3,832.247 million which is lower than last year's sales of Rs. 4,958.623 million due to slack demand for both yarn and fabric during the current year. Our gross profit ratio to sales this year is 5.788% (2014 : 7.444%).

Summary of key financial results in comparison to last year are highlighted as below :-

PROFIT AND LOSS	**FY-2015**		**FY-2014**		**INCREASE/(DECREASE)**	
	RS. IN "000"	%	RS. IN "000"	%	RS. IN "000	"%
Continuing Operations:						
Sales revenue	3,832,247	100.00	4,958,623	100.00	(1,126,376)	(22.72)
Cost of sales	3,608,210	94.15	4,589,610	92.56	(981,400)	(21.38)
Gross profit	224,037	5.85	369,013	7.44	(144,976)	(39.29)
Operating expenses	222,966	5.82	255,863	5.16	(32,897)	(12.86)
Other income	23,782	0.62	38,500	0.78	(14,718)	(38.23)
Profit from operations	24,853	0.65	151,650	3.06	(126,797)	(83.61)
Finance cost	36,817	0.96	39,642	0.80	(2,825)	(7.13)
Taxation	9,490	0.25	15,108	0.30	(5,618)	(37.19)
Profit after taxation	(21,454)	(0.56)	96,900	1.95	(118,354)	(122.14)
Earnings per share (Rs.)						
Continuing operations	(1.00)		4.53		(5.53)	

Financial results of the company have been affected mainly due to shortage and higher cost of energy, global recession, devaluation of U.S Dollar and decline in demand of yarn/fabric in export market especially in China. The local market also became depressed due to excess supply and reduction in the prices of yarn and consequent inventory losses. Due to strong regional competition the textile sector could not enjoy the benefit of GSP Plus status awarded in 2014.

During the current financial year significant fall in the cotton prices was experienced which resulted in inventory losses. Increase in the minimum wages and the imposition of Universal Obligation Surcharge and Gas Infrastructure Development Surcharge (GIDC) also contributed significantly to the company's loss.

Despite all these factors, with the professional expertise and broader vision of the management, company managed to reduce the impact of loss to its minimal as compared to the other companies in textile industry.

Financial Strength

The company has been able to improve its financial strength, the long term debts have been completely paid off last year. The current ratio of the company is now 1.17. The Company's cash flow management system projects cash inflows and outflows on a regular basis and monitors the cash position on a daily basis. The Company manages its working capital requirements through short term borrowings.

Earnings Per Share

The loss per share for continuing operations stood at Rs. 1.00 per share (2014 : Earning Rs. 4.53 per share).

Major Business Challenges

The management of the company is well aware to the risks of business which it will confront. We are adding financial/marketing strength to the company and are confident that company will be able to show goods performance even in adverse years as company is now equipped to confront challenges.

Raw Materials
For our continuing operations cotton and polyester are main raw materials. The management is following a policy to arrange these raw materials at reasonable level to accelerate growth of the company. The management realizes that cotton especially is a highly volatile commodity and it has to be procured by prudent policies.

International Market
A significant portion of the company's revenue comprises of export proceeds. We face the risk of decreased demand and increased competition in the international market. We cover the risk by making strong and long standing business relationships with our foreign customers and constantly strive to expand our customer base as well.

Currency Risk
Exchange rate fluctuations may have an impact on financial results due to reliance on foreign remittances against export sale proceeds.

Credit Risk
Company's credit risk relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial footing as well as long business association with our company We doubt any non-performance by our customers, hence the credit risk is minimal.

Energy Insecurity
Power and gas shortage adversely impact on the continuity of operations as in order to meet our power needs we rely primarily on gas generators. Company has arranged alternative power sources to ensure smooth and uninterrupted operations as planned.

Employee Recruitment And Retention
Failure to attract and retain the right people may adversely affect the achievement of company's growth plan. Strong emphasis is placed on the company's human resource and its skill set. We operate the best talent management and human resource instruments to attract, retain and motivate personnel and staff.

Product Development
The management of the company is focused on the product development for the export market and later on development of our own brand of high international value products, which should create its own demand in the international market. More than 90% production of the company can be classified to the basic commodity items and to develop a suitable market for a commodity item is a big task for which the management is constantly striving.

Way Forward
The year under review has comparatively not been a very good year for the company but coming years posses more challenges than opportunities. Global growth is expected to improve slightly in the next year. China and Pakistan entered into a thorough plan to create an economic corridor between the two nations. The corridor is likely to serve as driver for connectivity between South Asia and East Asia. These new trade linkages are expected to increase and Pakistan will benefit from key export markets and hope to brighten the future of Pakistan's economy.

The energy crises in the country are still unresolved, increase in gas and power tariff, increase in minimum wages, un-predictable inflation and volatile cotton prices will not only increase the cost of production but will squeeze the margins.

The factors as stated above are external factors over which the management has no control but the management is doing its best to mitigate the effect with better policies and prudent decisions. We hope that growth of the company will be slow but it will not be halted.

SUBSIDIARIES
CRESCOT MILLS LIMITED
As already reported, the company has ceased all its production activities and during the year ended June 30, 2015, the company incurred a loss of Rs. 3.746 million as compared to loss of Rs. 2.163 million of last year. The company has been de-listed from the Karachi Stock Exchange with effect from July 28, 2005.

ACKNOWLEDGEMENT
The Board of Directors of the Company, wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution towards the operations of the company. The Directors are thankful to the bankers and financial institutions for their continued support to the company. The Directors also place on record sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD **Faisalabad**
CHIEF EXECUTIVE OFFICER **October 08, 2015**

KEY OPERATING AND FINANCIAL DATA

(RUPEES IN MILLION)

	2015	2014	2013	2012	2011	2010
Summary of Profit and Loss Account						
Sales	3,832	4,959	3,817	4,260	4,583	3,285
Gross profit	224	369	482	401	264	172
Loss/(Profit) from operations	25	152	303	373	140	204
Finance cost	37	40	39	69	76	70
(Loss)/profit before taxation	(12)	112	264	304	48	(32)
Taxation	9	15	63	63	-	24
(Loss)/profit after taxation	(21)	97	201	241	48	(56)
Summary of Balance Sheet						
Property, plant and equipment	3,035	2,903	2,878	2,819	2,807	2,877
Other non-current assets	50	26	27	46	89	40
Stock in trade	395	414	389	496	246	164
Trade debts	56	79	96	90	70	58
Other current assets	367	515	549	506	305	362
Current assets	818	1,008	1,034	1,092	621	584
Total assets	3,903	3,937	3,939	3,957	3,517	3,501
Shareholders equity	598	617	572	310	34	26
Surplus on revaluation of operating fixed assets	2,543	2,523	2,523	2,523	2,523	2,513
Long term financing	-	-	-	-	15	30
Other non-current liabilities	59	57	40	21	14	9
Trade and other payables	330	380	334	426	285	283
Short trem borrowings	328	305	328	560	554	571
Other current liabilities	45	55	142	117	92	69
Current liabilities	703	740	804	1,103	931	923
Total equity and liabilities	3,903	3,937	3,939	3,957	3,517	3,501
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	120	136	178	8	27	3
Net cash (used in) / generated from operating activities	54	54	201	(6)	(36)	(16)
Net cash used in investing activities	(143)	(39)	30	193	20	22
Net cash from / (used in) financing activities	(15)	(31)	(273)	(17)	(3)	18
Net increase / (decrease) in cash and cash equivalents	(104)	(16)	(42)	170	(19)	24
Cash and cash equivalents at the end of the year	16	120	136	178	8	27

PERFORMANCE INDICATORS

		2015	2014	2013	2012	2011	2010
Profitability Ratios							
Gross profit ratio	%	5.85	7.44	12.63	9.41	5.76	5.24
Net profit to sales	%	(0.55)	1.96	5.27	5.66	1.05	(1.70)
Return on equity	%	(3.51)	15.72	35.14	77.74	141.18	(215.38)
Return on capital employed	%	(1.91)	17.79	41.94	48.30	7.63	(5.08)
Liquidity Ratios							
Current ratio	Times	1.16	1.36	1.29	0.99	0.67	0.63
Quick ratio	Times	0.60	0.80	0.80	0.54	0.40	0.46
Cash to current liabilities	%	0.02	0.16	0.17	0.16	0.01	0.03
Activity / Turnover Ratios							
Inventory turnover	Times	9	11	8	10	21	19
Number of days in inventory	Days	41	32	48	35	17	20
Debtor turnover	Times	57	57	41	53	72	53
Number of days in receivables	Days	6	6	9	7	5	7
Creditors turnover	Times	10	13	9	11	15	12
Number of days in payables	Days	36	28	42	34	24	30
Total assets turnover	Times	0.98	1.26	0.97	1.14	1.31	1.46
Property, plant and equipment turnover	Times	1.29	1.72	1.34	1.51	1.61	2.01
Investment / Market Ratios							
Basic and diluted earning/(loss) per share	Rs.	(1.00)	4.53	12.01	11.27	2.22	(2.62)
Price earning ratio	Times	(54.55)	12.40	4.06	2.13	5.09	(2.52)
Market value per share							
- At the end of year	Rs.	54.55	56.15	48.82	24.00	11.30	6.59
- Highest during the year	Rs.	54.55	60.58	48.82	25.24	11.66	7.95
- Lowest during the year	Rs.	37.05	27.80	27.80	10.50	5.00	4.40
Break up value w/o surplus on revaluation	Rs.	27.97	28.86	26.76	14.50	1.59	1.22
Break up value with surplus on revaluation	Rs.	146.93	146.88	144.78	132.52	119.61	118.77
Capital Structure Ratios							
Financial leverage ratio	Times	1	0	1	2	17	23
Long term debt to equity ratio	%	-	-	-	-	44.12	115.38
Interest coverage ratio	Times	0.68	3.80	7.77	5.41	1.63	0.54

Form '34'

The Companies Ordinance 1984 **(Section 236(1) and 464)**

PATTERN OF SHAREHOLDING

1. Incorporation Number **0000984**
2. Name of The Company **Crescent Cotton Mills Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at **June 30, 2015**

Shareholders	From	To	Total Shares
558	1	100	17,257
425	101	500	104,377
147	501	1,000	102,312
180	1,001	5,000	373,325
32	5,001	10,000	229,647
7	10,001	15,000	88,736
5	15,001	20,000	89,139
3	20,001	25,000	68,317
4	25,001	30,000	111,029
6	30,001	35,000	191,951
10	35,001	40,000	384,822
2	40,001	45,000	81,972
3	45,001	50,000	141,154
1	50,001	55,000	54,137
3	55,001	60,000	171,467
3	60,001	65,000	188,330
2	65,001	70,000	137,156
1	70,001	75,000	70,400
3	75,001	80,000	233,083
3	80,001	85,000	244,320
1	85,001	90,000	88,098
1	90,001	95,000	90,920
4	95,001	100,000	391,721
2	105,001	110,000	215,131
3	110,001	115,000	338,329
1	120,001	125,000	121,100
7	135,001	140,000	960,258
1	140,001	145,000	144,825
1	145,001	150,000	146,280
2	150,001	155,000	303,866
2	155,001	160,000	315,132
1	160,001	165,000	161,902
1	165,001	170,000	166,784
2	175,001	180,000	360,000
1	185,001	190,000	185,500
2	195,001	200,000	395,480
2	215,001	220,000	437,113
1	220,001	225,000	224,660
1	250,001	255,000	253,123
1	255,001	260,000	257,812
1	275,001	280,000	279,037
1	310,001	315,000	313,725
1	335,001	340,000	339,567
1	350,001	355,000	353,452
1	380,001	385,000	384,491
1	385,001	390,000	389,873
1	400,001	405,000	401,920
1	405,001	410,000	406,438
1	445,001	450,000	446,064
1	505,001	510,000	506,295
2	510,001	515,000	1,022,958
1	540,001	545,000	543,046
1	555,001	560,000	556,469
1	560,001	565,000	562,307
1	645,001	650,000	647,736
1	805,001	810,000	807,977
1	975,001	980,000	975,944
1	1,045,001	1,050,000	1,048,579
1	1,210,001	1,215,000	1,211,224
1	1,535,001	1,540,000	1,539,411
1,456			**21,377,478**

Sr. #	Categories of Shareholders	Numbers	Shares Held	Percentage
1	FINANCIAL INSTITUTIONS	8	450,040	2.105200
2	INDIVIDUALS	1,420	17,508,971	81.903800
3	INVESTMENT COMPANIES	4	5,105	0.023900
4	JOINT STOCK COMPANIES	18	1,973,865	9.233400
5	OTHERS	5	1,239,497	5.798100
6	INSURANCE COMPANIES	1	200,000	0.935600
	GRAND TOTAL	**1,456**	**21,377,478**	**100.000000**

PATTERN OF HOLDING OF SHARES

Held By Shareholders as at June 30, 2015

Catagories of Shareholder	Physical	CDC	Total	%Age
1 - Directors, Chief Executive Officer, Their Spouses and Minor Childern				
Chief Executive Officer				
Mr. Muhammad Arshad	-	807,977	807,977	3.78
Directors				
Mr. Imtiaz Rashid Siddiqui	-	513,795	513,795	2.41
Mr. Abid Mehmood	-	158,365	158,365	0.74
Mr. Adnan Amjad	-	647,736	647,736	3.03
Mr. Humayun Mazhar	81,093	-	81,093	0.38
Mr. Khalid Bashir	-	279,037	279,037	1.31
Mr. Muhammad Anwar	-	31,495	31,495	0.15
Mr. Naveed Gulzar	83	406,438	406,521	1.90
Director's Spouses and Their Minor Childern				
Mrs. Marium Naveed	100	-	100	0.00
Mrs. Mehreen Humayun Mazhar	-	9,562	9,562	0.04
Mrs. Shireen Abid	36,961	285,561	322,522	1.50
Mrs. Tanveer Khalid Bashir	-	153,341	153,341	0.72
Mst. Abida Anwar	-	39,510	39,510	0.18
	118,237	**3,332,817**	**3,451,054**	**16.14**
2 - Executives				
Executives	-	1,285,656	1,285,656	6.01
	-	**1,285,656**	**1,285,656**	**6.01**
3 - Associated Companies, Undertakings & Related Parties				
Crescent Powertec Limited	-	114,605	114,605	0.54
Premier Insurance Limited	-	200,000	200,000	0.94
Shams Textile Mills Limited	-	166,784	166,784	0.78
The Cresent Textile Mills Limited	-	975,944	975,944	4.57
	-	**1,457,333**	**1,457,333**	**6.82**
4 - Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks, NBFCs, DFIs, Takaful, Pension Funds	3,387	446,653	450,040	2.11
	3,387	**446,653**	**450,040**	**2.11**
5 - Other Companies				
Other Companies,Corporate Bodies, Trust etc.	1,255,533	1,853,531	3,109,064	14.54
	1,255,533	**1,853,531**	**3,109,064**	**14.54**
6 - General Public				
A. Local	1,417,938	10,206,393	11,624,331	54.38
B. Foreign	-	-	-	-
	1,417,938	**10,206,393**	**11,624,331**	**54.38**
	2,795,095	**18,582,383**	**21,377,478**	**100.00**

Shareholders More Than 5.00%

Nazish Arshad	1,539,411	7.20
Crescent Foundation	1,211,224	5.67

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance as contained in the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner :

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

Category	Names
Executive Directors	Mr. Abid Mehmood Mr. Naveed Gulzar
Non-Executive Directors	Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Adnan Amjad
Independent Directors	Mr. Imtiaz Rashid Siddiqui Mr. Humayun Mazhar

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

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

4. No casual vacancy occurred in the Board during the year ended June 30, 2015.

5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All 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 Chief Executive Officer and other Executive Directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. 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. The directors were apprised about the changes in the CCG, applicable laws and their duties and responsibilities to effectively manage the affairs of the company for and on behalf of the shareholders. The directors of the company having 15 years of experience on the board of listed company are exempted from the requirement of directors' training program. All the directors except three directors qualify for exemption under this provision of the CCG. One director has obtained certification during the year. The company has however, arranged for certification under the directors' training program for one director.

