



**Crescent
Fibres**



Annual Report 2007



CONTENTS

COMPANY INFORMATION	2
NOTICE OF MEETING	3
MISSION STATEMENT	4
STATEMENT OF ETHICS AND BUSINESS PRACTICES	5
DIRECTORS' REPORT	6
REVIEW REPORT ON CODE OF CORPORATE GOVERNANCE	9
STATEMENT OF COMPLIANCE-CODE OF CORPORATE GOVERNANCE	10
FINANCIAL SUMMARY	12
AUDITORS REPORT	13
BALANCE SHEET	14
PROFIT AND LOSS ACCOUNT	16
CASH FLOW STATEMENT	17
STATEMENT OF CHANGES IN EQUITY	18
NOTES TO THE ACCOUNTS	19
PATTERN OF SHAREHOLDING	39
PROXY FORM	

COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson)
	Imran Maqbool	(Chief Executive)
	Iqbal Ismail	(Representative NIT)
	Humayun Maqbool	
	Nadeem Maqbool	
	Riaz Masood	
	Shahid Riaz	

Chief Financial Officer Muhammad Iqbal Lalani

Company Secretary Javaid Hussain

Audit Committee	Iqbal Ismail	(Chairman)
	Humayun Maqbool	(Member)
	Nadeem Maqbool	(Member)
	Amir Khan	(Secretary)

Auditors Mushtaq & Company
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
Lahore-54000
Tel : (042) 757-9641, 757-6482
Fax : (042) 756-0963

E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

Divisions Textile Division : Nooriabad and Sheikhpura
Chemical Division : Sheikhpura

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the shareholders of the Company will be held on Wednesday the 31st October, 2007 at 9.30 a.m. at Registered Office of the Company 104-Shadman-1, Lahore to transact the following business:

1. To receive, consider and adopt Audited Accounts of the Company for the year ended 30th June, 2007 together with Auditors and Directors reports thereon.
2. To consider and approve the issuance of 5% Bonus shares as recommended by the Board.
3. To appoint Auditors and fix their remuneration.

29th September, 2007
REGISTERED OFFICE
104-Shadman-1, Lahore,

By Order of the Board
JAVAID HUSSAIN
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 20th October, 2007 to 31st October, 2007 (both days inclusive).
2. A member eligible to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be valid must be received by the company duly completed not less than 48 hours before the Meeting.
3. CDC shareholders are requested to bring with them their National Identity Cards alongwith participants' ID number and their account numbers at the time of Annual General Meeting in order to facilitate identification. In case of corporate entity, a certified copy of the resolution passed by the Board of Directors/valid Power of Attorney with the specimen signature of the nominee be produced at the time of meeting.

MISSION STATEMENT

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

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

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

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

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

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Business success is about good decision making, successful businesses depend upon people making reasoned and rational choices. A Company's reputation depends on the actions of its people. A good reputation is attractive to staff and customers, it is a basic part of being a successful company.

Our reputation is built on the fundamental principles of honesty, integrity and reliability.

Our business practices reflect the importance we attach to these principles.

Our principles enable us to build relationships with all our customers and our business partners based on mutual trust and understanding.

We strive to maintain high standards of ethical behavior in dealings with our customers, employees, suppliers, business partners, contractors, and the wider community.

We expect these high standards of all those who represent Crescent Fibres.

We encourage open discussion concerning our ethical standpoint.

We expect openness, honesty, respect for others, accuracy, reliability, loyalty, constancy and trust.

Our ethics and practices ensure our success.

DIRECTORS' REPORT

The Company reported a profit of Rs. 34.2 million for the year ended June 30, 2007 as compared to a profit of Rs. 61.3 million for year ended June 30, 2006. The decreased profitability is mainly attributable to higher raw material and input costs. The earnings per share for the period under review was Rs. 2.89.

Crescent Fibres Limited

Summarized Financial Results

<i>Rupees in millions</i>	Year Ended 30-Jun-07		Year Ended 30-Jun-06	
	Rs.	% of Sales	Rs.	% of Sales
Sales	1,179.7	100.0%	1,085.9	100.0%
Cost of Sales	(1,063.1)	90.1%	(948.2)	87.3%
Gross Profit	116.6	9.9%	137.7	12.7%
Distribution Cost	(8.2)	0.7%	(7.1)	0.7%
Administrative Expenses	(38.8)	3.3%	(35.5)	3.3%
Other Expenses	(2.0)	0.2%	(3.6)	0.3%
Other Income	7.0	0.6%	7.7	0.7%
Profit from Operations	74.6	6.3%	99.3	9.1%
Financial Charges / Other	(35.3)	3.0%	(30.9)	2.8%
Profit before Taxation	39.3	3.3%	68.4	6.3%
Taxation	(5.1)	0.4%	(7.1)	0.7%
Profit/(Loss) After Taxes	34.2	2.9%	61.3	5.6%
Earnings per Share	2.89		5.18	

Through focused marketing the Company was able to increase sales by 8.6% in a very difficult and competitive selling environment. However, this increase was not sufficient to offset increases in the cost of raw materials, energy and other inputs. As a result, gross margin declined to 9.9% as compared to 12.7% for the year ended June 30, 2006. In spite of inflationary pressures, distribution, administrative and other expenses were controlled and did not show any increase as a percentage of sales. The operating margin in the period under review was 6.3% as compared to 9.1% for the year ended June 30, 2006. During the period under review, interest rates maintained a stable to upwards trend and the total financial charges paid by the Company were 3.0% of sales as compared to 2.8% of sales during the last period. Overall, the net margin declined to 2.9% as compared to 5.6% for the year ended June 30, 2006.

The Company's operations may be divided into two divisions, that is, textile spinning and chemicals. The textile business has been the primary contributor to revenues and profitability as owing to unfavorable market conditions, the Company did not operate the Chemical plant during the year. The Management does not expect any of the Chemical assets to be operational in the coming year and is evaluating various alternatives, including their sale.

Future Outlook: The Management expects the coming year to be a very difficult one for the textile spinning industry in Pakistan. End product prices are under extreme pressure owing to regional competition. While the Governments of our regional competitors are offering strong support and incentives to their producers to enable them to compete in the international markets, the Government of Pakistan has not taken any steps to protect the local industry. The situation is made more difficult by the unchecked increase in input costs. During the course of the year there have been increases in interest rates, energy costs and salaries and wages. The Management is making every effort to minimize the impact through improved efficiency and better marketing but expects that there will be significant erosion of profitability in the next year.

Corporate Governance and Financial Reporting Framework

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

- (a) The financial statements prepared by the Management presently fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- (b) Proper books of account have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure thereon has been adequately disclosed.
- (e) The system of internal control adopted by the Management is sound in design. Efforts are underway to ensure its effective implementation.
- (f) There are no significant doubts with regard to the Company's ability to continue as a going concern.
- (g) Key financial and operating data for the last six years has been included elsewhere in the annual report.
- (h) There has been no significant departure from the best practices of corporate governance, as detailed in the listing regulations.
- (i) All details regarding taxes and levies are disclosed in the financial statements and notes annexed to the audited accounts.
- (j) The value of investments of the provident fund based on audited accounts for the Year Ended June 30, 2007 was Rs. 49.046 million.
- (k) During the year 5 meetings of the Board of Directors were held. Attendance was as follows:
 1. Maqbul Ahmad, Chairman (3)
 2. Imran Maqbool, Chief Executive Officer (5)
 3. Khawar Maqbool (1)
 4. Humayun Maqbool (3)
 5. Nadeem Maqbool (5)
 6. Iqbal Ismail, Director, Representative NIT (4)
 7. Riaz Masood (1)
 8. Shahid Riaz (0)

- (l) Pattern of Shareholding is included elsewhere in the annual report.
- (m) Details regarding shares traded in the financial year by Directors, CEO, CFO, Company Secretary and their spouses and minor children are as follows:

Maqbul Ahmad, Chairman, Purchased 49,500 shares.
Imran Maqbool, CEO, Purchased 5,300 shares

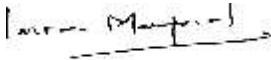
Auditors

The present auditors, Mushtaq and Company, retire, and being eligible have offered themselves for re-appointment. The Audit Committee has recommended Mushtaq and Co. as auditors for the next year.

