

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
(UN-AUDITED)

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Zahid 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. Naveed Gulzar
Mr. Salman Rafi

AUDIT COMMITTEE

Mr. Hamayun Mazhar (Chairman)
Mr. Imtiaz Rashid Siddiqui (Member)
Mr. Adnan Amjad (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Abid Mehmood (Chairman)
Mr. Adnan Amjad (Member)
Mr. Salman Rafi (Member)

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

BANKERS

National Bank of Pakistan
Habib Metropolitan Bank Limited

AUDITORS

Riaz Ahmad & Compnay
Chartered Accountants

COMPANY REGISTRAR

Vision Consulting Limited.
3-C, LDA Flats, 1st Floor,
Lawrance Road, Lahore.
Ph: 042-36283096-97

URL

www.crescentcotton.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

The directors of your company present to you the condensed interim financial information for the first quarter ended September 30, 2016. During the period under review, your company has incurred a pre-tax loss of Rs. 23.962 Million as compared to pre-tax loss of Rs. 7.256 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 1,095.598 Million, whereas, the turnover figures during the same period in year 2015 was Rs. 857.683 Million hence depicting an increase of almost twenty seven percent and accordingly raw material consumed also increased as compared to corresponding period. Similarly cost of sales in the period under review stood at 97.96% whereas, up to September 30, 2015 it was around 94.46%.

The period under review has been one of reduced operating margins with slack demand for both yarn and fabric. The demand for yarn and fabrics has slowed down considerably and there has been significant pressure on prices especially in our main markets, predominant among them, China. The textile industry operated under severe constraints during this period, foremost was the severe energy crunch which resulted in under utilization of production capacity and ultimately higher cost of production.

In spite of the hardships faced during the period under review, the management of the company is continuously striving hard for better results.

Future Prospectus

Though oil prices are touching 10 years low levels but Pakistan is still facing energy crises which is a big challenge to our country. Sui Northern Gas Pipelines Limited has started round the clock supply of Re-gasified Liquefied Natural Gas to textile industry which has helped in reduction of fuel and power cost. Pakistan's spinning industry is still confronting dumping of Indian yarn in the local and global market. Pakistan's cotton crop for the season 2016-17 is lesser as compared to previous year. Management of your company is carefully watching the cotton market to procure the cotton at minimal prices. Currently yarn demand in local and foreign market is going at very sluggish levels with very low sale margins. The company is focusing on improving efficiencies and minimizing costs to achieve the better financial results of remaining period of financial year ending June 30, 2017.

The management does not expect any improvement in the overall business scenario in the near future. The textile industry of Pakistan is passing through a critical phase and it will be presented with many challenges in the coming period. There are issues of demand erosion for yarn and fabrics as well as questions about the size of crops in the cotton growing countries of the world.

The company will however take all efforts towards improvement where ever possible.

Acknowledgement

The Directors wish to express their gratitude to our valued clients, bankers and shareholders for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services of the staff members and workers of the company.

For and on behalf of
the Board of Directors



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
October 28, 2016

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2016ء مختصر سرماہی کے لیے مختصر عروجی مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ ذریعہ جائزہ مدت کے دوران کمپنی نے 23.962 ملین روپے کا قبل از ٹیکس نقصان برداشت کیا ہے جبکہ گزشتہ سال کی اسی مدت میں نقصان 7.256 ملین روپے تھا۔

پہلی سرماہی کے لیے کمپنی کی کل فروخت محصولات 1095.598 ملین روپے رہیں جبکہ سال 2015ء میں اسی مدت کے دوران ٹرن اور اعداد و شمار 857.683 ملین روپے تھا اس لیے تقریباً 27 فیصد اضافہ واقع ہوا اور اسی کے مطابق اسی مدت کے مقابلہ میں خام مال کے اخراجات میں بھی اضافہ ہوا۔ اس طرح ذریعہ جائزہ مدت میں فروخت کی لاگت 97.96 فیصد رہی جبکہ 30 ستمبر 2015ء تک یہ 94.46 فیصد کے لگ بھگ تھی۔