10. The Board has approved appointment of CFO/Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment, as recommended by CEO.

11. The Directors' Report for the period ended June 30, 2015 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

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

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

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

15. The Board has formed an audit committee. It comprises of three members, all of them are non-executive directors however, there is no independent director in the committee.

16. The meetings of the audit committee were held only two times during the year due to the order dated October 30, 2013 of the Lahore High Court, Lahore. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resources and Remuneration Committee. It comprises of three members, of whom two are non-executive directors.

18. The Board has outsourced the internal audit function to Avais Hyder Liaquat Nauman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they (or their representatives) are involved in the internal audit function on a full time basis.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, 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 Institute of Chartered Accountants of Pakistan.

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

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

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

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

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD **Faisalabad**
CHIEF EXECUTIVE OFFICER **October 08, 2015**

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **CRESCENT COTTON MILLS LIMITED** ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulations of the respective Stock Exchanges where the Company is listed.

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

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

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

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

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the Statement of Compliance:

As stated in paragraph No. 15 of the Statement of Compliance, there is no independent director in the Audit Committee of the Company which is required by clause (xxiv) of the Code.

As stated in paragraph No. 16 of the Statement of Compliance, only two meetings of the Audit Committee were held during the year due to the reason stated in the above referred paragraph.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner: **FAISALABAD**
Mubashar Mehmood **October 08,2015**

AUDITORS' REPORT TO THE MEMBERS

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

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

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

(a) 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 30 June 2015 and of the loss, its comprehensive loss, 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 & co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner: **FAISALABAD**
Mubashar Mehmood **October 08,2015**

BALANCE SHEET AS

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2014: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**384,549**	403,026
Total equity		**598,324**	616,801
Surplus on revaluation of freehold land and investment properties	5	**2,543,373**	2,522,524
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability	6	**-**	8,480
Employees' retirement benefit	7	**59,000**	48,157
		59,000	56,637
CURRENT LIABILITIES			
Trade and other payables	8	**330,448**	380,109
Accrued mark-up on short term borrowings		**5,168**	7,068
Short term borrowings	9	**328,436**	305,109
Provision for taxation		**38,731**	47,694
		702,783	739,980
TOTAL LIABILITIES		**761,783**	796,617
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		**3,903,480**	3,935,942

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AT 30 JUNE 2015

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	**2,922,513**	2,843,894
Investment properties	12	**111,680**	58,532
Long term investments	13	**25,252**	22,754
Long term deposits		**2,612**	2,612
Deferred income tax asset	14	**22,321**	-
		3,084,378	2,927,792
CURRENT ASSETS			
Stores, spare parts and loose tools	15	**40,935**	28,278
Stock-in-trade	16	**395,340**	413,869
Trade debts	17	**56,154**	79,410
Loans and advances	18	**26,439**	35,988
Short term deposits, prepayments and balances with statutory authority	19	**115,273**	169,661
Other receivables	20	**32,044**	37,355
Short term investments	21	**135,376**	122,747
Cash and bank balances	22	**16,628**	119,929
		818,189	1,007,237
Non-current assets held for sale	23	**913**	913
		819,102	1,008,150
TOTAL ASSETS		**3,903,480**	3,935,942

ABID MEHMOOD
DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
SALES	24	**3,832,247**	4,958,623
COST OF SALES	25	**(3,608,210)**	(4,589,610)
GROSS PROFIT		**224,037**	369,013
DISTRIBUTION COST	26	**(84,005)**	(113,557)
ADMINISTRATIVE EXPENSES	27	**(138,860)**	(127,935)
OTHER EXPENSES	28	**(101)**	(14,371)
		(222,966)	(255,863)
		1,071	113,150
OTHER INCOME	29	**23,782**	38,500
PROFIT FROM OPERATIONS		**24,853**	151,650
FINANCE COST	30	**(36,817)**	(39,642)
(LOSS) / PROFIT BEFORE TAXATION		**(11,964)**	112,008
TAXATION	31	**(9,490)**	(15,108)
(LOSS) / PROFIT AFTER TAXATION		**(21,454)**	96,900
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	32	**(1.00)**	4.53

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	(RUPEES IN THOUSAND)	
(LOSS) / PROFIT AFTER TAXATION	**(21,454)**	96,900
OTHER COMPREHENSIVE INCOME / (LOSS):		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	**(2,230)**	(10,282)
Deferred income tax related to experience adjustment	**137**	1,018
	(2,093)	(9,264)
Items that may be reclassified subsequently to profit or loss:		
Surplus arising on remeasurement of available for sale investments to fair value	**5,070**	3
Other comprehensive income / (loss) for the year	**2,977**	(9,261)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(18,477)**	87,639

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	**152,421**	183,153
Finance cost paid		**(38,300)**	(39,479)
Income tax paid		**(37,271)**	(47,989)
Staff retirement gratuity paid		**(16,116)**	(14,468)
Workers' profit participation fund paid		**(6,377)**	(27,102)
Net cash generated from operating activities		**54,357**	54,115
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment and investment properties		**(140,986)**	(51,204)
Proceeds from sale of property, plant and equipment		**908**	2,300
Investment made		**(10,057)**	-
Profit on deposits with banks received		**7,579**	9,728
Net cash used in investing activities		**(142,556)**	(39,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**-**	(7,493)
Dividend paid		**(38,429)**	(24)
Short term borrowings - net		**23,327**	(23,656)
Net cash used in financing activities		**(15,102)**	(31,173)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(103,301)**	(16,234)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**119,929**	136,163
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 23)		**16,628**	119,929

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

(RUPEES IN THOUSAND)

	SHARE CAPITAL	RESERVES								TOTAL RESERVES	TOTAL EQUITY
		CAPITAL RESERVES				REVENUE RESERVES					
		Premium on issue of shares	Plant modern-isation	Fair Value reserve	Sub Total	General reserve	Dividend equali-zation	unappropr-iated Profit	Sub-Total		
Balance as at 30 June 2013	213,775	5,496	12,000	93,118	110,614	96,988	4,000	146,539	247,527	358,141	571,916
Transaction with owners - Final dividend for the year ended 30 June 2013 at the rate of Rupee 2.00 per share	-	-	-	-	-	-	-	(42,754)	(42,754)	(42,754)	(42,754)
Profit for the year	-	-	-	-	-	-	-	96,900	96,900	96,900	96,900
Other comprehensive income / (loss) for the year	-	-	-	3	3	-	-	(9,264)	(9,264)	(9,261)	(9,261)
Total comprehensive income for the year	-	-	-	3	3	-	-	87,636	87,636	87,639	87,639
Balance as at 30 June 2014	213,775	5,496	12,000	93,121	110,617	96,988	4,000	191,421	292,409	403,026	616,801
Loss for the year	-	-	-	-	-	-	-	(21,454)	(21,454)	(21,454)	(21,454)
Other comprehensive income / (loss) for the year	-	-	-	5,070	5,070	-	-	(2,093)	(2,093)	2,977	2,977
Total comprehensive income / (loss) for the year	-	-	-	5,070	5,070	-	-	(23,547)	(23,547)	(18,477)	(18,477)
Balance as at 30 June 2015	213,775	5,496	12,000	98,191	115,687	96,988	4,000	167,874	268,862	384,549	598,324

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

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

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all the stock exchanges in Pakistan. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery 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 as modified by recognition of employees retirement benefit at present value and investment properties and freehold land which are carried at their 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.

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.

Employees retirement benefit

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Changes in these assumptions in future years may effect the liability / asset under the plan in those years.

Inventories

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

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

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

IAS 19 (Amendment) 'Employee Benefits' (effective for annual periods beginning on or after 01 July 2014). This amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employees service, for example, employee contributions that are calculated according to a fixed percentage of salary.

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

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

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

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

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

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

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

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

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

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the 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 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

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

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

Amendments to IFRS 10 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

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

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

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

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

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

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

2.2 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.

2.3 Staff retirement benefits

The Company operates defined benefit plan - unfunded gratuity scheme for its employees, who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Actuarial Cost Method. Latest actuarial valuation has been carried on 30 June 2015.

2.4 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.

2.5 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 recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less 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 construction / erection period of qualifying assets and other directly attributable cost 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.

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.

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.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 11.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

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 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is included in the profit and loss account for the year in which it arises.

2.8 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 measured initially 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 subsidiary company, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

a) 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.

b) 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.

c) 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.

d) Investment in subsidiary company

Investment in subsidiary company is stated at cost less any identified impairment loss, in accordance with the provisions of IAS 27 'Consolidated and Separate Financial Statements'.

2.9 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

i)	For raw materials	-	Weighted average basis
ii)	For work-in-process and finished goods	-	Average material cost, proportionate direct labour and factory overheads

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit 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.

2.11 Non-current assets held for sale

Non-current assets are 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.

2.12 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from local sales is recognized on delivery of goods to customers
- Revenue from export sales is recognized when goods are shipped on board.
- Dividend on equity investments is recognized when right to receive the dividend is established.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.
- Rental income is recognized when rent is accrued.

2.13 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, short term borrowings, accrued mark-up on short term borrowings and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instruments. 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 measured initially 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.

2.14 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.

2.15 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.16 Trade and other payables

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

2.17 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.

2.18 Impairment

a) Financial assets

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

2.19 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a 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.

2.20 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.

2.21 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 incomes, 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 two reportable business segments: Textiles and Trading. Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

3.1 Ordinary shares of the Company held by related parties are as follows:

	2015	2014
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**114 605**	114 605
	1 457 333	1 457 333

	2015	2014
	(RUPEES IN THOUSAND)	

4. RESERVES

Composition of reserves is as follows:

	2015	2014
Capital reserves		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**98,191**	93,121
	115,687	110,617
Revenue reserves		
General	**96,988**	96,988
Dividend equalization	**4,000**	4,000
Unappropriated profit	**167,874**	191,421
	268,862	292,409
	384,549	403,026

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 re-measurement 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:

	2015	2014
Balance as on 01 July	**93,121**	93,118
Fair value adjustment during the year	**5,070**	3
Balance as on 30 June	**98,191**	93,121

5. SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

	2015	2014
Freehold land (Note 5.1)	**2,448,793**	2,469,859
Investment properties (Note 5.2)	**94,580**	52,665
	2,543,373	2,522,524

		2015	2014
		(RUPEES IN THOUSAND)	
5.1	**Freehold land**		
	Balance as on 01 July	**2,469,859**	2,469,859
	Increase in surplus on revaluation	**20,849**	-
		2,490,708	2,469,859
	Surplus transferred to investment properties (Note 5.2)	**41,915**	-
	Balance as on 30 June	**2,448,793**	2,469,859

5.1.1 This represents surplus resulting from revaluation of freehold land carried out on 30 June 2015 by Messrs Saleem Engineers using market value method. Previously revaluation was carried out in March 2010 by an independent valuer.

		2015	2014
5.2	**Investment properties**		
	Balance as on 01 July	**52,665**	52,665
	Transferred from revaluation of freehold land (Note 5.1)	**41,915**	-
	Balance as on 30 June	**94,580**	52,665

5.2.1 During the year, further freehold land having surplus was transferred to investment properties as mentioned in Note 11.1.

		2015	2014
6.	**DEFERRED INCOME TAX LIABILITY**		
	Taxable temporary difference		
	Tax depreciation allowance	-	17,109
	Deductible temporary differences		
	Provision for gratuity	-	(4,768)
	Provision for doubtful debts	-	(3,861)
		-	(8,629)
		-	8,480
7.	**EMPLOYEES' RETIREMENT BENEFIT**		
	Opening balance	**48,157**	30,257
	Current service cost	**19,716**	17,555
	Interest cost	**5,013**	4,531
	Retirement benefit paid	**(16,116)**	(14,468)
	Experience adjustment recognized in other comprehensive income	**2,230**	10,282
	Closing balance	**59,000**	48,157
7.1	**Movement in the net liability recognized:**		
	Opening balance	**48,157**	30,257
	Add: Provision for the year (Note 7.2)	**24,729**	22,086
	Experience adjustment recognized in other comprehensive income	**2,230**	10,282
		75,116	62,625
	Less: Paid during the year	**(16,116)**	(14,468)
		59,000	48,157

	2015	2014
	(RUPEES IN THOUSAND)	
7.2 Provision for the year		
Current service cost	**19,716**	17,555
Interest cost	**5,013**	4,531
	24,729	22,086

	2015	2014
7.3 Principal actuarial assumptions used:		
Discount rate used (% per annum)	**9.75 %**	12.50 %
Expected rate of increase in salaries (% per annum)	**8.75 %**	11.50 %
Expected remaining working life time of employees (years)	**8**	8

7.4 Trend Information:

(RUPEES IN THOUSAND)

	2015	2014	2013	2012	2011
Present value of defined benefit obligation	59,000	48,157	30,257	28,159	20,441
Experience adjustment on obligation	(2,230)	(10,282)	(7,000)	(902)	(3,787)

	2015	2014
	(RUPEES IN THOUSAND)	
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	**158,880**	177,603
Accrued liabilities (Note 8.2 and 8.3)	**161,602**	148,670
Advances from customers	**3,308**	1,782
Income tax deducted at source	**412**	1,152
Dividend payable	**-**	42,754
Unclaimed dividend	**6,246**	1,921
Workers' profit participation fund (Note 8.4)	**-**	5,960
Workers' welfare fund	**-**	267
	330,448	380,109

8.1 These include an amount of Rupees 1.673 million (2014: Rupees Nil) due to a related party.

8.2 These include insurance premium of Rupees 1.079 million (2014: Rupees 6.308 million) due to a related party.

8.3 This includes rental for leasehold premises of Rupees 2.540 million (2014: Rupees 5.845 million) due to Crescot Mills Limited, the subsidiary company.