Appreciation

Mr. Maqbul Ahmad, the founder CEO and Chairman of the company passed away on March 14, 2007. We acknowledge with deep appreciation and gratitude the services rendered by him to the Company. He was a visionary leader with matchless business acumen. His expertise, experience and guidance will be sorely missed.

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



IMRAN MAQBOOL
Chief Executive Officer

September 29, 2007

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

We have reviewed the Statement of Compliance with the Best Practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2007 prepared by the Board of Directors of **Crescent Fibres Limited** to comply with the Listing Regulation No.37 of the Karachi Stock Exchange (Guarantee) Limited, Chapter XIII of Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited where the Company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2007.

**MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS**

**KARACHI:
September 29, 2007**

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

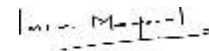
This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of the Stock Exchanges of Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the 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 two non-Executive Directors and none representing minority shareholders.
2. The Directors have voluntarily confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. The Directors have voluntarily declared that all the resident Directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the Directors is a member of a stock exchange.
4. The Board have developed and adopted a "Statement of Ethics and Business Practices" which is regularly circulated within the Company and it is in the knowledge of company's Directors and employees.
5. The Board has developed a vision and 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.
6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other Executive Directors, have been taken by the Board.
7. The meetings of the Board, which were held during the year were presided by the Chairman and in his absence, by a director elected by the Board for this purpose and 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 in time.
8. The Directors have been provided with copies of the Listing Regulations of the Karachi Stock Exchange, Company' Memorandum and Articles of Association and the Code of Corporate Governance and they are well conversant with their duties and responsibilities.
9. The Board has approved appointments of CFO; Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by CEO.

10. The Director's Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
12. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has formed an Audit Committee. It comprises three members, of whom two are non-executive Directors.
15. The meetings of the Audit committee were held at least once in every quarter prior to the approval of interim and financial results of the Company and as required by the Code. The terms of reference of the Committee have been prepared in the light of the Code of Corporate Governance and advised to the Committee for compliance.
16. The Board has set up an effective Internal Audit Function.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme 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.
18. 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.
19. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board of Directors



IMRAN MAQBOOL
CHIEF EXECUTIVE

29th September, 2007

FINANCIAL SUMMARY

	JUNE 2007	JUNE 2006-Restated	JUNE 2005	SEPTEMBER 2004	SEPTEMBER 2003	SEPTEMBER 2002
OPERATING RESULTS:						
Net Sales	1,179,651,638	1,085,919,003	828,523,068	1,022,704,413	937,680,649	992,466,785
Cost of Sales	1,063,071,594	948,216,181	718,152,062	955,810,850	883,595,862	892,443,832
Distribution and admin. Expenses	46,985,373	42,557,195	30,795,271	37,975,576	36,309,866	34,469,990
Financial Charges	36,773,875	31,508,588	13,863,167	45,510,588	54,906,349	49,595,884
Other operating expenses	1,992,687	3,569,632	9,115,214	-	-	1,638,838
Other operating income - Net	7,032,934	7,716,973	15,188,345	5,470,275	15,088,045	15,830,757
Share of associate profit	1,424,820	614,827				
Pre-Tax Profit/ (Loss)	39,285,863	68,399,207	71,785,699	(11,122,326)	(22,043,383)	30,148,998
Taxation	5,087,517	7,082,827	(2,439,944)	(2,708,045)	(25,700,891)	(11,104,363)
Extraordinary item		-	-	94,541,739	-	-
Net Income	34,198,345	61,316,380	69,345,755	80,711,368	(47,744,274)	19,044,635
PER SHARE RESULTS AND RETURN:						
Earning Per Share	2.89	5.18	5.86	6.82	(4.04)	2.12
Dividend Per Share		-	-	-	-	-
Net Income Sales Percent	2.90%	5.65%	8.37%	7.89%	-5.09%	1.92%
Return on Average Assets Percent	4.66%	6.93%	6.79%	8.56%	-5.89%	2.43%
Return on Average Equity Percent	16.44%	20.61%	17.07%	25.93%	-21.88%	10.67%
FINANCIAL POSITION:						
Current Assets	448,794,315	364,651,316	393,929,518	319,475,893	260,844,781	227,481,986
Current Liabilities	363,649,060	371,507,991	376,202,011	406,336,512	480,809,013	393,179,761
Operating Fixed Assets	310,947,544	319,571,981	647,501,424	630,282,426	640,724,261	469,799,868
Total Assets	774,443,547	694,711,597	1,074,915,131	968,775,225	916,656,432	705,172,673
Long Term Debt	103,555,574	145,273,130	169,622,282	122,144,048	93,836,256	129,121,974
Shareholders Equity	272,306,122	143,840,164	451,147,857	361,420,627	261,814,815	174,585,711
Break-up Value Per Share	23.03	12.63	38.15	30.56	22.14	19.57
FINANCIAL RATIOS:						
Current Ratio	1.23	0.98	1.047	0.786	0.54	0.58
Total Debt to Total Assets Percent	64.84%	79.29%	58.03%	62.69%	71.44%	75.24%
Interest Charges Cover (Times)	2.068	3.171	6.178	0.756	0.60	1.61
Inventory Turnover (Times)	9.69	6.93	5.69	10.92	17.7	21.52
Fixed Assets Turnover (Times)	3.794	3.398	1.280	1.623	1.46	2.11
Total Assets Turnover (Times)	1.523	1.563	0.771	1.056	1.02	1.41
OTHER DATA:						
Depreciation and Amortization	32,759,733	30,634,562	27,342,683	34,976,490	35,581,543	29,857,383
Capital Expenditure	20,601,351	38,660,850	86,197,109	30,883,400	72,148,429	25,799,714

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Crescent Fibres Limited** as at June 30, 2007 and the related profit and loss account, 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 purpose 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 the 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 verifications, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied except for the change referred to in note 4.5 with which we concur;
 - (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, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2007 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

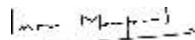
KARACHI: September 29, 2007

MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS

BALANCE SHEET AS AT JUNE 30, 2007

		JUNE 30, 2007	JUNE 30, 2006
EQUITY AND LIABILITIES	NOTE	RUPEES	Restated RUPEES
SHARE CAPITAL AND RESERVES			
Authorized capital 15,000,000 (2006: 15,000,000) Ordinary shares of Rs.10 each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up capital	5	118,265,490	118,265,490
Reserves		154,040,632	25,574,674
		<u>272,306,122</u>	<u>143,840,164</u>
NON-CURRENT LIABILITIES			
Long term financing	6	103,555,574	145,273,130
Liabilities against assets subject to finance lease	7	4,618,679	2,915,256
Deferred tax liability	8	30,314,112	31,175,056
CURRENT LIABILITIES			
Trade and other payables	9	165,517,209	170,049,571
Interest / mark-up on loans	10	29,462,170	34,889,928
Short-term borrowings	11	118,511,043	118,359,718
Current portion of : long term financing		41,520,265	39,841,630
liabilities against assets subject to finance lease		2,379,796	2,587,377
Provision for taxation		6,258,577	5,779,767
		363,649,060	371,507,991
CONTINGENCIES AND COMMITMENTS			
	12		
		<u>774,443,547</u>	<u>694,711,597</u>

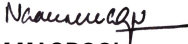
The annexed notes form an integral part of these financial statements.