ذریعہ جائزہ مدت سوت اور کپڑوں کی طلب میں کمی کے ساتھ کم آپریٹنگ مارجنز میں سے ایک رہی ہے۔ سوت اور کپڑے کی طلب میں نسبتاً کمی آئی ہے اور ہماری اہم مارکیٹوں بالخصوص چین میں قیمتیں واضح دباؤ کا شکار ہیں۔ اس مدت کے دوران ٹیکسٹائل کی صنعت شدید رکاوٹوں کے تحت چل رہی ہے جس میں سے توانائی کا شدید بحران اولین رکاوٹ تھی جو پیداواری صلاحیت کے اخراجات پر اثر انداز ہوئی اور نتیجتاً پیداواری لاگت میں اضافہ ہوا۔

ذریعہ جائزہ مدت کے دوران درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے مسلسل محنت کر رہی ہے۔ مستقبل کے امکانات:

اگرچہ تیل قیمتیں 10 سال کی کم ترین سطح کو چھو رہی ہیں لیکن پاکستان اب بھی توانائی بحران کا سامنا کر رہا ہے جو ہمارے ملک کے لیے ایک بڑا چیلنج ہے۔ سوئی ناردرن گیس پائپ لائنز لمیٹڈ نے ری گیسفائیڈ مائع قدرتی گیس کی ٹیکسٹائل انڈسٹری کو مستقل فراہمی شروع کی ہے جس سے فیول اور پارک کی قیمت میں کمی مدد ملی ہے۔ پاکستان کی سپننگ انڈسٹری کو مقامی اور عالمی منڈی میں بھارتی سوت کی ڈمپنگ کا بھی سامنا ہے۔ 2016-17ء کے لیے پاکستانی کپاس کی فصل گزشتہ سال کے مقابلہ میں کم ہے۔ کمپنی کی انتظامیہ کم سے کم قیمت پر کپاس حاصل کرنے کے لیے احتیاط سے کاشن مارکیٹ تلاش کر رہی ہے۔ مقامی اور غیر ملکی مارکیٹ میں فی الحال سوت کی طلب بہت کم سہل مارجنز کے ساتھ بہت ہی سست سطح پر جارہی ہے۔ کمپنی 30 جون 2017ء کو ختم ہونے والے مالی سال کی بقیہ مدت کے بہتر مالی نتائج حاصل کرنے کے لیے کارکردگی کو بہتر اور اخراجات کو کم سے کم کرنے پر توجہ مرکوز کر رہی ہے۔

انتظامیہ کو مستقل قریب میں مجموعی کاروباری حالات میں کسی بہتری کی توقع نہیں ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری نازک دور سے گزر رہی ہے اور آنے والے دنوں میں اسے بہت سے چیلنج درپیش ہوں گے۔ سوت اور کپڑے کی طلب میں کمی کے مسائل کے ساتھ ساتھ دنیا بھر میں کپاس اگانے والے ممالک میں فصلوں کی مقدار بارے سوالات بھی موجود ہیں۔ تاہم کمپنی بہتری کے لیے جو بھی ممکن ہو تمام کوششیں کرے گی۔

اعتراف:

ڈائریکٹرز کا روہاری سرگرمیوں کے دوران تعاون کے لیے قابل قدر صارفین، بینکاروں اور حصص یافتگان کے شکر گزار ہیں۔ ڈائریکٹرز کمپنی کے عملے کے ارکان اور کارکنوں کی سخت محنت اور رشتہ دار خدمات کو بھی سراہتے ہیں۔

منجانب
بورڈ آف ڈائریکٹرز

محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

12 اکتوبر 2016ء

CRESCENT COTTON

UNCONSOLIDATED CONDENSED INTERIM

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2016	AUDITED 30 June 2016
NOTE		

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2016: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
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Issued, subscribed and paid up share capital
Reserves

213,775	213,775
367,109	364,011

Total equity

580,884	577,786
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Surplus on revaluation of land and investment properties

3,079,990	3,079,990
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LIABILITIES

NON-CURRENT LIABILITIES

Employees' retirement benefits

66,691	66,799
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CURRENT LIABILITIES

Trade and other payables
Accrued markup
Short term borrowings
Provision for taxation