		2015	2014
		(RUPEES IN THOUSAND)	
8.4	**Workers' profit participation fund**		
	Balance as on 01 July	**5,960**	26,140
	Add: Provision for the year	**-**	5,960
	Interest for the year (Note 30)	**417**	962
		6,377	33,062
	Less: Payments during the year	**6,377**	27,102
	Balance as on 30 June	**-**	5,960

8.4.1 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.

9. SHORT TERM BORROWINGS

	2015	2014
From banking companies - secured		
Cash finances and export finances (Note 9.1)	**133,723**	80,887
Others - unsecured		
Associated company (Note 9.2)	**-**	2,408
Other related parties (Note 9.3)	**177,346**	181,809
Temporary bank overdraft	**17,367**	40,005
	194,713	224,222
	328,436	305,109

9.1 These form part of total credit facility of Rupees 1,500 million (2014: Rupees 1,700 million) and carries mark-up at the rate of 3 months KIBOR plus 2 percent (2014: 3 months KIBOR plus 2 percent) per annum. These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of directors. The rate of mark-up ranges from 9.99 percent to 12.18 percent (2014: 11.43 percent to 12.18 percent) per annum.

9.2 This represented loan obtained from Riaz and Company (1962-Private) Limited, an associated company which was repayable on demand. It carried mark-up at the rate of 10 percent (2014: 10 percent) per annum.

9.3 These represent interest free loans from Chief Executive Officer, Directors and Executives of the Company which are repayable on demand.

10. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (2014: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honorable High Court, Lahore, which are still pending. No provision has been made in the financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (2014: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against this receivable has been made in these financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) Guarantees of Rupees 35.993 million (2014: Rupees 35.993 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

b) Commitments:

i) Letter of credit for capital expenditure is of Rupees 8.189 million (2014: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees 4.110 million (2014: Rupees 18.924 million).

11. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 11.1)	**2,730,848**	2,757,104
Capital work-in-progress (Note 11.2)	**191,665**	86,790
	2,922,513	2,843,894

11.1 PROPERTY, PLANT AND EQUIPMENT

	Land-Freehold	Buildings and roads on freehold land	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 June 2013											
Cost / revalued amount	2,475,264	128,364	647,716	97,980	25,113	16,196	10,689	14,518	9,445	486	3,425,771
Accumulated depreciation	-	(101,032)	(467,169)	(44,968)	(18,598)	(12,037)	(6,755)	(8,449)	(7,814)	(480)	(667,302)
Net book value	2,475,264	27,332	180,547	53,012	6,515	4,159	3,934	6,069	1,631	6	2,758,469
Year ended 30 June 2014											
Opening net book value	2,475,264	27,332	180,547	53,012	6,515	4,159	3,934	6,069	1,631	6	2,758,469
Additions	-	2,380	18,738	-	147	109	883	6,682	475	-	29,414
Disposals:											
Cost	-	-	-	-	-	-	-	(1,966)	-	-	(1,966)
Accumulated depreciation	-	-	-	-	-	-	-	1,624	-	-	1,624
	-	-	-	-	-	-	-	(342)	-	-	(342)
Depreciation charge	-	(2,429)	(18,679)	(5,301)	(664)	(446)	(459)	(1,572)	(886)	(1)	(30,437)
Closing net book value	2,475,264	27,283	180,606	47,711	5,998	3,822	4,358	10,837	1,220	5	2,757,104
At 30 June 2014											
Cost / revalued amount	2,475,264	130,744	666,454	97,980	25,260	16,305	11,572	19,234	9,920	486	3,453,219
Accumulated depreciation	-	(103,461)	(485,848)	(50,269)	(19,262)	(12,483)	(7,214)	(8,397)	(8,700)	(481)	(696,115)
Net book value	2,475,264	27,283	180,606	47,711	5,998	3,822	4,358	10,837	1,220	5	2,757,104
Year ended 30 June 2015											
Opening net book value	2,475,264	27,283	180,606	47,711	5,998	3,822	4,358	10,837	1,220	5	2,757,104
Effect of surplus on revaluation as at 30 June 2015	20,850	-	-	-	-	-	-	-	-	-	20,850
Additions	-	-	18,033	-	3,638	-	283	3,502	86	-	25,542
Transferred to investment properties	(42,008)	-	-	-	-	-	-	-	-	-	(42,008)
Disposals:											
Cost	-	-	(50)	-	-	-	-	(1,808)	-	-	(1,858)
Accumulated depreciation	-	-	6	-	-	-	-	1,527	-	-	1,533
	-	-	(44)	-	-	-	-	(281)	-	-	(325)
Depreciation charge	-	(2,382)	(18,556)	(4,771)	(822)	(403)	(447)	(2,317)	(616)	(1)	(30,315)
Closing net book value	2,454,106	24,901	180,039	42,940	8,814	3,419	4,194	11,741	690	4	2,730,848
At 30 June 2015											
Cost / revalued amount	2,454,106	130,744	684,437	97,980	28,898	16,305	11,855	20,928	10,006	486	3,455,745
Accumulated depreciation	-	(105,843)	(504,398)	(55,040)	(20,084)	(12,886)	(7,661)	(9,187)	(9,316)	(482)	(724,897)
Net book value	2,454,106	24,901	180,039	42,940	8,814	3,419	4,194	11,741	690	4	2,730,848
Annual rate of depreciation (%)	-	5, 10	10	10	10	10, 12	10	20	50	10	

11.1.1 If the freehold land was measured using the cost model, carrying amount would be Rupees 5.313 million (2014: Rupees 5.405 million) as at the reporting date.

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

	2015	2014
	(RUPEES IN THOUSAND)	
Cost of sales (Note 25)	**26,488**	27,046
Administrative expenses (Note 27)	**3,827**	3,391
	30,315	30,437

11.1.3 **Detail of operating fixed assets disposed of during the period is as follows:**

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Net Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Suzuki Pickup CR-5234	344	284	60	123	63	Negotiation	Mr. Muhammad Imran, Karachi
Suzuki Mehran FSL-8606	363	262	101	101	-	Insurance Claim	Premier Insurance Limited - associated company
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	1,151	987	164	684	520		
	1,858	**1,533**	**325**	**908**	**583**		

11.2 CAPITAL WORK-IN-PROGRESS

	2015	2014
	(RUPEES IN THOUSAND)	
Advance against purchase of new industrial unit	**191,665**	80,350
Buildings and roads on freehold land	**-**	6,440
	191,665	86,790

12. INVESTMENT PROPERTIES

	2015	2014
Balance as on 01 July	**58,532**	54,172
Transferred from capital work-in-progress	**6,440**	-
Further capital expenditure on investment properties	**4,129**	-
	10,569	-
	69,101	54,172
Transferred from property, plant and equipment	**42,008**	-
Fair value gain (Note 29)	**571**	4,360
Balance as on 30 June	**111,680**	58,532

12.1 The fair value of the investment properties has been determined by the Company on the basis of assessment of the current prices in an active market for similar properties in the same condition. Expenses of capital nature directly related to investment properties amounting to Rupees 10.569 million (2014: Rupees Nil) were incurred during the year as shown above.

	2015	2014
13. LONG TERM INVESTMENTS	(RUPEES IN THOUSAND)	
SUBSIDIARY COMPANY - UNQUOTED		
Crescot Mills Limited		
1 932 187 (2014: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held: 66.15% (2014: 66.15%)	**10,511**	12,734
AVAILABLE FOR SALE		
RELATED PARTIES - QUOTED		
Premier Insurance Limited		
208 943 (2014 : 363 380) ordinary shares of Rupees 10 (2014: Rupees 5) each fully paid. Equity held 0.60% (2014: 0.60%) (Note 13.1)	**75**	75
Crescent Jute Products Limited		
201 933 (2014: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2014: 0.85%)	**100**	100
OTHERS:		
QUOTED		
Jubilee Spinning and Weaving Mills Limited		
474 323 (2014: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2014: 1.46%)	**427**	427
Crescent Fibres Limited		
71 820 (2014: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2014: 0.58%)	**615**	615
Crescent Spinning Mills Limited		
696 000 (2014: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2014: 4.59%)	**-**	-
Security Papers Limited		
522 (2014: 436) ordinary shares of Rupees 10 each fully paid.	**1**	1
UNQUOTED		
Crescent Modaraba Management Company Limited		
119 480 (2014: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2014: 6.52%)	**664**	664

	2015	2014
	(RUPEES IN THOUSAND)	
Premier Financial Services (Private) Limited		
2 500 (2014: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held : 11.11% (2014: 11.11%)	**2,500**	2,500
Crescent Bahuman Limited		
1 043 988 (2014: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2014: 1.28%)	**-**	-
	14,893	17,116
Less: Impairment loss charged to profit and loss account	**-**	(2,223)
Add: Fair value adjustment	**10,359**	7,861
	25,252	22,754

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

14. DEFERRED INCOME TAX ASSET

	2015	2014
Taxable temporary difference		
Tax depreciation allowance	**(10,722)**	**-**
Deductible temporary differences		
Unused tax losses	**25,505**	**-**
Provision for gratuity	**3,794**	**-**
Provision for doubtful debts	**3,744**	**-**
	33,043	**-**
	22,321	**-**

15. STORES, SPARE PARTS AND LOOSE TOOLS

	2015	2014
Stores (Note 15.1)	**26,030**	14,086
Spare parts	**14,836**	14,137
Loose tools	**69**	55
	40,935	28,278

15.1 These include stores in transit of Rupees 6.667 million (2014: Rupees Nil).

16. STOCK-IN-TRADE

	2015	2014
Raw materials	**141,373**	138,418
Work-in-process	**18,251**	19,335
Finished goods (Note 16.1)	**233,858**	253,799
Waste	**1,858**	2,317
	395,340	413,869

16.1 This includes stock of Rupees 109.699 million (2014: Rupees 119.057 million) sent to outside parties for weaving.

16.2 Stock-in-trade of Rupees 1.858 million (2014: Rupees 202.342 million) is being carried at net realizable value.

16.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2014: Rupees 37.796 million).

	2015	2014
	(RUPEES IN THOUSAND)	

17. TRADE DEBTS

Considered good:		
Secured (against letters of credit)	**20,015**	70,713
Unsecured (Note 17.1)	**36,139**	8,697
	56,154	79,410

17.1 As at 30 June 2015, trade debts of Rupees 16.284 million (2014: Rupees 11.177 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:

Upto 1 month	**2,167**	47
1 to 6 months	**1,795**	4,388
More than 6 months	**12,322**	6,742
	16,284	11,177

18. LOANS AND ADVANCES

Considered good:		
Employees - interest free:		
Against expenses	**32**	45
Against salary (Note 18.1)	**13,026**	11,234
	13,058	11,279
Advances to suppliers / contractors	**13,334**	24,474
Letters of credit	**47**	235
	26,439	35,988

18.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefit. These are recoverable in equal monthly installments.

19. SHORT TERM DEPOSITS, PREPAYMENTS AND BALANCES WITH STATUTORY AUTHORITY

Margin deposit	**1,000**	22,056
Prepayments	**986**	1,145
Balances with statutory authority:		
Advance income tax	**87,115**	98,961
Sales tax and excise duty refundable	**26,172**	47,499
	113,287	146,460
	115,273	169,661

20. OTHER RECEIVABLES

Considered good:		
Profit on deposits with banks receivable	**3**	-
Others	**32,041**	37,355
	32,044	37,355
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	32,044	37,355

		2015	2014
		(RUPEES IN THOUSAND)	
21.	**SHORT TERM INVESTMENTS**		
	AVAILABLE FOR SALE		
	RELATED PARTIES - QUOTED		
	Shakarganj Mills Limited 2 865 830 (2014: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (2014: 4.12%)	**11,836**	11,836
	The Crescent Textile Mills Limited 3 352 343 (2014: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (2014: 5.45%)	**27,966**	17,909
	OTHERS - QUOTED		
	Crescent Steel and Allied Products Limited 14 461 (2014: 14 461) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2014: 0.02%)	**33**	33
	Samba Bank Limited 2 804 313 (2014: 2 804 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2014: 0.35%)	**7,709**	7,709
		47,544	37,487
	Add: Fair value adjustment	**87,832**	85,260
		135,376	122,747
22.	**CASH AND BANK BALANCES**		
	With banks :		
	On current accounts	**13,353**	10,603
	Term deposit receipt (Note 22.1)	**2,800**	-
	Call deposit receipts	**-**	108,511
		16,153	119,114
	Cash in hand	**475**	815
		16,628	119,929

22.1 This represents deposit with a banking company having maturity period of one month. The rate of profit ranges from 5.15% to 9.45% per annum (2014: Nil).

23. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' are summarized hereunder:

Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 January 2011 regarding the disposal of plant and machinery and related equipment of Sugar Unit of the Company. Major portion of the plant and machinery and related equipment has been disposed of by the Company. The remaining assets are expected to be disposed of during the next financial year.