IMRAN MAQBOOL
CHIEF EXECUTIVE



		JUNE 30, 2007	JUNE 30, 2006
PROPERTY AND ASSETS	NOTE	RUPEES	Restated RUPEES
NON CURRENT ASSETS			
FIXED ASSETS			
Property, plant and equipment	13	310,947,544	319,571,981
capital work in progress	14	7,371,151	5,993,395
		<u>318,318,695</u>	<u>325,565,376</u>
Long term investment	15	2,705,478	1,336,310
Long-term deposits		4,625,059	3,158,595
CURRENT ASSETS			
Stores, spares and loose tools	16	31,846,175	31,268,559
Stock-in-trade	17	109,757,022	136,900,842
Trade debts - considered good	18	116,676,424	98,846,808
Loans and advances	19	22,746,558	25,070,593
Trade deposits and short term prepayments	20	3,241,585	2,962,837
Other receivables	21	6,329,889	5,163,669
Other financial assets	22	156,132,569	61,855,683
Cash and bank balances	23	2,064,093	2,582,325
		448,794,315	364,651,316
		<u>774,443,547</u>	<u>694,711,597</u>

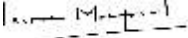

NADEEM MAQBOOL
 DIRECTOR

Annual Report 2007


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2007

	Note	For the year ended June 2007 RUPEES	For the year ended June 2006 Restated RUPEES
Sales	24.1	1,179,651,638	1,085,919,003
Cost of goods sold	25	<u>(1,063,071,593)</u>	<u>(948,216,181)</u>
Gross profit		116,580,045	137,702,822
Distribution cost	26	<u>(8,226,959)</u>	<u>(7,072,631)</u>
Administrative expenses	27	<u>(38,758,413)</u>	<u>(35,484,563)</u>
Other operating expenses	28	<u>(1,992,687)</u>	<u>(3,569,633)</u>
Other operating income	29	<u>7,032,934</u>	<u>7,716,973</u>
		<u>(41,945,125)</u>	<u>(38,409,854)</u>
Profit from operations		74,634,920	99,292,968
Finance cost	30	(36,773,875)	(31,508,587)
Share of profit of associate	15.1	<u>1,424,820</u>	<u>614,724</u>
Profit before taxation		39,285,865	68,399,105
Provision for taxation	31	(5,087,517)	(7,082,827)
Profit after taxation		<u>34,198,348</u>	<u>61,316,278</u>
Earning per share - Basic and diluted	33	<u><u>2.89</u></u>	<u><u>5.18</u></u>

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


IMRAN MAQBOOL

CHIEF EXECUTIVE


NADEEM MAQBOOL
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2007

	For the year ended June 30, 2007 RUPEES	For the year ended June 30, 2006-Restated RUPEES
--	--	---

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations (Note: 34)	113,037,103	131,927,705
Finance cost paid	(42,201,633)	(33,322,889)
Taxes paid	(6,293,619)	(9,573,325)
Long term deposits	(1,466,464)	587,547
Net cash from operating activities	63,075,387	89,619,038

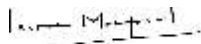
CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(20,601,351)	(38,660,850)
Purchase of shares	-	(4,870,550)
Dividend received	46,376	38,647
Proceeds from disposal of fixed assets	350,000	1,578,626
Net cash used in investing activities	(20,204,975)	(41,914,127)

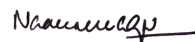
CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing	(40,038,921)	(34,091,308)
Lease liability	(3,501,048)	(2,331,016)
Short term borrowings	151,325	(11,975,615)
Net cash from financing activities	(43,388,644)	(48,397,939)
Net decrease in cash and cash equivalent	(518,232)	(693,028)
Cash and cash equivalent at the beginning of the year	2,582,325	3,275,353
Cash and cash equivalent at the end of the year (Note: 23)	<u>2,064,093</u>	<u>2,582,325</u>

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



IMRAN MAQBOOL
CHIEF EXECUTIVE



NADEEM MAQBOOL
DIRECTOR

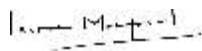
Annual Report 2007

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2007

RESERVES				
SHARE CAPITAL	UN-REALIZED GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENT	ACCUMULATED PROFIT/(LOSS)	SUB TOTAL	TOTAL
← RUPEES →				

Balance as at July 1, 2005	118,265,490	70,677,473	(53,614,285)	17,063,188	135,328,678
Adjustment in Workers' Profit Participation Fund amount due to change from revaluation to cost policy-note 4.5.1	-		(3,189,628)	(3,189,628)	(3,189,628)
Balance as at July 01, 2005 – restated	118,265,490	70,677,473	(56,803,913)	13,873,560	132,139,050
Un realized loss in fair value during the year on Investment classified as available for sale-restated by excluding Investment in Associate - 2006			(49,400,212)	(49,400,212)	(49,400,212)
Net profit for the year as previously reported - 2006			56,882,983	56,882,983	56,882,983
Adjustment in depreciation due to change from revaluation to cost - 2006			6,428,697	6,428,697	6,428,697
Adjustment in Workers' Profit Participation Fund amount due to change from revaluation to cost policy - 2006			(321,435)	(321,435)	(321,435)
Effect of deferred tax due to restatement of fixed assets from revalued amount to cost - 2006			(2,250,044)	(2,250,044)	(2,250,044)
Effect of change in accounting policy in Investment with Associate from fair value to equity method as per IAS 28			(253,599)	(253,599)	(253,599)
Share of profit of Associate for the year 2006			614,724	614,724	614,724
Balance as at June 30, 2006 - restated	118,265,490	21,277,261	4,297,413	25,574,674	143,840,164
Un realized gain in fair value of Investment classified as available for sale - 2007	-	94,276,886		94,276,886	94,276,886
Effect of change in accounting policy from fair value to equity method as per IAS 28 - 2007	-		(9,276)	(9,276)	(9,276)
Net profit for the year 2007			34,198,348	34,198,348	34,198,348
Balance as at June 30, 2007	118,265,490	115,554,147	38,486,485	154,040,632	272,306,122

Annual Report 2007



IMRAN MAQBOOL
CHIEF EXECUTIVE



NAUREEN MAQBOOL
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

1 STATUS AND ACTIVITIES

Crescent Fibres Limited ("the company") was initially incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (repealed by Companies Ordinance, 1984) as a public limited company. The Company's shares are listed on all the Stock Exchanges in Pakistan. The principal business of the Company is manufacture and sale of yarn. The Company's manufacturing facilities are located at Nooriabad Industrial Estate, District Dadu, in the province of Sindh, and at Bhikki, District Sheikhpura in the province of Punjab. The Company also has facilities to manufacture formaline and urea formaldehyde at Bhikki, District Sheikhpura and laminated particle board at Faisalabad.

2 STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provision of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directive issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Standards, Interpretations and amendments to published approved accounting standards

2.2.1 Amendments to published standards effective in 2006

IAS 19 (Amendment) - Employee Benefits, is mandatory for the company's accounting periods beginning on or after July 01, 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. The company does not intend to adopt the alternative approach for recognition of actuarial gains and losses.

2.2.2 Standards, amendments and interpretations effective in 2006 but not relevant

Other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 01, 2006 are considered not to be relevant or have any significant effect to the company's operations are not detailed here.

2.2.3 International financial reporting standards or interpretations not yet effective but relevant

The following new standards and amendments of approved accounting standards are only effective for accounting periods beginning on or after July 01, 2007.

IAS - 1 Presentation of financial statements - amendments relating to capital disclosures

IAS - 23 (Revised) Borrowing Costs

IAS - 41 Agriculture

IFRS - 2 Share based payment

IFRS - 3 Business combinations

IFRS - 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS - 6 Exploration for and Evaluation of Mineral Resources

In addition, interpretations in relation to certain IFRSs have been issued by the International Accounting Standards Board (IASB) that are not yet effective.

The company expects that the adoption of the above standards, amendments and interpretations will have no impact on the company's financial statements in the period of initial application other than increased disclosures.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain staff retirement benefits at present value.

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies, reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Functional and presentation currency

These financial statements are presented in Pak Rupee which is company's functional currency.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefits

The company operates an approved provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the company and the employees to the fund.

4.2 Taxation

a) Current

Provision for current taxation is based on taxable income at current enacted rates of taxation after taking into account tax credits, rebates and exemptions available, if any. The charge for current tax includes any adjustment to past years liabilities.

b) Deferred

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

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

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

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

4.3 Trade and other payables

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

4.4 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.5 Change in accounting policy

4.5.1 During the year the Company has changed its accounting policy with respect to measurement of fixed assets subsequent to initial recognition. In order to conform to the cost model in IAS 16 namely Property Plant and Equipment, the Company now carries all classes of fixed assets at cost less accumulated depreciation rather than carrying certain classes of such assets at revalued amounts less accumulated depreciation. This change in accounting policy has been accounted for retrospectively. The comparative figures for the prior periods have also been restated to conform to the changed accounting policy. Had there been no change in accounting policy the profit after taxation for the year would have been lower by 6.11 million and unappropriate profit as of June 30, 2006 would have been lower by 70.221 million.

4.5.2 Investment in equity instruments of associated companies

Associates are all entities over which the companies have significant influence but not control. Investments in associates are accounted for using the equity method of accounting. These were initially measured at cost.

Till June 30, 2006 these investments were stated at fair value. The change in accounting policy has been effected to comply with the requirements of revised IAS 28 (Investment in Associates) and has been accounted for retrospectively by restating the comparative information in accordance with the recommended treatment specified in the revised IAS 8 (Accounting policies change in Accounting estimates and Errors). Had there been no change in the accounting policy the profit after tax for the year ended June 30, 2007 would have been lower by Rs. 217,198 (2006:Rs. 337,757), net equity would have been lower by Rs. 28,506 (2006: Higher by Rs. 253,599) respectively.

4.6 Property, plant and equipment

a) Owned

Property plant and equipment except land are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost.

Depreciation is charged to income applying the reducing balance method at the rates specified in the respective note and after taking into account residual value. Leasehold land is amortized over the term of lease.

Depreciation on additions during year is charged on pro-rata basis when the assets are available for use. Similarly the depreciation on deletion is charged on pro-rata basis up to the period when the assets is derecognized.

The assets residual values and useful lives are reviewed, and adjusted if significant, at each balance sheet date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain and losses if any, on disposal of property, plant and equipment are included in income currently.

b) Accounting for leases and assets subject to finance leases

Assets held under finance leases are recognized as assets of the company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged at rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of the assets at the end of the lease term.

Income arising from sale and lease back transactions, if any, is deferred and amortized equally over the lease period.

Lease rentals payable on assets held under operating leases are charged to income in arriving at operating profits.

c) Capital work in progress

Capital work in progress is stated at cost and represents expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

d) Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount to which the asset belongs. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.7 Investments

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

4.7.1 Investments are being categorized as follows:**Investment at fair value through profit or loss**

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

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

Investments in associates - Equity Method

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

These investments are initially recognised at cost, thereafter the carrying amount is increased or decreased to recognise the Company's share of profit or loss of associates. Share of post acquisition profit and loss of associates is accounted for in the Company's profit and loss account. Distribution received from investee reduces the carrying amount of investment. The changes in the associate's equity which are not been recognised in the associates' profit and loss account, are recognised directly in the equity of the Company.

Available for sale

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. Gains or losses on available for sale investments are recognised directly in equity until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in the equity is included in current year's profit and loss account.

All investments classified as available for sale are initially recognised at cost inclusive of transaction costs and subsequently quoted investments are marked to market using the last quoted rate at the close of the financial year. Fair value of unquoted investments is estimated based on appropriate valuation method if it is practicable to determine it.

4.7.2 Fair value of listed securities are the quoted prices on stock exchange at balance sheet date.

4.7.3 The Company follows trade date accounting for regular way of purchase and sales of securities, except for sale and purchase of securities in future market, which are accounted for at settlement date.

4.8 Stores, spares and loose tools

These are valued at lower of cost and NRV. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.9 Stock in trade

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

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

Raw material in transit is stated at invoice price plus other charges paid thereon up to the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consists of direct material and labour and a proportion of manufacturing overheads based on normal capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4.10 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

4.11 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, cash in transit and balances with banks.

4.12 Rate of exchange

Transactions in currencies other than Pakistani rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

4.13 Revenue recognition

- a) Sales are recorded on dispatch of goods. However, export goods are considered sold when shipped on board.
- b) Income from bank deposits, loans and advances is recognised on accrual basis.
- c) Dividend income is recognized when the right to receive is established.

4.14 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

All other borrowing cost are recognized in profit or loss in the period in which they are incurred.

4.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liability when obligation specified in the contract is discharged, cancelled or expired. A financial asset and financial liability is offset and the net amount reported in the balance sheet, if the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

4.16 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognised amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4.17 Segment reporting

A segment is a distinguishable component within a Company that is engaged in providing production (business segment), which is subject to risk and rewards that are different from those of other segments.

The Company accounts for segment reporting using the business segment as the primary reporting format based on the practice of Company's reporting to the management on the same basis.

Assets and liabilities directly attributable to segment have been assigned to them while the carrying amount of certain assets used jointly by two or more segment have been allocated to segments on a reasonable basis.

4.18 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Ordinance, 1984.

4.19 Dividend

Dividend is recognised in the period in which it is approved by the shareholders.

		JUNE 30, 2007	JUNE 30, 2006
		RUPEES	Restated RUPEES
5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
Number of shares			
9,128,510	9,128,510	Ordinary shares of Rs.10 each fully paid in cash	
		91,285,100	91,285,100
2,162,506	2,162,506	Ordinary shares of Rs.10 each fully paid bonus shares	
		21,625,060	21,625,060
535,533	535,533	Ordinary shares of Rs.10 each fully paid issued to financial Institution against conversion of loan	
		5,355,330	5,355,330
<u>11,826,549</u>	<u>11,826,549</u>	<u>118,265,490</u>	<u>118,265,490</u>

5.1 73,566 (June 2006: 73,566) Ordinary shares are held by the associated companies.

5.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

6. LONG TERM FINANCING

From banking companies-secured

Term Loan (Note :6.1)	97,500,000	127,500,000
Term finance (Note: 6.2)	22,633,819	28,565,290
Term finance (Note: 6.3)	19,817,305	23,924,755
	139,951,124	179,990,045

From related party-unsecured

Directors (Note: 6.4)	5,124,715	5,124,715
-----------------------	-----------	-----------

Current portion from banking companies

Term loan	30,000,000	30,000,000
Term finance	11,520,265	9,841,630
	41,520,265	39,841,630
	<u>103,555,574</u>	<u>145,273,130</u>

6.1 This MCB loan is secured against 1st registered pari passu equitable mortgage/hypothecation charge over fixed assts of the company to the extent of Rs. 200 million. The original facility amount was Rs 150 Million .The loan is repayable in 20 equal qaterly instalments commencing from 29 Dec 2005 and carries mark up 3 months KIBOR + 3% payable quarterly.

6.2 This PICIC Term loan is secured against first legal mortgage charge on fixed assets of the company and personal guarantee of directors.The facility amount is Rs 32 million. The loan is repayable in 20 quarterly installments commencing from November 2005 and carries markup at the rate 7% (June 2006 : 9.5% per annum) payable quarterly.The facility was converted to LFT EOP effective from March 2007.

6.3 This PICIC term loan is secured against first legal mortgage charge on fixed assets of the company at Unit-2 located at Bhikhi, Punjab and personal joint guarantee of directors.The facility amount is Rs 25 million. The loan is repayable in 20 quarterly installments commencing from June 2006 and carries markup at the rate of 6 months KIBOR + 4.06% with floor rate of 10.5% payable quarterly.

6.4 This is interest free and unsecured. The term of repayment is beyond one year.

	JUNE 30 , 2007	JUNE 30 , 2006
	RUPEES	Restated RUPEES
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Minimum lease payments		
Up to one year	2,759,591	2,818,758
More than one year but less than five years	4,858,113	3,010,551
	7,617,704	5,829,309
Less: Financial charges		
Up to one year	379,796	224,334
More than one year but less than five years	239,433	102,342
	619,229	326,676
Present value of minimum lease payments		
Up to one year	2,379,795	2,594,424
More than one year but less than five years	4,618,680	2,908,209
	6,998,475	5,502,633
Current portion shown under current liabilities	(2,379,796)	(2,587,377)
	<u>4,618,679</u>	<u>2,915,256</u>

7.1 The company has entered into lease agreements with various leasing companies. The purchase option is available to the company after payment of the last installment and on surrender of deposit at the end of the lease period. Taxes, repairs and maintenance, insurance and other costs relating to the leased assets are to be borne by the company. The implicit rate of return on lease finance ranges from 8.52% to 16% (June 2006: 8.5% to 16%) per annum. This is secured by security deposit and personal guarantee of the directors and hypothecation charge on leased assets.