	2015	2014
	(RUPEES IN THOUSAND)	
Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**752**	752
Tools and equipment	**158**	158
Service equipment	**3**	3
	913	913

24. SALES

	2015	2014
Local (Note 24.1)	**1,290,658**	527,558
Export (Note 24.2 and 24.3)	**2,541,589**	4,431,065
	3,832,247	4,958,623

24.1 Local

	2015	2014
Yarn	**1,283,200**	502,849
Socks	**11,277**	-
Cotton / polyester	**-**	7,867
Waste	**22,849**	27,538
	1,317,326	538,254
Less: Sales tax	**26,668**	10,696
	1,290,658	527,558

24.2 Export

	2015	2014
Yarn	**852,593**	949,798
Cloth	**1,679,244**	3,404,756
Socks	**9,752**	76,511
	2,541,589	4,431,065

24.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 22.870 million (2014: Rupees 88.827 million) has been included in export sales.

25. COST OF SALES

	2015	2014
	(RUPEES IN THOUSAND)	
Raw materials consumed	**2,319,714**	2,793,997
Cost of raw materials sold	**-**	7,892
Salaries, wages and other benefits (Note 25.1)	**307,545**	291,399
Stores, spare parts and loose tools consumed	**108,873**	114,731
Fuel and power	**451,889**	487,177
Outside weaving / other charges	**325,462**	615,565
Other manufacturing overheads	**7,529**	9,492
Insurance	**6,485**	5,322
Repair and maintenance	**2,598**	5,323
Depreciation (Note 11.1.2)	**26,488**	27,046
	3,556,583	4,357,944
Work-in-process		
Opening stock	**19,335**	19,248
Closing stock	**(18,251)**	(19,335)
	1,084	(87)
Cost of goods manufactured	**3,557,667**	4,357,857
Finished goods		
Opening stock	**256,116**	163,131
Closing stock	**(235,716)**	(256,116)
	20,400	(92,985)
	3,578,067	4,264,872
Cost of goods purchased for resale	**30,143**	324,738
	3,608,210	4,589,610

25.1 Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 22.128 million (2014: Rupees 19.761 million).

26. DISTRIBUTION COST

	2015	2014
	(RUPEES IN THOUSAND)	
Freight and forwarding	**40,279**	64,401
Commission to selling agents	**25,498**	35,468
Insurance	**2,344**	4,379
Loading and handling	**11,011**	8,667
Others	**4,873**	642
	84,005	113,557

		2015	2014
		(RUPEES IN THOUSAND)	
27.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 27.1)	**76,085**	68,111
	Workers' welfare	**2,822**	2,987
	Traveling and conveyance	**3,301**	4,736
	Insurance	**1,591**	1,932
	Rent, rates and taxes	**7,296**	4,512
	Entertainment	**3,251**	3,870
	Fee and subscription	**1,017**	1,030
	Communication	**2,717**	3,083
	Vehicles' running	**7,823**	8,003
	Repair and maintenance	**9,844**	8,640
	Utilities	**8,617**	9,263
	Printing and stationery	**1,643**	1,864
	Books and periodicals	**47**	40
	Auditors' remuneration:		
	Statutory audit	**650**	600
	Other certifications including half yearly review	**150**	125
	Out of pocket expenses	**40**	30
		840	755
	Legal and professional	**5,687**	3,151
	Miscellaneous	**2,452**	2,567
	Depreciation (Note 11.1.2)	**3,827**	3,391
		138,860	127,935

27.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 2.601 million (2014: Rupees 2.325 million).

		2015	2014
		(RUPEES IN THOUSAND)	
28.	**OTHER EXPENSES**		
	Workers' profit participation fund	**-**	5,960
	Workers' welfare fund	**-**	267
	Impairment loss on investments	**-**	2,223
	Donations (Note 28.1)	**101**	220
	Loss on disposal of obsolete store, spare parts and loose tools	**-**	1,335
	Trade debts written off	**-**	345
	Loans and advances written off	**-**	507
	Other receivables written off	**-**	3,514
		101	14,371

28.1 There is no interest of any director or his spouse in donees' fund.

29. OTHER INCOME

	2015	2014
	(RUPEES IN THOUSAND)	
Income from financial assets		
Profit on deposits with banks	**7,582**	9,523
Dividend income (Note 29.1)	**3,629**	521
	11,211	10,044
Income from non-financial assets		
Rental Income	**10,468**	5,586
Scrap sales	**949**	703
Gain on sale of property, plant and equipment	**583**	1,958
Gain on remeasurment of fair value of investment properties (Note 12)	**571**	4,360
Credit balances written back	**-**	2,849
Excess amount received from a party as penalty	**-**	13,000
	12,571	28,456
	23,782	38,500

29.1 Dividend income:

	2015	2014
From related parties		
Premier Insurance Limited	**182**	363
The Crescent Textile Mills Limited	**3,352**	-
	3,534	363
Others		
Crescent Fibres Limited	**72**	108
Security Papers Limited	**2**	2
Crescent Steel and Allied Products Limited	**21**	48
	95	158
	3,629	521

30. FINANCE COST

	2015	2014
Mark-up on:		
Long term financing	**-**	231
Short term borrowings (Note 30.1)	**28,643**	27,536
Interest on workers' profit participation fund (Note 8.4)	**417**	962
Bank charges and commission	**7,757**	10,913
	36,817	39,642

30.1 It includes Rupees 0.045 million (2014: Rupees 0.399 million) charged as mark-up by associated company.

31. TAXATION

	2015	2014
Current		
- For the year(Note 31.1)	**38,731**	47,694
- Prior year	**1,423**	(32,279)
	40,154	15,415
Deferred	**(30,664)**	(307)
	9,490	15,108

31.1 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 30 June 2015 are Rupees 79.703 million (2014: Rupees Nil). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

32. (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss)/earnings per share which is based on :

		2015	2014
(Loss)/Profit for the year after taxation	(Rupees in thousand)	**(21,454)**	96,900
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
(Loss)/Earnings per share	(Rupees)	**(1.00)**	4.53

33. CASH GENERATED FROM OPERATIONS

	2015	2014
	(RUPEES IN THOUSAND)	
(Loss) / profit before taxation	**(11,964)**	112,008
Adjustments for non cash charges and other items:		
Depreciation	**30,315**	30,437
Provision for staff retirement gratuity	**24,729**	22,086
Gain on sale of property, plant and equipment	**(583)**	(1,958)
Gain on remeasurement of fair value of investment properties	**(571)**	(4,360)
Credit balances written back	**-**	(2,849)
Trade debts written off	**-**	345
Loans and advances written off	**-**	507
Other receivables written off	**-**	3,514
Profit on deposits with banks	**(7,582)**	(9,523)
Impairment loss on investments	**-**	2,223
Finance cost	**36,817**	39,642
Provision for workers' profit participation fund	**-**	5,960
Provision for workers' welfare fund	**-**	267
Working capital changes (Note 33.1)	**81,260**	(15,146)
	152,421	183,153

33.1 Working capital changes

	2015	2014
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(12,657)**	12,905
Stock-in-trade	**18,529**	(24,709)
Trade debts	**23,256**	16,479
Loans and advances	**9,549**	(14,166)
Prepayments and balances with statutory authorities	**42,542**	(36,175)
Other receivables	**5,314**	4,176
(Decrease) / increase in trade and other payables	**(5,273)**	26,344
	81,260	(15,146)

34. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated companies, other related parties 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 is as follows:

	2015	2014
	(RUPEES IN THOUSAND)	
Subsidiary company		
Rental expense	**4,200**	1,550
Stores consumed by Company	**81**	12
Associated companies		
Dividend income	**3,534**	363
Service charges	**8,124**	5,892
Mark-up expense	**45**	399
Insurance claim	**210**	-

	2015	2014
	NUMBER OF SHARES	
Right shares received	**670 468**	-
Bonus shares received	**27 253**	-

	2015	2014
	(RUPEES IN THOUSAND)	
Other related parties		
Loan (repaid to) / received from directors / executives - net	**(4,463)**	57,386

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Managerial remuneration	**5,683**	4,603	**7,388**	8,361	**14,300**	12,384
Allowances:						
Housing	**2,558**	2,071	**3,325**	3,762	**6,435**	2,409
Utilities	**568**	460	**739**	836	**1,430**	1,238
Group insurance	**-**	-	**3**	9	**10**	8
Reimbursable expenses	**568**	460	**739**	836	**1,443**	1,238
	9,377	7,594	**12,194**	13,804	**23,618**	17,277
Number of persons	**1**	1	**2**	3	**7**	7

35.1 Aggregate amount charged in the financial statements for meeting fee to five directors (2014: two directors) was Rupees 280,000 (2014: Rupees 373,334).

35.2 The Chief Executive Officer, Directors and Executives of the Company have been provided with Company maintained vehicles.

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

36. NUMBER OF EMPLOYEES

	2015	2014
	(Number of Persons)	
Number of employees as on 30 June	**1 767**	1 570
Average number of employees during the year	**1 766**	1 645

37. FINANCIAL RISK MANAGEMENT

37.1 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.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. 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, investment of excess liquidity and use of non-derivative financial instruments.

(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. The Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Company's exposure to currency risk was as follows:

	2015	2014
Trade debts - USD	**187,613**	709,109
Trade debts - Euro	**8,556**	7,241
Trade and other payables - USD	**(148,559)**	-
Net exposure - USD	**39,054**	709,109
Net exposure - Euro	**8,556**	7,241

Following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	**101.39**	103.21
Reporting date rate	**101.50**	98.55
Rupees per Euro		
Average rate	**121.39**	142.34
Reporting date rate	**113.57**	134.46

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 0.198 million lower / higher (2014: Rupees 3.253 million higher / lower) and Rupees 0.049 million lower / higher (2014: Rupees 0.045 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 instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's (loss) / 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 (loss)/profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	2015	2014	2015	2014
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**-**	-	**7,348**	6,591
KSE 100 (5% decrease)	**-**	-	**(7,348)**	(6,591)

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 term deposit receipt and short term borrowings. Financial instruments obtained 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:

	2015	2014
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**2,800**	-
Financial liabilities		
Short term borrowings	**-**	2,408
Floating rate instruments		
Financial liabilities		
Short term borrowings	**133,723**	80,887

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, (loss) / profit after taxation for the year would have been Rupees 1.337 million higher / lower (2014: Rupees 0.753 million lower / higher), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming that 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:

	2015	2014
	(RUPEES IN THOUSAND)	
Investments	**150,117**	132,767
Loans and advances	**13,026**	11,234
Deposits	**3,612**	24,668
Trade debts	**56,154**	79,410
Other receivables	**32,041**	37,355
Bank balances	**16,153**	119,114
	271,103	404,548

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:

	Rating			2015	2014
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**1,578**	1,606
Allied Bank Limited	A1+	AA+	PACRA	**20**	21
Bank Alfalah Limited	A1+	AA	PACRA	**4,878**	108,895
Faysal Bank Limited	A1+	AA	PACRA	**20**	20
Habib Bank Limited	A-1+	AAA	JCR-VIS	**1,892**	34
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**2,372**	113
MCB Bank Limited	A1+	AAA	PACRA	**100**	63
NIB Bank Limited	A1+	AA -	PACRA	**68**	118
United Bank Limited	A-1+	AA+	JCR-VIS	**442**	7,687
Meezan Bank Limited	A-1+	AA	JCR-VIS	**4,524**	29
Askari Bank Limited	A-1+	AA	JCR-VIS	**215**	443
Bank Al-Habib Limited	A1+	AA+	PACRA	**44**	85
				16,153	119,114

The Company's exposure to credit risk related to trade debts is disclosed in Note 17.

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

c) **Liquidity risk**

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2015, the Company had Rupees 1,366.277 million (2014: Rupees 1,619.113 million) available borrowing limits from financial institutions and Rupees 16.628 million (2014: Rupees 119.929 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2015:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:	(RUPEES IN THOUSAND)					
Trade and other payables	326,728	326,728	326,728	-	-	-
Accrued mark-up on short term borrowings	5,168	5,168	5,168	-	-	-
Short term borrowings	328,436	334,695	334,695	-	-	-
	660,332	666,591	666,591	-	-	-
Contractual maturities of financial liabilities as at 30 June 2014:						
Non-derivative financial liabilities:						
Trade and other payables	370,948	370,948	370,948	-	-	-
Accrued mark-up on short term borrowings	7,068	7,068	7,068	-	-	-
Short term borrowings	305,109	307,572	307,572	-	-	-
	683,125	685,588	685,588	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective at the year end. The rates of interest / mark up have been disclosed in Note 9 to these financial statements.

37.2 **Fair values of financial assets and liabilities**

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

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 June 2015				
Assets				
Available for sale financial assets	146,953	-	-	146,953
As at 30 June 2015				
Assets				
Available for sale financial assets	131,826	-	-	131,826

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

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

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

37.3 Financial instruments by categories

	2015			2014		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
Assets as per balance sheet						
Investments	**-**	**150,117**	**150,117**	-	132,767	132,767
Loans and advances	**13,026**	**-**	**13,026**	11,234	-	11,234
Deposits	**3,612**	**-**	**3,612**	24,668	-	24,668
Trade debts	**56,154**	**-**	**56,154**	79,410	-	79,410
Other receivables	**32,041**	**-**	**32,041**	37,355	-	37,355
Cash and bank balances	**16,628**	**-**	**16,628**	119,929	-	119,929
	121,461	**150,117**	**271,578**	272,596	132,767	405,363

	2015	2014
	Financial Liabilities At Amortized Cost	
Liabilities as per balance sheet	(RUPEES IN THOUSAND)	
Accrued mark-up	**5,168**	7,068
Short term borrowings	**328,436**	305,109
Trade and other payables	**326,728**	370,948
	660,332	683,125

37.4 Offsetting financial assets and financial liabilities

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

37.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may 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 short term borrowings obtained by the Company as referred to in Note 9. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2015	2014
Borrowings	Rupees in thousand	**328,436**	305,109
Total equity	Rupees in thousand	**598,324**	616,801
Total capital employed	Rupees in thousand	**926,760**	921,910
Gearing ratio	Percentage	**35.44**	33.10

The increase in the gearing ratio resulted primarily from increase in borrowings of the Company.

38. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales	**3,191,437**	3,668,144	**1,679,244**	3,404,756	**(1,038,434)**	(2,114,277)	**3,832,247**	4,958,623
Cost of sales	**(3,082,348)**	(3,471,162)	**(1,564,296)**	(3,232,725)	**1,038,434**	2,114,277	**(3,608,210)**	(4,589,610)
Gross profit	**109,089**	196,982	**114,948**	172,031	**-**	-	**224,037**	369,013
Distribution cost	**(40,394)**	(29,940)	**(43,611)**	(83,617)	**-**	-	**(84,005)**	(113,557)
Administrative expenses	**(131,854)**	(121,138)	**(7,006)**	(6,797)	**-**	-	**(138,860)**	(127,935)
	(172,248)	(151,078)	**(50,617)**	(90,414)	**-**	-	**(222,865)**	(241,492)
	(63,159)	45,904	**64,331**	81,617	**-**	-	**1,172**	127,521
Other income	**23,782**	38,500	**-**	-	**-**	-	**23,782**	38,500
Finance cost	**(27,249)**	(27,398)	**(9,568)**	(12,244)	**-**	-	**(36,817)**	(39,642)
(Loss) / profit before taxation and unallocated expenses	**(66,626)**	57,006	**54,763**	69,373	**-**	-	**(11,863)**	126,379
Unallocated expenses:								
Other expenses							**(101)**	(14,371)
Taxation							**(9,490)**	(15,108)
(Loss) / profit after taxation							**(21,454)**	96,900

38.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		TOTAL-COMPANY	
	2015	2014	2015	2014	2015	2014
Total assets for reportable segments	**3,860,749**	3,882,677	**19,497**	52,352	**3,880,246**	3,935,029
Unallocated assets:						
Deferred income tax asset					**22,321**	-
Non-current assets classified as held for sale					**913**	913
Total assets as per balance sheet					**3,903,480**	3,935,942
Total liabilities for reportable segments	**686,356**	653,742	**36,696**	86,701	**723,052**	740,443
Unallocated liabilities:						
Deferred income tax liability					**-**	8,480
Provision for taxation					**38,731**	47,694
Total liabilities as per balance sheet					**761,783**	796,617

38.2 Geographical Information

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

	2015	2014
	(RUPEES IN THOUSAND)	
Asia	**2,531,837**	4,354,554
Europe	**2,270**	31,151
North and South America	**7,482**	45,360
Pakistan	**1,290,658**	527,558
	3,832,247	4,958,623

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

38.4 Revenue from major customers

Revenue from major customers of Company's Trading segment represents Rupees 1,393.835 million (2014: Rupees 2,824.287 million). There is no major customer of Textiles segment.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

		2015	2014
Spinning:			
100% plant capacity converted to 20s count based on 3 shifts per day for 1011 shifts (2014: 1095 shifts)	Kgs.	**19 844 416**	20 385 786
Actual production converted to 20s count based on 3 shifts per day for 1011 shifts (2014: 1095 shifts)	Kgs.	**19 209 167**	17 828 820

Embroidery and Hosiery:

Capacity of such units cannot be determined due to nature of their operations.

39.1 Reason for low production

Under utilization of available capacity is due to gas load-shedding during the year.

40. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 08, 2015 by the Board of Directors of the Company.

41. CORRESPONDING FIGURES

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

42. GENERAL

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

CRESCENT COTTON MILLS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

YEAR ENDED 30 JUNE 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Crescent Cotton Mills Limited (the Holding Company) and its Subsidiary Company, Crescot Mills Limited as at 30 June 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Crescent Cotton Mills Limited and its Subsidiary Company, Crescot Mills Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Crescent Cotton Mills Limited and its Subsidiary Company, Crescot Mills Limited as at 30 June 2015 and the results of their operations for the year then ended.

Crescot Mills Limited, Subsidiary Company has ceased its production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the Subsidiary Company is no more a going concern. Our report is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

riaz ahmad & co

Name of engagement partner:
Mubashar Mehmood

October 08, 2015

FAISALABAD

CONSOLIDATED BALANCE SHEET

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2014: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**443,465**	473,736
Total equity		**657,240**	687,511
Surplus on revaluation of property, plant and equipment and investment properties	5	**2,552,526**	2,538,699
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability	6	**-**	15,812
Employees' retirement benefit	7	**59,000**	48,157
		59,000	63,969
CURRENT LIABILITIES			
Trade and other payables	8	**335,085**	383,440
Accrued mark-up on short term borrowings		**16,970**	18,270
Short term borrowings	9	**333,436**	310,109
Provision for taxation		**39,361**	47,927
		724,852	759,746
TOTAL LIABILITIES		**783,852**	823,715
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		**3,993,618**	4,049,925

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AS AT 30 JUNE 2015

ASSETS	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
NON-CURRENT ASSETS			
Property, plant and equipment	11	**2,936,528**	2,868,811
Investment properties	12	**111,680**	58,532
Long term investments - associates	13	**203,827**	196,823
Long term investments - available for sale	14	**9,959**	7,707
Long term deposits		**3,134**	3,134
Deferred income tax asset	15	**18,620**	-
		3,283,748	3,135,007
CURRENT ASSETS			
Stores, spare parts and loose tools	16	**45,086**	32,550
Stock-in-trade	17	**395,340**	413,869
Trade debts	18	**56,154**	79,410
Loans and advances	19	**26,439**	35,988
Short term deposits, prepayments and balances with statutory authorities	20	**115,435**	169,753
Other receivables	21	**34,689**	39,816
Short term investments	22	**15,755**	19,306
Cash and bank balances	23	**20,059**	123,313
		708,957	914,005
Non-current assets held for sale	24	**913**	913
		709,870	914,918
TOTAL ASSETS		**3,993,618**	4,049,925

ABID MEHMOOD
DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
SALES	25	**3,832,247**	4,958,623
COST OF SALES	26	**(3,608,210)**	(4,589,610)
GROSS PROFIT		**224,037**	369,013
DISTRIBUTION COST	27	**(84,005)**	(113,557)
ADMINISTRATIVE EXPENSES	28	**(142,221)**	(130,121)
OTHER EXPENSES	29	**(488)**	(12,181)
		(226,714)	(255,859)
		(2,677)	113,154
OTHER INCOME	30	**20,432**	40,609
PROFIT FROM OPERATIONS		**17,755**	153,763
FINANCE COST	31	**(37,419)**	(40,243)
		(19,664)	113,520
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		**481**	(9,568)
(LOSS) / PROFIT BEFORE TAXATION		**(19,183)**	103,952
TAXATION	32	**(9,417)**	(14,605)
(LOSS) / PROFIT AFTER TAXATION		**(28,600)**	89,347
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	33	**(1.34)**	4.18

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	(RUPEES IN THOUSAND)	
(LOSS) / PROFIT AFTER TAXATION	**(28,600)**	89,347
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	**(2,230)**	(10,282)
Deferred income tax related to experience adjustment	**137**	1,018
	(2,093)	(9,264)
Items that may be reclassified subsequently to profit or loss:		
(Deficit) / surplus arising on remeasurement of available for sale investments to fair value	**(952)**	5,623
Other comprehensive loss for the year	**(3,045)**	(3,641)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(31,645)**	85,706

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015	2014
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	**149,182**	183,183
Finance cost paid		**(38,302)**	(39,480)
Income tax paid		**(37,517)**	(48,071)
Staff retirement gratuity paid		**(16,116)**	(14,468)
Workers' profit participation fund paid		**(6,377)**	(27,102)
Net cash generated from operating activities		**50,870**	54,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(140,986)**	(51,204)
Proceeds from sale of property, plant and equipment		**908**	2,300
Profit on deposits with banks received		**7,579**	9,727
Investment made		**(10,057)**	-
Dividend received from associated companies		**3,534**	363
Net cash used in investing activities		**(139,022)**	(38,814)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**-**	(7,493)
Dividend paid		**(38,429)**	(24)
Short term borrowings - net		**23,327**	(23,656)
Net cash used in financing activities		**(15,102)**	(31,173)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(103,254)**	(15,925)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**123,313**	139,238
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 23)		**20,059**	123,313

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

(RUPEES IN THOUSAND)

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES				REVENUE RESERVES				
		Premium on issue of shares	Plant modern-isation	Fair Value reserve	Sub Total	General reserve	Dividend equali-zation	unappropr-iated Profit	Sub-Total	
Balance as at 30 June 2013	213,775	5,496	12,000	7,496	24,992	44,975	4,000	355,322	404,297	643,064
Transaction with owners - Final dividend for the period ended 30 June 2013 at the rate of Rupee 2.00 per share	-	-	-	-	-	-	-	(42,754)	(42,754)	(42,754)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	1,495	1,495	1,495
Profit for the year	-	-	-	-	-	-	-	89,347	89,347	89,347
Other comprehensive income / (loss) for the year	-	-	-	5,623	5,623	-	-	(9,264)	(9,264)	(3,641)
Total comprehensive income for the year	-	-	-	5,623	5,623	-	-	80,083	80,083	85,706
Balance as at 30 June 2014	213,775	5,496	12,000	13,119	30,615	44,975	4,000	394,146	443,121	687,511
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	1,374	1,374	1,374
Loss for the year	-	-	-	-	-	-	-	(28,600)	(28,600)	(28,600)
Other comprehensive loss for the year	-	-	-	(952)	(952)	-	-	(2,093)	(2,093)	(3,045)
Total comprehensive loss for the year	-	-	-	(952)	(952)	-	-	(30,693)	(30,693)	(31,645)
Balance as at 30 June 2015	213,775	5,496	12,000	12,167	29,663	44,975	4,000	364,827	413,802	657,240

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2015

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company
Crescent Cotton Mills Limited

Subsidiary Company
Crescot Mills Limited

Crescent Cotton Mills

Crescent Cotton Mills Limited (CCML) is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all the stock exchanges in Pakistan. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit.

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). CCML holds 66.15% equity of CML. Principal business of CML was manufacturing and sale of yarn. The mills is located at Sindh Industrial and Trading Estate, Kotri in the Province of Sindh. A special resolution was passed in the general meeting of the members on 28 September 1998 authorizing the Board of Directors to dispose of the plant and machinery of CML.

CML has ceased all production activities since August 1998 and has disposed of major part of the plant and machinery. The Company has leased out its buildings and other facilities to the Holding Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated 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 consolidated 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 consolidated financial statements have been prepared under the historical cost convention, except as modified by recognition of employees retirement benefit at present value and investment properties and certain operating fixed assets which are carried at their fair value.

c) Critical accounting estimates and judgments

The preparation of these consolidated 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 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 consolidated 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. Further, the Group 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.

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 Group 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.

Employees retirement benefit

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Changes in these assumptions in future years may effect the liability / asset under the plan in those years.

Inventories

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

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

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

IAS 19 (Amendments) 'Employees Benefits' (effective for annual periods beginning on or after 01 January 2014). This amendment applies to contribution from employees or third parties to defined benefit plans. The objective of amendment is to simplify the accounting for contribution that are independent of the number of the year of employees service, for example, employee contributions that are calculated according to a fixed percentage of salary.

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

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

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

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

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

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

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

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

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

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

IFRS 10 ‘Consolidated Financial Statements’ (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 ‘Joint Arrangements’, IFRS 12 ‘Disclosure of Interests in Other Entities’, IAS 27 (revised 2011) ‘Separate Financial Statements’ and IAS 28 (revised 2011) ‘Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor’s returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 ‘Consolidation – Special Purpose Entities’ in its entirety. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group’s consolidated financial statements.

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

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

Amendments to IFRS 10 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor’s financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 ‘Business Combinations’); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors’ interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group’s consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide ‘investment entities’ an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group’s consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

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

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

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

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

G) Standard and amendments to published standards that are not yet effective and not considered relevant to the Group

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

2.2 Consolidation

a) Subsidiary

Subsidiary is that entity in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the Subsidiary Company is included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances and transactions have been eliminated.

The financial statements of the Subsidiary Company have been audited uptill the financial year ended 30 June 2015 using consistent accounting policies except as specifically mentioned in these notes. Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

b) Associates

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or by way of common directorship. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of accumulated impairment loss, if any.

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

2.3 Staff retirement benefits

The Holding Company operates defined benefit plan - unfunded gratuity scheme for its employees, who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Actuarial Cost Method. Latest actuarial valuation has been carried on 30 June 2015.

2.4 Dividend and other appropriations

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

2.5 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 consolidated 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 consolidated profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land of the Holding Company and certain other operating fixed assets of the Subsidiary Company are stated is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. Cost of operating fixed assets consists of purchase cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable cost 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.

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 consolidated profit and loss account, in which case the increase is recognized in consolidated profit and loss account. A revaluation deficit is recognized in consolidated 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.

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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated profit and loss account during the period in which they are incurred.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation.

Depreciation

Depreciation on property, plant and equipment is charged to consolidated profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 11.1. The Holding Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The Subsidiary Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

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 consolidated profit and loss account in the year the asset is de-recognized.

2.7 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group'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 currency 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 consolidated profit and loss account.

2.8 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is included in the consolidated profit and loss account for the year in which it arises.

2.9 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 measured initially at fair value.

The Group assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' are applicable to all investments.

a) Investments at fair value through profit or loss

Investment 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 consolidated profit and loss account.

b) Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when there is 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 consolidated profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

c) Available for sale investment

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 the consolidated statement of other comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in the consolidated statement of other comprehensive income is included in consolidated profit and loss account. Fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined with 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 Inventories

Inventories, except for stock in transit and waste are stated at lower of cost and net realizable value. Cost is determined as follows:

a) 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 valued at invoice amount plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

i)	For raw materials	-	Weighted average basis
ii)	For work-in-process and finished goods	-	Average material cost, proportionate direct labour and factory overheads

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make such sale.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit 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.

2.12 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.

2.13 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from local sales is recognized on delivery of goods to customers.
- Revenue from export sales is recognized when goods are shipped on board.
- The share of profits or losses of the associated companies after tax is included in the consolidated profit and loss account to recognize the post acquisition changes in the share of the net assets of the investees. Dividend from associated companies is recognized as reduction in cost of investments as prescribed by International Accounting Standard (IAS) 28 'Investments in Associates'.
- Dividend on other equity investments is recognized when right to receive the dividend is established.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.
- Rental income is recognized when rent is accrued.

2.14 Financial instruments

Financial instruments carried on the consolidated balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Group becomes a party to contractual provisions of the instruments. 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 is measured initially at fair value.

Financial assets are derecognized when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Group surrenders those rights. Financial liabilities are derecognized 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 derecognition is charged to the consolidated profit and loss account 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 consolidated profit and loss account over the period of the borrowings using the effective interest method.