8. DEFERRED TAX LIABILITY

The liability for deferred taxation comprises of temporary differences relating to:

Taxable temporary differences -

Accelerated tax depreciation allowance	32,646,115	75,668,952
Less: Due to change in accounting policy for surplus on revaluation of fixed assets	-	(42,827,582)
Deductible temporary differences -		
Lease rentals	(2,332,003)	(1,666,314)
	<u>30,314,112</u>	<u>31,175,056</u>

9. TRADE AND OTHER PAYABLES

Creditors (Note: 9.1)	105,164,414	105,019,198
Accrued expenses (Note: 9.2)	54,455,824	52,334,130
Security deposits	416,373	442,022
Sales tax payable	428,667	428,667
Withholding tax	665,768	2,729,914
Due to chief executive and directors	1,506,720	2,030,725
Workers' profit participation fund (Note: 9.3)	1,992,687	6,759,261
Others	886,756	305,654
	<u>165,517,209</u>	<u>170,049,571</u>

9.1 It includes amount of Rupees 692,042 (June 2006: Rupees 633,366) due to related party.

9.2 It includes amount of Rupees 9,547,589 (June 2006: Rupees 6,443,458) due to related party.

	JUNE 30, 2007	JUNE 30, 2006
	Rupees	Restated Rupees
9.3 Workers' Profit Participation Fund		
Opening balance	3,248,198	3,167,482
Charge/(reversal) arising due to restatement	<u>3,511,063</u>	<u>3,189,630</u>
Opening balance as restated	6,759,261	6,357,112
Interest on fund utilized by the company	<u>267,423</u>	-
	7,026,684	6,357,112
Provision for the year	<u>1,992,687</u>	<u>3,569,631</u>
	9,019,371	9,926,743
Paid during the year	(7,026,684)	(3,167,482)
	<u>1,992,687</u>	<u>6,759,261</u>
10. INTEREST / MARKUP ON LOANS PAYABLE		
Long term finances	8,880,745	14,923,633
Short term borrowings	20,581,425	19,966,295
	<u>29,462,170</u>	<u>34,889,928</u>
11. SHORT TERM BORROWINGS		
Secured - under markup arrangements		
Banking companies		
Short term borrowings (Note: 11.1)	106,511,043	106,359,718
Bill discounting (Note: 11.2)	12,000,000	12,000,000
	<u>118,511,043</u>	<u>118,359,718</u>
11.1	Aggregate facilities amounting to Rs. 244.417 million (June 2006: 240.7 million) was available from banking companies. These finances are secured by way of pledge of raw cotton and floating charge over the current assets and personal guarantee of directors and lien on import documents. It carries mark up at the rate ranging from 3 Months KIBOR plus 1.5% To 4.5% (June 2006: 3 Months KIBOR plus 1.5% to 2%) per annum. The above facilities are renewable on annual basis.	
11.2	Facility amounting to Rs. 12.00 million (June 2006: Rs. 12.00 million) is subject to discounting charges at the rate of 8 percent (June 2006: 8 percent) per annum and is secured against personal guarantee of directors and demand promissory note.	
12. CONTINGENCY AND COMMITMENTS		
12.1 Contingency		
a.	Guarantees have been issued by banking companies in normal course of business amounting to Rs. 18.254 million (June 2006: 10.954 million)	
12.2 Commitments		
a.	-	73,232
b.	2,682,113	876,920

Particulars	Cost						Depreciation						W.D.V. as at 30.6.2007	Rate %
	As at 1.07.2006 (As previously reported)	Surplus on revaluation reversed	As at 1-07-2006 (restated) at cost	Addition/ (Deletion)	Transfer	As at 30.6.2007	As at 1.07.2006 (As previously reported)	Depreciation on surplus reversed	As at 1-07-2006 (restated)	Transfer	For the year	As at 30.6.2007		
Owned														
Land														
Freehold	235,000,000	(232,103,566)	2,896,444	-	-	2,896,444	-	-	-	-	-	-	2,896,444	
Leasehold	3,360,212	18,764	3,378,976	-	-	3,378,976	118,085	284,338	402,423	34,131	436,554	2,942,422	1	
Factory and non factory building on														
Freehold land	138,523,672	(63,991,755)	74,531,917	1,079,927	-	75,611,844	23,467,744	24,011,987	47,479,731	-	1,352,609	48,832,340	26,779,504	
Leasehold land	54,168,085	(22,526,967)	31,641,118	-	-	31,641,118	9,361,323	11,568,269	20,929,592	-	509,573	21,519,165	10,121,953	
Plant and machinery	663,236,489	-	663,236,489	17,251,046	-	680,487,535	409,627,589	409,627,589	-	26,403,429	436,031,018	244,456,517	10	
Electric installation	25,901,985	-	25,901,985	45,000	-	25,946,985	20,335,957	20,335,957	-	560,353	20,896,310	5,050,675	10	
Tools and equipment	6,171,436	-	6,171,436	-	-	6,171,436	4,355,321	4,355,321	-	181,804	4,537,125	1,634,311	10-12	
Service equipment	1,033,627	-	1,033,627	-	-	1,033,627	776,584	776,584	-	51,409	827,993	205,634	20	
Office equipment	5,278,829	-	5,278,829	789,065	-	6,067,894	4,159,976	4,159,976	-	311,577	4,471,553	1,596,341	20-33	
Furniture and fixture	6,363,446	-	6,363,446	58,557	-	6,422,003	4,286,951	4,286,951	-	211,445	4,498,396	1,923,607	10	
Vehicles	13,740,871	-	13,740,871	-	3,494,500	16,766,873	8,201,140	8,201,140	1,729,284	1,348,934	10,826,576	5,940,297	20	
				(468,498)					(452,782)					
	1,152,778,652	(318,603,514)	834,175,138	19,223,595	3,494,500	856,424,735	484,690,670	35,864,594	520,555,264	1,729,284	31,045,264	552,877,030	303,547,705	
				(468,498)					(452,782)					
Leased assets														
Vehicles	10,499,200	-	10,499,200	5,289,500	(3,494,500)	11,899,200	4,547,093	-	4,547,093	(1,729,284)	1,714,469	4,499,361	7,399,839	
				(395,000)					(32,917)					
	10,499,200	-	10,499,200	4,894,500	(3,494,500)	11,899,200	4,547,093	-	4,547,093	(1,762,201)	1,714,469	4,499,361	7,399,839	
Total Rupees JUNE 2007	1,163,277,852	(318,603,514)	844,674,338	24,118,095	-	868,323,935	489,237,763	35,864,594	525,102,357	-	32,759,733	557,376,391	310,947,544	
				(468,498)					(485,699)					
Total Rupees JUNE 2006	1,102,904,247	(318,603,514)	784,300,733	64,372,002	-	844,674,338	455,402,823	42,293,292	497,696,115	(3,228,321)	30,634,563	525,102,357	319,571,981	
				(3,998,397)					-					

13.1 Depreciation for the year has been allocated as follows:

	JUN 2007 RUPEES	JUN 2006 RUPEES Restated
Cost of goods sold (Note: 25)	28,689,978	27,659,641
Administrative expenses (Note: 27)	4,069,755	2,974,921
	<u>32,759,733</u>	<u>30,634,562</u>

13.2 Details of disposal of fixed assets - by negotiation

Description	Cost	Accumulated Depreciation	Written down value	Purchas er	
				Sale Proceed	
Vehicles					
Tankers (2 Nos)	468,498	(452,782)	15,716	350,000	Mian Rehan S/O Mohammad Sadiq, Chibban Road , Mohallah Naseerabad , Faisalabad
Total Rupees June 2007	<u>468,498</u>	<u>(452,782)</u>	<u>15,716</u>	<u>350,000</u>	
Total Rupees June 2006	<u>3,956,515</u>	<u>(3,219,078)</u>	<u>737,437</u>	<u>1,555,620</u>	

	JUNE 30,2007	JUNE 30,2006 Restated
	RUPEES	RUPEES
14 Capital Work In Progress		
Plant and machinery	-	73,342
Civil work	7,371,151	5,920,053
	<u>7,371,151</u>	<u>5,993,395</u>
15 Long Term Investment		
In Associated Undertaking (15.1)	<u>2,705,478</u>	<u>1,336,310</u>
15.1 In Associated Undertaking Premier Insurance Limited 55,651 shares of Rs. 5 each (2006 : 46,346)		
Cost of investment	930	930
Accumulated share of post acquisition profit - net of dividend received	1,326,104	759,303
Share of profit for the year	1,424,820	614,724
Dividend received during the year	(46,376)	(38,647)
	2,704,548	1,335,380
	<u>2,705,478</u>	<u>1,336,310</u>
Fair value of investment in associate Rs. 2,459,774 (2006: Rs 1,252,152)		
Financial statement of associated company for the year ended June 30,2007 have been used for the purpose of application of Equity Method		
The percentage of equity held in associate is 0.16738 (2006 : 0.16738)		
Summarised financial information of Premier Insurance Limited is set out below:		
Total assets	2,629,955,000	1,763,164,000
Total Liabilities	1,013,608,000	964,806,000
Net assets	1,616,347,000	798,358,000
Company's share of associate's net assets	<u>2,705,478</u>	<u>1,336,310</u>
16 STORES, SPARES AND LOOSE TOOLS		
Stores	18,696,043	17,537,484
Spares	13,076,249	13,655,866
Loose tools	73,883	75,209
	<u>31,846,175</u>	<u>31,268,559</u>
17 STOCK IN TRADE		
Raw material	80,184,771	111,971,342
Work in process	21,956,293	17,847,938
Finished goods	7,615,958	7,081,562
	<u>109,757,022</u>	<u>136,900,842</u>
18 TRADE DEBTS-CONSIDERED GOOD		
Export	31,699	-
Local - unsecured	116,644,725	98,846,808
	<u>116,676,424</u>	<u>98,846,808</u>