2.16 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.17 Trade and other payables

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

2.18 Provisions

Provisions are recognized when the Group 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.

2.19 Borrowing cost

Interest, mark-up and other charges on long term financing are capitalized upto 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 consolidated profit and loss account.

2.20 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 flow 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 by 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 Group’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 assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds their recoverable amount. Impairment losses are recognized in consolidated profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of those assets.

2.21 Off setting

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

2.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group 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 Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers 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 operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has two reportable business segments: Textiles and Trading. Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

3.1 Ordinary shares of the Holding Company held by the associated companies:

	2015	2014
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**114 605**	114 605
	1 457 333	1 457 333

4. RESERVES

	2015	2014
	(RUPEES IN THOUSAND)	
Composition of reserves is as follows:		
Capital reserves		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**12,167**	13,119
	29,663	30,615
Revenue reserves		
General	**44,975**	44,975
Dividend equalization	**4,000**	4,000
Unappropriated profit	**364,827**	394,146
	413,802	443,121
	443,465	473,736

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

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

	2015	2014
	(RUPEES IN THOUSAND)	
Opening balance as on 01 July	**13,119**	7,496
Fair value adjustment during the year	**(952)**	5,623
Closing balance as on 30 June	**12,167**	13,119

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

	2015	2014
Property, plant and equipment (Note 5.1)	**2,457,946**	2,486,034
Investment properties (Note 5.2)	**94,580**	52,665
	2,552,526	2,538,699

5.1 Property, plant and equipment

	2015	2014
Balance as on 01 July	**2,486,034**	2,487,285
Add:		
Adjustment of change in deferred tax rate	**222**	244
Increase in surplus on revaluation of freehold land (Note 5.1.1)	**20,849**	-
	21,071	244
	2,507,105	2,487,529
Less:		
Surplus transferred to investment properties (Note 5.2)	**41,915**	-
Decrease in surplus on revaluation of property, plant and equipment - net of deferred income tax (Note 5.1.2)	**5,870**	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	**1,374**	1,495
	49,159	1,495
Balance as on 30 June	**2,457,946**	2,486,034

5.1.1 Freehold land of the Holding Company was revalued on 30 June 2015 by Messrs Saleem Engineers using market value method. Previously revaluation was carried out in March 2010 by an independent valuer.

5.1.2 Buildings on leasehold land of mills and others of the Subsidiary Company were revalued by an independent valuer, Messrs Sadruddin Associates (Private) Limited on 30 June 2015. Previously these assets were revalued on 25 January 2010 by an independent valuer.

		2015	2014
5.2	**Investment properties**	(RUPEES IN THOUSAND)	
	Balance as on 01 July	**52,665**	52,665
	Transferred from revaluation of freehold land (Note 5.1)	**41,915**	-
	Balance as on 30 June	**94,580**	52,665

5.2.1 During the year, further freehold land having surplus was transferred to investment properties as mentioned in Note 11.1.

6. DEFERRED INCOME TAX LIABILITY

	2015	2014
Holding Company		
Taxable temporary difference		
Tax depreciation allowance	**-**	17,109
Deductible temporary differences		
Provision for gratuity	**-**	(4,768)
Provision for doubtful debts	**-**	(3,861)
	-	(8,629)
	-	8,480
Subsidiary Company		
Opening balance	**7,332**	8,312
Less:		
Adjustment of change in deferred tax rate	**222**	244
Adjustment of deferred income tax liability due to re-assessment	**2,763**	-
Deferred income tax liability on incremental depreciation charged during the year transferred to consolidated profit and loss account	**646**	736
	3,631	980
	3,701	7,332
Total deferred income tax liability	**3,701**	15,812
Transferred to deferred income tax asset (Note 16)	**(3,701)**	-
	-	15,812

7. EMPLOYEES' RETIREMENT BENEFITS

	2015	2014
Opening balance	**48,157**	30,257
Current service cost	**19,716**	17,555
Interest cost	**5,013**	4,531
Retirement benefit paid	**(16,116)**	(14,468)
Experience adjustment recognized in consolidated other comprehensive income	**2,230**	10,282
Closing balance	**59,000**	48,157

7.1 Movement in the net liability recognized:

	2015	2014
Opening balance	**48,157**	30,257
Add: Provision for the year (Note 7.2)	**24,729**	22,086
Experience adjustment recognized in consolidated other comprehensive income	**2,230**	10,282
	75,116	62,625
Less: Paid during the year	**(16,116)**	(14,468)
	59,000	48,157

		2015	2014
		(RUPEES IN THOUSAND)	
7.2	**Provision for the year**		
	Current service cost	**19,716**	17,555
	Interest cost	**5,013**	4,531
		24,729	22,086

7.3 Principal actuarial assumptions used:

	2015	2014
Discount rate used (% per annum)	**9.75 %**	12.50 %
Expected rate of increase in salaries (% per annum)	**8.75 %**	11.50 %
Average expected remaining working life time of employees (years)	**8**	8

7.4 Trend Information:

(RUPEES IN THOUSAND)

	2015	2014	2013	2012	2011
Present value of defined benefit obligation	59,000	48,157	30,257	28,159	20,441
Experience adjustment on obligation	(2,230)	(10,282)	(7,000)	(902)	(3,787)

	2015	2014
	(RUPEES IN THOUSAND)	
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	**162,875**	182,020
Accrued liabilities (Note 8.2)	**161,917**	145,696
Advances from customers	**3,308**	3,670
Income tax deducted at source	**739**	1,152
Dividend payable	**-**	42,754
Unclaimed dividend	**6,246**	1,921
Workers' profit participation fund (Note 8.3)	**-**	5,960
Workers' welfare fund	**-**	267
	335,085	383,440

8.1 These include an amount of Rupees 1.673 million (2014: Rupees Nil) due to a related party.

8.2 These include insurance premium of Rupees 1.079 million (2014: Rupees 6.308 million) due to a related party.

8.3 Workers' profit participation fund

	2015	2014
Balance as on 01 July	**5,960**	26,140
Add: Provision for the year	**-**	5,960
Interest for the year (Note 31)	**417**	962
	6,377	33,062
Less: Payments during the year	**6,377**	27,102
Balance as on 30 June	**-**	5,960

8.3.1 Workers' profit participation fund is retained for 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 till the date of allocation to workers.

		2015	2014
		(RUPEES IN THOUSAND)	
9.	**SHORT TERM BORROWINGS**		
	Holding Company		
	From banking companies - secured		
	Cash finances and export finances (Note 9.1)	**133,723**	80,887
	Others - unsecured		
	Associated company (Note 9.2)	**-**	2,408
	Other related parties (Note 9.3)	**177,346**	181,809
	Temporary bank overdraft	**17,367**	40,005
		194,713	224,222
		328,436	305,109
	Subsidiary Company		
	Samba Bank Limited - secured (Note 9.4)	**5,000**	5,000
		333,436	310,109

9.1 These form part of total credit facility of Rupees 1,500 million (2014: Rupees 1,700 million) and carries mark-up at the rate of 3 months KIBOR plus 2 percent (2014: 3 months KIBOR plus 2 percent) per annum. These are secured against charge, pledge and hypothecation over fixed and current assets of the Holding Company and personal guarantee of directors. The rate of mark-up ranges from 9.99 percent to 12.18 percent (2014: 11.43 percent to 12.18 percent) per annum.

9.2 This represented loan obtained from Riaz and Company (1962-Private) Limited, an associated company which was repayable on demand. It carried mark-up at the rate of 10 percent (2014: 10 percent) per annum.

9.3 These represent interest free loans from Chief Executive Officer, Directors and Executives of the Holding Company which are repayable on demand.

9.4 This represents overdue balance of loan obtained from Samba Bank Limited and is secured against demand promissory note. It carries mark-up at the rate of 12 percent (2014: 12 percent) per annum.

10. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

Holding Company

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (2014: Rupees 10.787 million). The Holding Company, being aggrieved, has filed appeals with the Honorable High Court, Lahore, which are still pending. No provision has been made in the consolidated financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Holding Company.

ii) The Holding Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (2014: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against this receivable has been made in these consolidated financial statements as the management is hopeful that the case will be decided in favour of the Holding Company and all the outstanding dues will be recovered.

iii) Guarantees of Rupees 35.993 million (2014: Rupees 35.993 million) have been given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections.

iv) Holding Company's share in contingencies of associated companies accounted for under equity method is Rupees 53.166 million (2014: Rupees 72.069 million).

Subsidiary Company

v) The Subsidiary Company is contingently liable for a claim of Rupees 0.215 million (2014: Rupees 0.215 million) not acknowledged by the Subsidiary Company in respect of card clothing machine demanded by Customs Authorities in 1987 against which a letter of guarantee has been issued by bank in favour of Collector.

b) Commitments:

i) Letter of credit for capital expenditure is of Rupees 8.189 million (2014: Rupees Nil)..

ii) Letters of credit other than for capital expenditure are of Rupees 4.110 million (2014: Rupees 18.924 million).

	2015	2014
	(RUPEES IN THOUSAND)	
11. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 11.1)	**2,744,863**	2,782,021
Capital work-in-progress (Note 11.2)	**191,665**	86,790
	2,936,528	2,868,811

11.1 PROPERTY, PLANT AND EQUIPMENT

(RUPEES IN THOUSAND)

	Land-Freehold	Buildings and roads on freehold land	Buildings on leasehold land	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 June 2013												
Cost / revalued amount	2,475,264	128,364	48,364	655,229	97,980	27,560	18,338	11,645	16,466	9,975	486	3,489,671
Accumulated depreciation	-	(101,032)	(22,562)	(473,434)	(44,970)	(20,882)	(14,126)	(7,644)	(10,357)	(8,292)	(480)	(703,777)
Net book value	2,475,264	27,332	25,802	181,795	53,010	6,678	4,212	4,001	6,109	1,683	6	2,785,894
Year ended 30 June 2014												
Opening net book value	2,475,264	27,332	25,802	181,795	53,010	6,678	4,212	4,001	6,109	1,683	6	2,785,894
Additions	-	2,380	-	18,738	-	147	109	883	6,682	475	-	29,414
Disposals:												
Cost	-	-	-	-	-	-	-	-	(1,966)	-	-	(1,966)
Accumulated depreciation	-	-	-	-	-	-	-	-	1,624	-	-	1,624
	-	-	-	-	-	-	-	-	(342)	-	-	(342)
Depreciation charge	-	(2,429)	(2,342)	(18,804)	(5,301)	(680)	(451)	(466)	(1,580)	(891)	(1)	(32,945)
Closing net book value	2,475,264	27,283	23,460	181,729	47,709	6,145	3,870	4,418	10,869	1,267	5	2,782,021
At 30 June 2014												
Cost / revalued amount	2,475,264	130,744	48,364	673,967	97,980	27,707	18,447	12,528	21,182	10,450	486	3,517,119
Accumulated depreciation	-	(103,461)	(24,904)	(492,238)	(50,271)	(21,562)	(14,577)	(8,110)	(10,313)	(9,183)	(481)	(735,098)
Net book value	2,475,264	27,283	23,460	181,729	47,709	6,145	3,870	4,418	10,869	1,267	5	2,782,021
Year ended 30 June 2015												
Opening net book value	2,475,264	27,283	23,460	181,729	47,709	6,145	3,870	4,418	10,869	1,267	5	2,782,021
Effect of surplus on revaluation as at 30 June 2015	20,850	-	-	-	-	-	-	-	-	-	-	20,850
Decrease in revaluation:												
Revalued amount	-	-	(19,243)	-	-	-	-	-	-	-	-	(19,243)
Accumulated depreciation	-	-	10,610	-	-	-	-	-	-	-	-	10,610
	-	-	(8,633)									(8,633)
Additions	-	-	-	18,033	-	3,638	-	283	3,502	86	-	25,542
Transferred to investment properties	(42,008)	-	-	-	-	-	-	-	-	-	-	(42,008)
Disposals:												
Cost	-	-	-	(50)	-	-	-	-	(1,808)	-	-	(1,858)
Accumulated depreciation	-	-	-	6	-	-	-	-	1,527	-	-	1,533
	-	-	-	(44)	-	-	-	-	(281)	-	-	(325)
Depreciation charge	-	(2,382)	(2,120)	(18,668)	(4,771)	(827)	(418)	(453)	(2,323)	(621)	(1)	(32,584)
Closing net book value	2,454,106	24,901	12,707	181,050	42,938	8,956	3,452	4,248	11,767	732	4	2,744,863
At 30 June 2015												
Cost / revalued amount	2,454,106	130,744	29,121	691,950	97,980	31,345	18,447	12,811	22,876	10,536	486	3,500,402
Accumulated depreciation	-	(105,843)	(16,414)	(510,900)	(55,042)	(22,389)	(14,995)	(8,563)	(11,109)	(9,804)	(482)	(755,539)
Net book value	2,454,106	24,901	12,707	181,050	42,938	8,956	3,452	4,248	11,767	732	4	2,744,863
Annual rate of depreciation (%)	-	5, 10	5, 10	10	10	10	10, 12	10	20	50	10	

11.1.1 Had there been no revaluation, the cost, accumulated depreciation and book value of the revalued assets as at reporting date would be as follows:

(RUPEES IN THOUSAND)

	Cost	Accumulated Depreciation	Book Value
Holding Company			
Freehold land	5,313	-	5,313
Subsidiary Company			
Buildings on leasehold land			
-Mills	11,504	10,821	683
-Others	2,633	2,170	463
2015	19,450	12,991	6,459
2014	19,542	12,890	6,652

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

	2015	2014
	(RUPEES IN THOUSAND)	
Cost of sales (Note 26)	**26,488**	27,046
Administrative expenses (Note 28)	**6,096**	5,899
	32,584	32,945

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

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Net Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Suzuki Pickup CR-5234	344	284	60	123	63	Negotiation	Mr. Muhammad Imran, Karachi
Suzuki Mehran FSL-8606	363	262	101	101	-	Insurance Claim	Premier Insurance Limited - associated company
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	1,151	987	164	684	520		
	1,858	1,533	325	908	583		

	2015	2014
	(RUPEES IN THOUSAND)	
11.2 CAPITAL WORK IN PROGRESS		
Advance against purchase of new industrial unit	191,665	80,350
Buildings and roads on freehold land	-	6,440
	191,665	86,790
12. INVESTMENT PROPERTIES		
Balance as on 01 July	58,532	54,172
Transferred from capital work-in-progress	6,440	-
Further capital expenditure on investment properties	4,129	-
	10,569	-
	69,101	54,172
Transferred from property, plant and equipment	42,008	-
Fair value gain (Note 30)	571	4,360
Balance as on 30 June	111,680	58,532

12.1 The fair value of the investment properties has been determined by the Holding Company on the basis of assessment of the current prices in an active market for similar properties in the same condition. Expenses of capital nature directly related to investment properties amounting to Rupees 10.569 million (2014: Rupees Nil) were incurred during the year as shown above.