	JUNE 30,2007	JUNE 30,2006
	RUPEES	Restated RUPEES
19 LOANS AND ADVANCES		
Unsecured - considered good		
Loans to staff	1,097,483	594,509
Advances		
To suppliers'/contractors	18,327,797	22,265,526
Against expenses	331,496	114,217
Income tax	2,979,757	2,086,316
Other	10,025	10,025
	<u>21,649,075</u>	<u>24,476,084</u>
	<u>22,746,558</u>	<u>25,070,593</u>
20 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Short Term Deposits	540,680	1,081,700
Bank guarantee and LC margin	1,527,936	893,336
Short term prepayments	1,172,969	987,801
	<u>3,241,585</u>	<u>2,962,837</u>
21 OTHER RECEIVABLES		
Unsecured - considered good		
Export rebate	83,867	83,867
Sales tax refundable	6,100,068	4,673,668
Claims	145,954	406,134
	<u>6,329,889</u>	<u>5,163,669</u>
22 Other Financial Assets-Available for sale		
The Company holds investments in ordinary shares of Rs. 10 each, unless stated otherwise, in the following listed investee companies:		
JUNE	JUNE	Name of investee company
30,2007	30,2006	JUNE 30,2007
(Number of shares)	Restated	JUNE 30, 2006
		Restated
		RUPEES
		RUPEES
		Quoted - At fairvalue
1,156,030	1,050,937	The Crescent Textile Mills Limited
1,031	917	Crescent Sugar Mills and Distillery Limited
285,357	285,357	Jubilee Spinning and Weaving Mills Limited
1,091,000	779,286	Shakarganj Mills Limited
50,060	50,060	Crescent Jute Products Limited
849,645	849,645	Crescent Commercial Bank Limited
533,653	533,653	Crescent Greenwood Limited
		156,058,319
		61,781,433
		Un-Quoted - At breakup value
25,000	25,000	Crescent Modaraba Management Company Limited
		74,250
		<u>156,132,569</u>
		<u>61,855,683</u>
23 CASH AND BANK BALANCES		
Cash at bank		
In current accounts		1,152,120
Cash in hand		911,973
		<u>2,064,093</u>
		<u>2,582,325</u>

	NOTE	BOARD DIVISION		TEXTILE DIVISION		T O T A L	
		For the year ended June 2007	For the year ended June 2006	For the year ended June 2007	For the year ended June 2006	For the year ended June 2007	For the year ended June 2006
		RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
24.1 SALES							
Own products							
Export - yarn	24.2	-	-	54,696,551	8,588,361	54,696,551	8,588,361
Local							
Yarn		-	-	1,088,647,009	1,065,164,781	1,088,647,009	1,065,164,781
Particle Board		34,900	551,585	-	-	34,900	551,585
Urea Formaldehyde		-	-	-	-	-	-
Formalin board		-	-	-	-	-	-
MDF laminated		-	-	-	-	-	-
Waste		-	-	11,254,441	9,570,425	11,254,441	9,570,425
		34,900	551,585	1,099,901,450	1,074,735,206	1,099,936,350	1,075,286,791
		34,900	551,585	1,154,598,001	1,083,323,567	1,154,632,901	1,083,875,152
Less:							
Brokerage and commission		-	25,000	10,040,645	8,465,818	10,040,645	8,490,818
Export development surcharge		-	-	-	-	-	-
Sales tax		-	71,946	-	-	-	71,946
		-	96,946	10,040,645	8,465,818	10,040,645	8,562,764
		34,900	454,639	1,144,557,356	1,074,857,749	1,144,592,256	1,075,312,388
Purchased goods for Resale							
Sale of yarn		-	-	1,394,000	-	1,394,000	-
Sale of cotton-Local		-	-	32,371,927	10,606,615	32,371,927	10,606,615
Sale of cotton-Export		-	-	1,293,455	-	1,293,455	-
		34,900	454,639	1,179,616,738	1,085,464,364	1,179,651,638	1,085,919,003
Cost of goods sold	25	3,085,088	4,845,037	1,059,986,505	943,371,144	1,063,071,593	948,216,181
Distribution cost	26	-	50,000	8,226,959	7,022,631	8,226,959	7,072,631
Administrative expenses	27	8,935,011	9,237,656	29,823,402	26,246,907	38,758,413	35,484,563
		12,020,099	14,132,693	1,098,036,866	976,640,682	1,110,056,965	990,773,375
		(11,985,199)	(13,678,054)	81,579,872	108,823,682	69,594,673	95,145,628

24.2 Export sales includes Rs. 194,177 (June 2006: Rs. 41,887) on account of exchange difference.

NOTE	BOARD DIVISION		TEXTILE DIVISION		T O T A L	
	For the year ended June 2007	For the year ended June 2006 Restated	For the year ended June 2007	For the year ended June 2006 Restated	For the year ended June 2007	For the year ended June 2006 Restated
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
25 COST OF GOODS SOLD						
Raw material consumed						
Opening stock	1,991,530	4,692,861	109,980,159	102,741,192	111,971,689	107,434,053
Purchases including related expenses	-	-	758,413,180	717,252,744	758,413,180	717,252,744
	1,991,530	4,692,861	868,393,339	819,993,936	870,384,869	824,686,797
Raw material trading	(29,926)	(2,701,331)	(29,925,990)	(7,811,345)	(29,955,916)	(10,512,676)
Closing stock	(1,961,604)	(1,991,530)	(78,223,166)	(109,980,159)	(80,184,770)	(111,971,689)
	-	-	760,244,183	702,202,432	760,244,183	702,202,432
Salaries, wages and benefits	25.1 623,645	663,775	83,646,241	70,499,724	84,269,886	71,163,499
Stores and spares	-	900	29,466,931	25,326,328	29,466,931	25,327,228
Packing material consumed	-	-	14,287,875	12,577,979	14,287,875	12,577,979
Power and fuel	1,281,126	1,051,625	102,727,438	91,020,887	104,008,564	92,072,512
Insurance	201,668	152,162	2,428,264	2,377,476	2,629,932	2,529,638
Repairs and maintenance	347,340	515,465	5,659,729	5,312,599	6,007,069	5,828,064
Depreciation	13.1 261,826	275,606	28,428,152	27,384,035	28,689,978	27,659,641
Other manufacturing overheads	328,563	1,539,983	6,487,176	5,663,075	6,815,739	7,203,058
	3,044,168	4,199,516	1,033,375,989	942,364,535	1,036,420,157	946,564,051
Work in process						
Opening stock	-	-	17,847,937	13,735,138	17,847,937	13,735,138
Closing stock	-	-	(21,956,293)	(17,847,937)	(21,956,293)	(17,847,937)
	-	-	(4,108,356)	(4,112,799)	(4,108,356)	(4,112,799)
Cost of goods manufactured	3,044,168	4,199,516	1,029,267,633	938,251,736	1,032,311,801	942,451,252
Cost of goods purchased for resale	-	-	31,308,990	7,811,345	31,308,990	7,811,345
	3,044,168	4,199,516	1,060,576,623	946,063,081	1,063,620,791	950,262,597
Finished goods						
Opening stock	40,920	686,441	7,025,840	4,333,903	7,066,760	5,020,344
Closing stock	-	(40,920)	(7,615,958)	(7,025,840)	(7,615,958)	(7,066,760)
	40,920	645,521	(590,118)	(2,691,937)	(549,198)	(2,046,416)
	3,085,088	4,845,037	1,059,986,505	943,371,144	1,063,071,593	948,216,181