13. LONG TERM INVESTMENTS-ASSOCIATES

(RUPEES IN THOUSAND)

	2015			2014		
	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET
QUOTED						
Shakarganj Mills Limited 2 865 830 (2014: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (2014: 4.12%)	24,395	54,230	78,625	24,395	64,497	88,892
The Crescent Textile Mills Limited 3 352 343 (2014: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (2014: 5.45%)	27,966	94,989	122,955	17,909	87,856	105,765
Premier Insurance Limited 208 943 (2014: 363 380) ordinary shares of Rupees 10 (2014: Rupees 5) each fully paid. Equity held 0.60% (2014: 0.60%) (Note 13.2)	75	2,172	2,247	75	2,091	2,166
Crescent Jute Products Limited 201 933 (2014: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2014: 0.85%)	101	(101)	-	101	(101)	-
	52,537	151,290	203,827	42,480	154,343	196,823

13.1 The management intends to dispose of the investments in Shakarganj Mills Limited and The Crescent Textile Mills Limited in next twelve months from the balance sheet date. However, these investments have been classified as long term pursuant to IAS 28, 'Investment in Associates' which requires that investment in associates should be accounted for in consolidated financial statements under equity method except when the investment is acquired and held exclusively with a view to its subsequent disposal in the near future. As these investments were not acquired for disposal purposes, equity method of accounting has been applied and as per the requirement of IAS 28 the same have been shown under long term investments. In addition paragraph 2 (B)(d) of Part II of the Fourth Schedule to the Companies Ordinance, 1984 requires that the investments accounted for under equity method should be classified as long term investments.

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

13.4 INFORMATION ABOUT ASSOCIATES

RUPEES IN THOUSAND

	ASSETS		LIABILITIES		NET ASSETS		REVENUE		(LOSS) / PROFIT AFTER TAXATION	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
QUOTED										
Shakarganj Mills Limited										
Year ended 30 September 2014 - Audited	**12,411,426**	8,846,088	**7,768,413**	7,176,473	**4,643,013**	1,669,615	**11,356,340**	9,707,795	**(638,809)**	(387,022)
The Crescent Textile Mills Limited										
Year ended 30 June 2015 - Audited	**12,454,858**	11,981,973	**6,714,492**	6,613,749	**5,740,366**	5,364,222	**11,834,775**	12,411,497	**221,694**	239,019
Premier Insurance Limited										
Year ended 30 December 2014 - Audited	**3,429,282**	3,320,180	**1,901,728**	1,820,901	**1,527,554**	1,499,279	**694,506**	162,196	**34,647**	5,935
Crescent Jute Products Limited										
Year ended 30 June 2015 - Audited	**339,919**	375,570	**425,301**	443,098	**(85,382)**	(67,528)	**3,865**	21,618	**(6,930)**	165,035

13.4 AGGREGATE MARKET VALUE OF INVESTMENTS IN QUOTED ASSOCIATED COMPANIES

	2015	2014
	(RUPEES IN THOUSAND)	
Shakarganj Mills Limited	**48,719**	48,490
The Crescent Textile Mills Limited	**70,902**	54,952
Premier Insurance Limited	**5,836**	3,997
Crescent Jute Products Limited	**545**	539
	126,002	107,978

		2015	2014
		(RUPEES IN THOUSAND)	
14.	**LONG TERM INVESTMENTS**		
	AVAILABLE FOR SALE		
	QUOTED		
	Jubilee Spinning and Weaving Mills Limited		
	474 323 (2014: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2014: 1.46%)	2,372	2,372
	Crescent Fibres Limited		
	71 820 (2014: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2014: 0.58%)	615	615
	Crescent Spinning Mills Limited		
	696 000 (2014: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2014: 4.59%)	-	-
	Security Papers Limited		
	522 (2014: 436) ordinary shares of Rupees 10 each fully paid.	1	1
	UNQUOTED		
	Crescent Modaraba Management Company Limited		
	119 480 (2014: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2014: 6.52%)	664	664
	Premier Financial Services (Private) Limited		
	2 500 (2014: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held 11.11% (2014: 11.11%)	2,500	2,500
	Crescent Bahuman Limited		
	1 043 988 (2014: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2014: 1.28%)	-	-
		6,152	6,152
	Less: Impairment loss charged to profit and loss account (Note 29)	(347)	(347)
	Add: Fair value adjustment	4,154	4,154
		9,959	9,959
15.	**DEFERRED INCOME TAX ASSET**		
	Holding Company		
	Taxable temporary difference		
	Tax depreciation allowance	(10,722)	-
	Deductible temporary differences		
	Unused tax losses	25,505	-
	Provision for gratuity	3,794	-
	Provision for doubtful debts	3,744	-
		33,043	-
	Total deferred income tax asset	22,321	-
	Transferred from deferred income tax liability (Note 6)	(3,701)	-
		18,620	-

		2015	2014
		(RUPEES IN THOUSAND)	
16.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores (Note 16.1)	**27,564**	15,704
	Spare parts	**17,332**	16,670
	Loose tools	**190**	176
		45,086	32,550

16.1 These include stores in transit of Rupees 6.667 million (2014: Rupees Nil).

17.	**STOCK-IN-TRADE**		
	Raw material	**141,373**	138,418
	Work-in-process	**18,251**	19,335
	Finished goods (Note 17.1)	**233,858**	253,799
	Waste	**1,858**	2,317
		395,340	413,869

17.1 This includes stock of Rupees 109.699 million (2014: Rupees 119.057 million) sent to outside parties for weaving.

17.2 Stock-in-trade of Rupees 1.858 million (2014: Rupees 202.342 million) is being carried at net realizable value.

17.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2014: Rupees 37.796 million).

		2015	2014
18.	**TRADE DEBTS**	(RUPEES IN THOUSAND)	
	Considered good:		
	Secured (against letters of credit)	**20,015**	70,713
	Unsecured (Note 18.1)	**36,139**	8,697
		56,154	79,410

18.1 As at 30 June 2015, trade debts of Rupees 16.284 million (2014: Rupees 11.177 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:

	2015	2014
Upto 1 month	**2,167**	47
1 to 6 months	**1,795**	4,388
More than 6 months	**12,322**	6,742
	16,284	11,177

19.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - interest free:		
	Against expenses	32	**45**
	Against salary (Note 19.1)	13,026	**11,234**
		13,058	**11,279**
	Advances to suppliers / contractors	13,334	**24,474**
	Letters of credit	47	**235**
		26,439	**35,988**

19.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefit. These are recoverable in equal monthly installments.

	2015	2014
	(RUPEES IN THOUSAND)	

20. SHORT TERM DEPOSITS, PREPAYMENTS AND BALANCES WITH STATUTORY AUTHORITIES

	2015	2014
Margin deposit	**1,000**	22,056
Prepayments	**986**	1,145
Balances with statutory authorities:		
Advance income tax	**87,277**	99,053
Sales tax and excise duty refundable	**26,172**	47,499
	113,449	146,552
	115,435	169,753

21. OTHER RECEIVABLES

	2015	2014
Considered good:		
Profit on deposits with banks receivable	**2,648**	2,461
Others	**32,041**	37,355
	34,689	39,816
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	34,689	39,816

22. SHORT TERM INVESTMENTS

AVAILABLE FOR SALE

QUOTED

	2015	2014
Crescent Steel and Allied Products Limited 14 461 (2014: 14 461) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2014: 0.02%)	**33**	33
Samba Bank Limited 2 804 313 (2014: 2 804 313) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2014: 0.35%)	**7,709**	7,709
	7,742	7,742
Add: Fair value adjustment	**8,013**	11,564
	15,755	19,306

23. CASH AND BANK BALANCES	2015	2014
	(RUPEES IN THOUSAND)	
With banks :		
On current accounts	**13,984**	11,187
Term deposit receipts (Note 23.1)	**2,800**	-
On deposit account (Note 23.2)	**2,800**	2,800
Call deposit receipts	**-**	108,511
	19,584	122,498
Cash in hand	**475**	815
	20,059	123,313

23.1 This represents deposit with a banking company having maturity period of one month. The rate of profit ranges from 5.15% to 9.45% per annum (2014: Nil).

23.2 The rate of profit is 6.57 percent (2014: 5.41 percent) per annum.

24. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' are summarized hereunder:

Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 January 2011 regarding the disposal of plant and machinery and related equipment of Sugar Unit of the Company. Major portion of the plant and machinery and related equipment has been disposed of by the Company. The remaining assets are expected to be disposed of during the next financial year.

Non-current assets classified as held for sale

Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**752**	752
Tools and equipment	**158**	158
Service equipment	**3**	3
	913	913

25. SALES

Local (Note 25.1)	**1,290,658**	527,558
Export (Note 25.2 and 25.3)	**2,541,589**	4,431,065
	3,832,247	4,958,623

25.1 Local

Yarn	**1,283,200**	502,849
Socks	**11,277**	-
Cotton / polyester	**-**	7,867
Waste	**22,849**	27,538
	1,317,326	538,254
Less: Sales tax	**26,668**	10,696
	1,290,658	527,558

		2015	2014
25.2	**Export**	**(RUPEES IN THOUSAND)**	
	Yarn	**852,593**	949,798
	Cloth	**1,679,244**	3,404,756
	Socks	**9,752**	76,511
		2,541,589	4,431,065

25.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 22.870 million (2014: Rupees 88.827 million) has been included in export sales.

26. COST OF SALES

	2015	2014
Raw materials consumed	**2,319,714**	2,793,997
Cost of raw materials sold	**-**	7,892
Salaries, wages and other benefits (Note 26.1)	**307,545**	291,399
Stores, spare parts and loose tools consumed	**108,873**	114,731
Fuel and power	**451,889**	487,177
Outside weaving / other charges	**325,462**	615,565
Other manufacturing overheads	**7,529**	9,492
Insurance	**6,485**	5,322
Repair and maintenance	**2,598**	5,323
Depreciation (Note 11.1.2)	**26,488**	27,046
	3,556,583	4,357,944
Work-in-process		
Opening stock	**19,335**	19,248
Closing stock	**(18,251)**	(19,335)
	1,084	(87)
Cost of goods manufactured	**3,557,667**	4,357,857
Finished goods		
Opening stock	**256,116**	163,131
Closing stock	**(235,716)**	(256,116)
	20,400	(92,985)
	3,578,067	4,264,872
Cost of goods purchased for resale	**30,143**	324,738
	3,608,210	4,589,610

26.1 Salaries, wages and other benefits include staff retirement benefit amounting to Rupees 22.128 million (2014: Rupees 19.761 million).

		2015	2014
27.	**DISTRIBUTION COST**	**(RUPEES IN THOUSAND)**	
	Freight and forwarding	**40,279**	64,401
	Commission to selling agents	**25,498**	35,468
	Insurance	**2,344**	4,379
	Loading and handling	**11,011**	8,667
	Others	**4,873**	642
		84,005	113,557

	2015	2014
	(RUPEES IN THOUSAND)	

28. ADMINISTRATIVE EXPENSES

	2015	2014
Salaries and other benefits (Note 28.1)	**80,340**	68,731
Workers' welfare	**2,822**	2,987
Traveling and conveyance	**4,068**	5,241
Insurance	**1,591**	1,932
Rent, rates and taxes	**3,096**	2,962
Entertainment	**3,251**	3,870
Fee and subscription	**1,167**	1,030
Communication	**2,726**	3,085
Vehicles' running	**7,823**	8,003
Repair and maintenance	**9,844**	8,640
Utilities	**8,617**	9,263
Printing and stationery	**1,643**	1,864
Books and periodicals	**47**	40
Auditors' remuneration:		
Statutory audit	**700**	650
Other certifications including half yearly review	**150**	125
Out of pocket expenses	**40**	30
	890	805
Legal and professional	**5,748**	3,202
Miscellaneous	**2,452**	2,567
Depreciation (Note 11.1.2)	**6,096**	5,899
	142,221	130,121

28.1 Salaries and other benefits include staff retirement benefit amounting to Rupees 2.601 million (2014: Rupees 2.325 million).