25.1 It includes Rs. 2,261,192 (June 2006 : Rs. 1,893,867) in respect of staff retirement benefits.

NOTE	BOARD DIVISION		TEXTILE DIVISION		T O T A L	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	June 2007	June 2006 Restated	June 2007	June 2006 Restated	June 2007	June 2006 Restated
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
26 DISTRIBUTION COST						
Ocean freight	-	-	1,630,767	218,520	1,630,767	218,520
Local freight and insurance	-	-	3,752,536	3,655,615	3,752,536	3,655,615
Shipping expenses	-	-	245,457	29,289	245,457	29,289
Bank charges	-	-	2,481,346	1,953,309	2,481,346	1,953,309
Quality and quantity claim			-	1,131,986	-	1,131,986
Advertisement	-	50,000	-	-	-	50,000
Other			116,853	33,912	116,853	33,912
			<u>-</u>	<u>50,000</u>	<u>8,226,959</u>	<u>7,022,631</u>

NOTE	BOARD DIVISION		TEXTILE DIVISION		T O T A L	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	June 2007	June 2006 Restated	June 2007	June 2006 Restated	June 2007	June 2006 Restated
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
27 ADMINISTRATIVE EXPENSES						
Directors remuneration	3,824,254	4,450,884	3,445,902	3,135,934	7,270,156	7,586,818
Staff salaries and benefits	27.1 2,062,419	1,683,458	9,693,835	8,564,487	11,756,254	10,247,945
Travelling and conveyance	179,541	159,353	946,415	1,547,206	1,125,956	1,706,559
Vehicles running and maintenance	1,059,049	1,085,684	1,408,416	1,031,126	2,467,465	2,116,810
Rent, rates and taxes	74,310	101,720	717,290	97,453	791,600	199,173
Utilities	-	-	1,363,154	1,387,425	1,363,154	1,387,425
Telephone and postage	277,052	312,848	1,065,328	942,966	1,342,380	1,255,814
Insurance	-	-	989,467	707,528	989,467	707,528
Printing and stationery	34,895	26,758	929,813	1,190,756	964,708	1,217,514
Fees and subscription	38,115	8,840	536,214	594,655	574,329	603,495
Repairs and maintenance	131,881	150,999	707,828	497,986	839,709	648,985
Entertainment	121,231	118,678	715,445	823,232	836,676	941,910
Legal and professional	28,200	108,706	438,445	851,000	466,645	959,706
Audit fee	27.2 -	-	290,000	250,000	290,000	250,000
Depreciation	13.1 1,096,212	1,025,605	2,973,543	1,949,315	4,069,755	2,974,920
Others	7,852	4,123	3,602,307	2,675,838	3,610,159	2,679,961
			<u>8,935,011</u>	<u>9,237,656</u>	<u>29,823,402</u>	<u>26,246,907</u>
					<u>38,758,413</u>	<u>35,484,563</u>

27.1 It includes Rs. 739,846 (June 2006: Rs. 739,846) in respect of staff retirement benefits.

27.2 Auditors' remuneration

	For the year ended June 2007 RUPEES	For the year ended June 2006 RUPEES
Audit fee		
Annual	200,000	175,000
Half yearly	70,000	60,000
Corporate governance certification	20,000	15,000
	<u>290,000</u>	<u>250,000</u>

	For the year ended June 30, 2007 RUPEES	For the year ended June 30, 2006-Restated RUPEES
28 OTHER OPERATING EXPENSES		
Workers' profit participation fund	1,992,687	3,569,633
	<u>1,992,687</u>	<u>3,569,633</u>
29 OTHER OPERATING INCOME		
Dividend	-	1,050,937
Scrap sales	86,751	341,501
Profit on disposal of fixed assets	334,284	808,550
Interest on deposits - net of Zakat and tax	84,459	229,085
Rental income	6,527,440	5,286,900
	<u>7,032,934</u>	<u>7,716,973</u>
30 FINANCE COST		
Markup/ interest on		
Long term financing	16,327,170	15,422,485
Lease finance charges	591,813	363,985
Short term borrowings	17,581,153	14,439,527
Bank charges and commission	2,006,316	1,282,590
Interest on WPPF	267,423	-
	<u>36,773,875</u>	<u>31,508,587</u>
31 TAXATION		
Current (Note: 31.1)	5,948,461	5,472,409
Deferred	(860,944)	1,610,418
	<u>5,087,517</u>	<u>7,082,827</u>

31.1 Current

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total tax liability of the company is covered under section 113, minimum tax on turnover of the Income Tax Ordinance, 2001.

	BOARD DIVISION		TEXTILE DIVISION		T O T A L	
	For the year ended June 2007 RUPEES	For the year ended June 2006 Restated RUPEES	For the year ended June 2007 RUPEES	For the year ended June 2006 Restated RUPEES	For the year ended June 2007 RUPEES	For the year ended June 2006 Restated RUPEES
32 OTHER INFORMATION ABOUT SEGMENT BUSINESS						
Segment assets employed	15,356,046	20,960,213	600,249,454	610,559,391	615,605,500	631,519,604
Investment	158,838,047	63,191,993	-	-	158,838,047	63,191,993
Capital expenditure	-	-	19,223,595	39,295,940	19,223,595	39,295,940
Segment liabilities	39,214,080	40,897,842	462,923,345	509,973,591	502,137,425	550,871,433
Depreciation	1,358,038	1,301,211	31,401,695	29,333,351	32,759,733	30,634,562
Inter segment pricing/sales						

There is no sale or purchases between the segments.

33 EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company.

	For the year ended June 2007	For the year ended June 2006 Restated
	RUPEES	RUPEES
Profit after taxation in rupees	34,198,348	61,316,278
Number of Ordinary shares	11,826,549	11,826,549
Profit per share in rupees	<u>2.89</u>	<u>5.18</u>

34 CASH GENERATED FROM OPERATIONS

Profit before taxation	39,285,865	68,399,105
Adjustments for non cash charges and other items		
Depreciation	32,759,733	30,634,563
Gain on disposal of fixed assets	(334,284)	(808,550)
Share of profit of associate	(1,424,820)	(614,724)
Finance cost	36,773,875	31,508,587
	<u>67,774,504</u>	<u>60,719,876</u>
Operating profit before working capital changes	107,060,369	129,118,981
 (Increase)/ decrease in current asset		
Stores, spares and loose tools	(577,616)	(5,211,794)
Stock in trade	27,143,820	(10,711,308)
Trade debts	(17,829,616)	(2,631,064)
Loans and advances	3,217,476	6,904,530
Trade deposits and short term prepayments	(278,748)	(1,127,932)
Other receivables	(1,166,220)	(3,599,625)
	10,509,096	(16,377,193)
(decrease) / Increase in trade and other payables	<u>(4,532,362)</u>	<u>19,185,917</u>
	<u>113,037,103</u>	<u>131,927,705</u>

35 FINANCIAL INSTRUMENTS' RELATED DISCLOSURE**35.1 Concentration of credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causes the other party to incur a financial loss. Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. The Company attempts to control credit risk by monitoring credit exposure, limiting transaction with specific counterparties and continually assessing the creditworthiness of counterparties.

35.2 Fair value of financial instruments

The carrying value of all the financial instruments reported in the financial statement approximate their fair value.

35.3 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company's management closely monitors the company's liquidity and cash flow position.

35.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The management manages the risk through efficient use of forward covers and believes that it is not exposed to significant exchange risk. As at year end no forward contracts have been taken up by the management due to steadiness of the local currency against foreign currencies.

35.5 Financial risk management objectives

The company's operations expose it to financial risk mainly due to changes in foreign exchange rates. Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

35.6 Yield / Mark up rate risk

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

		JUNE 2007						
		interest/mark up bearing			non interest/mark up bearing			TOTAL
Interest rates		Within one year	More than one year	Sub total	Within one year	More than one year	Sub total	
		← RUPEES →						
FINANCIAL ASSETS								
Investments		-	-	-	156,132,569	-	156,132,569	156,132,569
Trade deposits		-	-	-	3,241,585	4,625,059	7,866,644	7,866,644
Trade debts		-	-	-	116,676,424	-	116,676,424	116,676,424
Other receivables		-	-	-	229,821	-	229,821	229,821
Cash and bank balances		-	-	-	2,064,093	-	2,064,093	2,064,093
		-	-	-	278,344,492	4,625,059	282,969,551	282,969,551
FINANCIAL LIABILITIES								
Long term financing	7% to 14.5%	41,520,265	103,555,574	145,075,839	-	5,124,715	5,124,715	150,200,554
Liabilities against assets subject to finance lease	8.5% to 16%	2,379,796	4,617,831	6,997,627	-	-	-	6,997,627
Short term borrowings	10.72% to 14.92%	118,511,043	-	118,511,043	-	-	-	118,511,043
Trade and other payables		-	-	-	162,430,087	-	162,430,087	162,430,087
Interest / mark up on loans		-	-	-	29,462,170	-	29,462,170	29,462,170
		162,411,104	108,173,405	270,584,509	191,892,257	5,124,715	197,016,972	467,601,481
Total yield / mark up rate risk sensitivity gap		(162,411,104)	(108,173,405)	(270,584,509)	86,452,235	(499,656)	85,952,579	(184,631,930)

JUNE 2006 - Restated								
interest/mark up bearing			non interest/mark up bearing			TOTAL		
Within one year	More than one year	Sub total	Within one year	More than one year	Sub total			
← RUPEES →								
FINANCIAL ASSETS								
Investments	-	-	-	61,855,683	-	61,855,683	61,855,683	
Trade deposits	-	-	-	2,962,837	3,158,595	6,121,432	6,121,432	
Trade debts	-	-	-	98,846,808	-	98,846,808	98,846,808	
Other receivables	-	-	-	490,001	-	490,001	490,001	
Cash and bank balances	-	-	-	2,582,325	-	2,582,325	2,582,325	
	-	-	-	166,737,654	3,158,595	169,896,249	169,896,249	
FINANCIAL LIABILITIES								
Long term financing	9.5% to 14.5%	39,841,630	145,273,130	185,114,760	-	5,124,715	5,124,715	190,239,475
Liabilities against assets subject to finance lease	8.5% to 15%	2,587,377	2,915,256	5,502,633	-	-	-	5,502,633
Short term finance	3.85% to 13.87%	118,359,718	-	118,359,718	-	-	-	118,359,718
Trade and other payables		-	-	-	160,049,571	-	160,049,571	160,049,571
Interest / mark up on loans		-	-	-	34,889,928	-	34,889,928	34,889,928
		160,788,725	148,188,386	308,977,111	194,939,499	5,124,715	200,064,214	509,041,325
Total yield / mark up rate risk sensitivity gap		(160,788,725)	(148,188,386)	(308,977,111)	(28,201,845)	(1,966,120)	(30,167,965)	(339,145,076)

Effective yield / mark up rate was mentioned in the relevant notes.

Off Balancesheet Financing	2007	2006
Bank Guarantee	18.254 Million	10.954 Million
Letter of credit for capitalisation	-	73,232
Letter of credit for consumption	2,682,113	876,920

36. CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE REMUNERATION

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	JUN. 2007	JUN. 2006	JUN. 2007	JUN. 2006	JUN. 2007	JUN. 2006
← RUPEES →						
Remuneration	823,680	706,800	3,532,336	3,181,800	2,336,280	2,001,140
Housing	370,656	318,060	1,589,551	1,431,810	1,051,326	603,081
Company's contribution to Provident Fund Trust	82,368	70,680	353,234	318,180	233,628	209,370
Reimbursable expenses	187,404	238,369	767,952	884,192	-	941,067
	1,464,108	1,333,909	6,243,073	5,815,982	3,621,234	3,754,658
No. of person	1	1	4	4	3	3

36.1 Chief Executive, four Directors and some Executives are provided free use of company's maintained cars.

37 **PLANT CAPACITY AND PRODUCTION**

Board unit	For the year ended June 2007		For the year months ended June 2006	
	Capacity	Production	Capacity	Production
Hard board and particle board (sq. ft)	4,608,000	-	4,608,000	-
Urea Formaldehyde (M.ton)	6,000	-	6,000	-

Reasons for short fall

Urea Formaldehyde (M.tons)

Due to market limitation

Spinning units	JUNE 2007			JUNE 2006		
	Unit-I	Unit-II	Total	Unit-I	Unit-II	Total
Number of spindles installed	20,360	23,328	43,688	18,336	20,304	38,640
Number of spindles worked	20,360	23,328	43,688	18,336	20,304	38,640
Number of shifts per day	3	3	3	3	3	3
Installed capacity after conversion into 20/s count - kgs	6,324,846	7,249,706	13,574,552	5,692,053	5,905,806	11,597,859
Actual production of yarn after conversion into 20/s count - kgs	6,834,556	3,431,556	10,266,112	5,043,392	4,083,607	9,126,999

38 **TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises associated companies, directors and key management personnel. Amounts due to/ from related parties are shown in the relevant notes to the financial statements. Other transaction with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	JUNE 30, 2007 RUPEES	JUNE 30, 2006 RUPEES Restated
Sales	68,034,877	27,358,403
Insurance premium	3,217,246	2,614,412
Dividend	46,376	38,647

All transactions with associated companies and undertakings are at arms length basis.


39 **NUMBER OF EMPLOYEES**

The number of employees as at June 30, 2007 are 752 (June 2006: 751).

40 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on September 29, 2007 by the Board of directors of the company.


IMRAN MAQBOOL
 CHIEF EXECUTIVE


NADEEM MAQBOOL
 DIRECTOR

**PATTERN OF SHARE HOLDING
AS AT JUNE 30, 2007**

FORM-34

SHAREHOLDERS	FROM	TO	TOTAL SHARES	PERCENTAGE
668	1	100	25,498	0.22
477	101	500	121,121	1.02
138	501	1,000	110,928	0.94
175	1,001	5,000	419,873	3.55
46	5,001	10,000	366,392	3.10
17	10,001	15,000	223,611	1.89
18	15,001	20,000	315,864	2.67
4	20,001	25,000	90,153	0.76
10	25,001	30,000	273,590	2.31
10	30,001	35,000	326,064	2.76
1	35,001	40,000	36,201	0.31
4	40,001	45,000	172,689	1.46
2	45,001	50,000	90,703	0.77
2	50,001	55,000	107,435	0.91
2	55,001	60,000	110,922	0.94
1	60,001	65,000	63,596	0.54
3	65,001	70,000	201,340	1.70
1	75,001	80,000	75,544	0.64
2	85,001	90,000	172,754	1.46
1	95,001	100,000	98,747	0.83
1	105,001	110,000	107,000	0.90
1	110,001	115,000	114,000	0.96
1	125,001	130,000	126,500	1.07
1	140,001	145,000	143,275	1.21
1	195,001	200,000	199,500	1.69
1	200,001	205,000	202,815	1.71
1	250,001	255,000	251,000	2.12
1	300,001	305,000	303,218	2.56
1	330,001	335,000	334,912	2.83
1	395,001	400,000	400,000	3.38
1	1,030,001	1,035,000	1,034,031	8.74
2	1,050,001	1,055,000	2,103,055	17.78
1	1,380,001	1,385,000	1,380,965	11.68
1	1,720,001	1,725,000	1,723,253	14.57
1,597			11,826,549	100

Annual Report 2007



FORM OF PROXY

CDC Participant ID #

Sub Account # / Folio #

NIC No.

Share Holding

I/We _____

of _____

being a member of **CRESCENT FIBRES LIMITED**, hereby appoint _____

_____ or

failing him _____ (being

a member of the Company) as my/our proxy to attend, act and vote for me/us and on my/our

behalf at the 30th Annual General Meeting of the Company to be held on Wednesday the

31st October, 2007 at 9.30 a.m. at Registered office of the Company 104 -Shadman-1, Lahore and

at any adjournment thereof.

Witnesses:

1. Signature: _____

Name : _____

N.I.C. : _____

Address: _____

2. Signature: _____

Name : _____

N.I.C. : _____

Address: _____

Please affix here
Revenue
Stamps of Rs. 5/-

Members' Signature

Date:

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instruments appointing a proxy, together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office, 104 -Shadman-1, Lahore, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular # 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies:
 - i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
 - iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his original NIC or original passport at the time of the meeting.
 - v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the company.