29. OTHER EXPENSES

	2015	2014
Stores, spare parts and loose tools written off	**40**	33
Workers' profit participation fund	**-**	5,960
Workers' welfare fund	**-**	267
Impairment loss on investments (Note 14)	**347**	-
Donations (Note 29.1)	**101**	220
Loss on disposal of obsolete store, spare parts and loose tools	**-**	1,335
Trade debts written off	**-**	345
Loans and advances written off	**-**	507
Other receivables written off	**-**	3,514
	488	12,181

29.1 There is no interest of any director or his spouse in donees' fund.

	2015	2014
	(RUPEES IN THOUSAND)	

30. OTHER INCOME

	2015	2014
Income from financial assets		
Profit on deposits with banks	7,766	9,675
Dividend income from other investments (Note 30.1)	95	158
	7,861	9,833
Income from non-financial assets		
Rental Income	10,468	5,586
Scrap sales	949	703
Gain on sale of property, plant and equipment	583	1,958
Gain on remeasurment of fair value of investment properties (Note 12)	571	4,360
Gain on loss of significant influence over investee company	-	2,320
Credit balances written back	-	2,849
Excess amount received from a party as penalty	-	13,000
	12,571	30,776
	20,432	40,609

30.1 Dividend income from other investments:

	2015	2014
Crescent Fibres Limited	72	108
Security Papers Limited	2	2
Crescent Steel and Allied Products Limited	21	48
	95	158

31. FINANCE COST

	2015	2014
Mark-up on:		
Long term financing	-	231
Short term borrowings (Note 31.1)	29,244	28,136
Workers' profit participation fund (Note 8.3)	417	962
Bank charges and commission	7,758	10,914
	37,419	40,243

31.1 It includes Rupees 0.045 million (2014: Rupees 0.399 million) charged as mark-up by associated company.

32. TAXATION

	2015	2014
	(RUPEES IN THOUSAND)	
Current		
- For the year	39,361	47,927
- Prior year	1,366	(32,279)
	40,727	15,648
Deferred	(31,310)	(1,043)
	9,417	14,605

32.1 Provision for income tax is made in accordance with the relevant provisions of Income Tax Ordinance, 2001.

33. (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss)/earnings per share which is based on :

		2015	2014
(Loss)/Profit for the year after taxation	(Rupees in thousand)	**(28,600)**	89,347
Weighted average number of ordinary shares of Holding Company	(Numbers)	**21 377 478**	21 377 478
(Loss)/Earnings per share	(Rupees)	**(1.34)**	4.18

34. CASH GENERATED FROM OPERATIONS

	2015	2014
	(RUPEES IN THOUSAND)	
(Loss) / profit before taxation	**(19,183)**	103,954
Adjustments for non cash charges and other items:		
Depreciation	**32,584**	32,945
Provision for staff retirement gratuity	**24,729**	22,086
Gain on sale of property, plant and equipment	**(583)**	(1,958)
Gain on remeasurement of fair value of investment properties	**(571)**	(4,360)
Gain on loss of significant influence over investee company	**-**	(2,320)
Share of (profit) / loss from associated companies	**(481)**	9,568
Credit balances written back	**-**	(2,849)
Trade debts written off	**-**	345
Loans and advances written off	**-**	507
Other receivables written off	**-**	3,514
Profit on deposits with banks	**(7,766)**	(9,675)
Stores, spare parts and loose tools written off	**40**	33
Impairment loss on investments	**347**	-
Finance cost	**37,419**	40,243
Provision for workers' profit participation fund	**-**	5,960
Provision for workers' welfare fund	**-**	267
Working capital changes (Note 34.1)	**82,647**	(15,077)
	149,182	183,183

34.1 Working capital changes

	2015	2014
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(12,576)**	12,917
Stock-in-trade	**18,529**	(24,709)
Trade debts	**23,256**	16,479
Loans and advances	**9,549**	(14,166)
Prepayments and balances with statutory authorities	**42,542**	(36,175)
Other receivables	**5,314**	4,177
(Decrease) / increase in trade and other payables	**(3,967)**	26,402
	82,647	(15,075)

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Group 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 consolidated financial statements is as follows:

	2015	2014
	(RUPEES IN THOUSAND)	
Associated companies		
Dividend income	**3,534**	363
Service charges	**8,124**	5,892
Mark-up expense	**45**	399
Insurance claim	**210**	-

	2015	2014
	NUMBER OF SHARES	
Right shares received	**670 468**	-
Bonus shares received	**27 253**	-

	2015	2014
	(RUPEES IN THOUSAND)	
Other related parties		
Loan (repaid to) / received from directors / executives - net	**(4,463)**	57,386

36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Managerial remuneration	**5,683**	4,603	**7,388**	8,361	**14,300**	12,384
Allowances:						
Housing	**2,558**	2,071	**3,325**	3,762	**6,435**	2,409
Utilities	**568**	460	**739**	836	**1,430**	1,238
Group insurance	**-**	-	**3**	9	**10**	8
Reimbursable expenses	**568**	460	**739**	836	**1,443**	1,238
	9,377	7,594	**12,194**	13,804	**23,618**	17,277
Number of persons	**1**	1	**2**	3	**7**	7

36.1 Aggregate amount charged in the financial statements for meeting fee to five directors (2014: two directors) was Rupees 280,000 (2014: Rupees 373,334).

36.2 The Chief Executive Officer, Directors and Executives of the Holding Company have been provided with Company maintained vehicles.

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

37. NUMBER OF EMPLOYEES

	2015	2014
	(Number of Persons)	
Number of employees as on 30 June	**1 768**	**1 571**
Average number of employees during the year	**1 767**	**1 645**

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

The Group'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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department of the Holding Company under policies approved by the Board of Directors of the Holding Company. 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, investment of excess liquidity and use of non-derivative financial instruments.

(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 Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Group's exposure to currency risk was as follows:

	2015	2014
Trade debts - USD	**187,613**	709,109
Trade debts - Euro	**8,556**	7,241
Trade and other payables - USD	**(148,559)**	-
Net exposure - USD	**39,054**	709,109
Net exposure - Euro	**8,556**	7,241

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	**101.39**	103.21
Reporting date rate	**101.50**	98.55
Rupees per Euro		
Average rate	**121.39**	142.34
Reporting date rate	**113.57**	134.46

Sensitivity Analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 0.198 million lower / higher (2014: Rupees 3.253 million higher / lower) and Rupees 0.049 million lower / higher (2014: Rupees 0.045 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 Group is not exposed to commodity price risk.

Sensitivity analysis

'The table below summarises the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Group'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 Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on (loss)/profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	2015	2014	2015	2014
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**-**	-	**1,048**	1,192
KSE 100 (5% decrease)	**-**	-	**(1,048)**	(1,192)

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 Group's interest rate risk arises from term deposit receipt, deposit account and short term borrowings. Financial instruments obtained at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

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

	2015	2014
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**2,800**	-
Deposit account	**2,800**	2,800
Financial liabilities		
Short term borrowings	**5,000**	7,408
Floating rate instruments		
Financial liabilities		-
Short term borrowings	**133,723**	80,887

Fair value sensitivity analysis for fixed rate instruments

The Group 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 Group.

Cash flow sensitivity analysis for fixed rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, (loss) / profit after taxation for the year would have been Rupees 1.337 million higher / lower (2014: Rupees 0.753 million lower / higher), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming that 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:

	2015	2014
	(RUPEES IN THOUSAND)	
Investments	**25,714**	27,013
Loans and advances	**13,026**	11,234
Deposits	**4,134**	25,190
Trade debts	**56,154**	79,410
Other receivables	**34,689**	39,816
Bank balances	**19,584**	122,498
	153,301	305,161

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:

	Rating			2015	2014
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**1,675**	1,655
Allied Bank Limited	A1+	AA+	PACRA	**20**	21
Bank Alfalah Limited	A1+	AA	PACRA	**7,704**	111,721
Faysal Bank Limited	A1+	AA	PACRA	**20**	20
Habib Bank Limited	A-1+	AAA	JCR-VIS	**1,912**	55
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**2,372**	113
MCB Bank Limited	A1+	AAA	PACRA	**100**	63
NIB Bank Limited	A1+	AA -	PACRA	**68**	118
United Bank Limited	A-1+	AA+	JCR-VIS	**927**	8,171
Meezan Bank Limited	A-1+	AA	JCR-VIS	**4,524**	29
Askari Bank Limited	A-1+	AA	JCR-VIS	**215**	443
Bank Al-Habib Limited	A1+	AA+	PACRA	**47**	89
				19,584	122,498

The Group's exposure to credit risk related to trade debts is disclosed in Note 18.

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

c) **Liquidity risk**

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

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2015, the Group had Rupees 1,366.277 million (2014: Rupees 1,619.113 million) available borrowing limits from financial institutions and Rupees 20.059 million (2014: Rupees 123.313 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

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

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:	(RUPEES IN THOUSAND)					
Trade and other payables	331,038	331,038	331,038	-	-	-
Accrued mark-up on short term borrowings	16,970	16,970	16,970	-	-	-
Short term borrowings	333,436	351,797	351,797	-	-	-
	681,444	699,805	699,805	-	-	-

Contractual maturities of financial liabilities as at 30 June 2014:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Trade and other payables	372,391	372,391	372,391	-	-	-
Accrued mark-up on short term borrowings	18,270	18,270	18,270	-	-	-
Short term borrowings	310,109	312,872	312,872	-	-	-
	700,770	703,533	703,533	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective at the year end. The rates of interest / mark up have been disclosed in Note 9 to these consolidated financial statements.

38.2 **Fair values of financial assets and liabilities**

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

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 June 2015				
Assets				
Available for sale financial assets	22,550	-	-	22,550
As at 30 June 2014				
Assets				
Available for sale financial assets	23,849	-	-	23,849

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

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

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

38.3 Financial instruments by categories

	2015			2014		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
Assets as per balance sheet						
Investments	**-**	**25,714**	**25,714**	-	27,013	27,013
Loans and advances	**13,026**	**-**	**13,026**	11,234	-	11,234
Deposits	**4,134**	**-**	**4,134**	25,190	-	25,190
Trade debts	**56,154**	**-**	**56,154**	79,410	-	79,410
Other receivables	**34,689**	**-**	**34,689**	39,816	-	39,816
Cash and bank balances	**20,059**	**-**	**20,059**	123,313	-	123,313
	128,062	**25,714**	**153,776**	278,963	27,013	305,976

	2015	2014
	Financial Liabilities At Amortized Cost	
	(RUPEES IN THOUSAND)	
Liabilities as per balance sheet		
Accrued mark-up on short term borrowings	**16,970**	18,270
Short term borrowings	**333,436**	310,109
Trade and other payables	**331,038**	372,391
	681,444	700,770

38.4 Offsetting financial assets and financial liabilities

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

38.5 **Capital risk management**

The Group's objectives when managing capital are to safeguard the Group'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 Group may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the Group as referred to in Note 9. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2015	2014
Borrowings	Rupees in thousand	**333,436**	310,109
Total equity	Rupees in thousand	**657,240**	687,511
Total capital employed	Rupees in thousand	**990,676**	997,620
Gearing ratio	Percentage	**33.66**	31.08

The increase in the gearing ratio resulted primarily from increase in borrowings of the Group.

Crescot Mills Limited, Subsidiary Company has ceased all production activities since August 1998 and the management concluded that the Company is not a going concern. Therefore, there is no need to maintain and adjust the capital structure and monitor the issues pertaining to the capital risk management of the Company.

39. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		Elimination of Inter-segment transactions		TOTAL-GROUP	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales	3,191,437	3,668,144	1,679,244	3,404,756	(1,038,434)	(2,114,277)	3,832,247	4,958,623
Cost of sales	(3,082,348)	(3,471,162)	(1,564,296)	(3,232,725)	1,038,434	2,114,277	(3,608,210)	(4,589,610)
Gross profit	109,089	196,982	114,948	172,031	-	-	224,037	369,013
Distribution cost	(40,394)	(29,940)	(43,611)	(83,617)	-	-	(84,005)	(113,557)
Administrative expenses	(135,215)	(123,324)	(7,006)	(6,797)	-	-	(142,221)	(130,121)
	(175,609)	(153,264)	(50,617)	(90,414)	-	-	(226,226)	(243,678)
	(66,520)	43,718	64,331	81,617	-	-	(2,189)	125,335
Other income	20,432	40,609	-	-	-	-	20,432	40,609
Finance cost	(27,851)	(27,999)	(9,568)	(12,244)	-	-	(37,419)	(40,243)
(Loss) / profit before taxation and unallocated expenses	(73,939)	56,328	54,763	69,373	-	-	(19,176)	125,701
Other expenses							(488)	(12,181)
Share of profit / (loss) from associated companies							481	(9,568)
Taxation							(9,417)	(14,605)
(Loss) / profit after taxation							(28,600)	89,347

39.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		TOTAL-COMPANY	
	2015	2014	2015	2014	2015	2014
Total assets for reportable segments	**3,769,381**	3,799,837	**19,497**	52,352	**3,788,878**	3,852,189
Unallocated assets:						
Long term investments - associates					**203,827**	196,823
Deferred income tax asset					**-**	-
Non-current assets classified as held for sale					**913**	913
Total assets as per balance sheet					**3,993,618**	4,049,925
Total liabilities for reportable segments	**707,795**	673,275	**36,696**	86,701	**744,491**	759,976
Unallocated liabilities:						
Deferred income tax liability					**-**	15,812
Provision for taxation					**39,361**	47,927
Total liabilities as per balance sheet					**783,852**	823,715

39.2 Geographical Information

The Group's revenue from external customers by geographical location is detailed below:

	2015	2014
	(RUPEES IN THOUSAND)	
Asia	**2,531,837**	4,354,554
Europe	**2,270**	31,151
North and South America	**7,482**	45,360
Pakistan	**1,290,658**	527,558
	3,832,247	4,958,623

39.3 All non-current assets of the Group as at reporting date are located and operated in Pakistan.

39.4 Revenue from major customers

Revenue from major customers of Group's Trading segment represents Rupees 1,393.835 million (2014: Rupees 2,824.287 million). There is no major customer of Textiles segment.

40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2015	2014
Holding Company:			
Spinning:			
100% plant capacity converted to 20s count based on 3 shifts per day for 1011 shifts (2014: 1095 shifts)	Kgs.	**19 844 416**	20 385 786
Actual production converted to 20s count based on 3 shifts per day for 1011 shifts (2014: 1095 shifts)	Kgs.	**19 209 167**	17 828 820

Embroidery & Hosiery

Capacity of such units cannot be determined due to nature of their operations.

Subsidiary Company:

Crescot Mills Limited has ceased its operations since August 1998.

40.1 Reason for low production

Under utilization of available capacity by Holding Company is due to gas load-shedding during the year.

41. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on Thursday, October 08, 2015 by the Board of Directors.

42. CORRESPONDING FIGURES

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

43. GENERAL

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED

FORM OF PROXY

I/We____ of __________ a member/members of **Crescent Cotton Mills Limited** and holder of __________ shares as per Folio # __________ /CDC Participant's ID # _______ and Sub Account # __________ /CDC Investor Account ID # __________ do hereby appoint ____ of____________ or failing him____________________________________of ____________who is also member of the Company vide Folio No. __________ /CDC Participant's ID #________ and Sub Account# __________ /CDC Investor Account ID # __________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 9:30 a.m. on Saturday the October 31, 2015 at the Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad and at any adjournment thereof.

As witness my hand this __________________ day of _____________2015.

________________ **Member's Signature**	**Affix revenue stamps of Rs. 5/-**

Witness :	**Witness :**
Signature: __________	Signature: __________
Name: __________	Name: __________
Address: __________	Address: __________

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, New Lahore Road, Nishatabad, Faisalabad, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:
   - i) In case of individuals, the account holder or sub-account holder and 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 CNICs or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   - iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
   - v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.