409,557	349,670
4,331	7,001
385,565	446,814
42,903	31,384
842,356	834,869

TOTAL LIABILITIES

909,047	901,668
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

4,569,921	4,559,444
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2016

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2016	AUDITED 30 June 2016
NOTE		

ASSETS

NON-CURRENT ASSETS


Property, plant and equipment	6	3,490,932	3,495,625
Investment properties		169,724	169,724
Long term investments	7	16,713	16,699
Long term deposits		2,612	2,659
Deferred income tax asset		46,195	46,195
		3,726,176	3,730,902

CURRENT ASSETS

Stores, spare parts and loose tools		27,488	34,014
Stock in trade		338,862	385,883
Trade debts		74,299	40,019
Loans and advances		39,576	36,777
Short term deposits, prepayments and balances with statutory authorities		106,058	102,439
Other receivables		33,431	30,587
Short term investments	8	203,304	166,489
Cash and bank balances		20,727	32,334
		843,745	828,542

TOTAL ASSETS

4,569,921	4,559,444
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ABID MEHMOOD
DIRECTOR

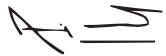
CRESCENT COTTON MILLS LIMITED
 UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

	NOTE	(RUPEES IN THOUSAND)	
		30 September 2016	30 September 2015
SALES		1,095,598	857,683
COST OF SALES	9	(1,073,291)	(810,147)
GROSS PROFIT		22,307	47,536
DISTRIBUTION COST		(14,204)	(19,848)
ADMINISTRATIVE EXPENSES		(35,956)	(38,519)
OTHER OPERATING EXPENSES		(10)	(5)
		(50,170)	(58,372)
		(27,863)	(10,836)
OTHER OPERATING INCOME	10	8,844	8,735
(LOSS)/PROFIT FROM OPERATIONS		(19,019)	(2,101)
FINANCE COST		(4,943)	(5,155)
(LOSS)/PROFIT BEFORE TAXATION		(23,962)	(7,256)
TAXATION		(11,519)	(9,121)
LOSS AFTER TAXATION		(35,481)	(16,377)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(1.66)	(0.77)

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR


CRESCENT COTTON MILLS LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
 PROFIT OR LOSS AND COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

	(RUPEES IN THOUSAND)	
	30 September 2016	30 September 2015
PROFIT/(LOSS) AFTER TAXATION	(35,481)	(16,377)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Surplus on remeasurement of available for sale investments	38,579	7,966
Other comprehensive income for the period	38,579	7,966
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	3,098	(8,411)

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

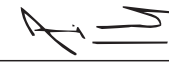
CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

	(RUPEES IN THOUSAND)	
NOTE	30 September 2016	30 September 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilized in) / generated from operations	11 61,490	(73,608)
Finance cost paid	(7,613)	(6,914)
Staff retirement gratuity paid	(108)	(4,085)
Income tax paid	(4,587)	(8,570)
Dividend paid	-	(2,285)
Long term deposits	47	-
Net cash (utilized in) / generated from operating activities	49,229	(95,462)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(3,725)	(658)
Proceeds from sale of property, plant and equipment	44	-
Proceeds from sale of investments	4,094	-
Net cash from investing activities	413	(658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	-
Short term borrowings - net	(61,249)	89,041
Net cash (used in) / from financing activities	(61,249)	89,041
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(11,607)	(7,079)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	32,334	16,628
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20,727	9,549

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

(RUPEES IN THOUSAND)

	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY	
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value	Sub Total	General	Dividend equalization	(Accumulated loss) / unappropriated profit		Sub Total
Balance as at 30 June 2015 - Audited	213,775	5,496	12,000	98,191	115,687	96,988	4,000	167,874	268,862	598,324
Loss for the first quarter ended 30 September 2015	-	-	-	-	-	-	-	(16,377)	(16,377)	(16,377)
Other comprehensive income for the first quarter ended 30 September 2015	-	-	-	7,966	7,966	-	-	-	-	7,966
Total comprehensive income for the first quarter ended 30 September 2015	-	-	-	7,966	7,966	-	-	(16,377)	(16,377)	(8,411)
Balance as at 30 September 2015 - Un-audited	213,775	5,496	12,000	106,157	123,653	96,988	4,000	151,497	252,485	589,913
Profit for the next three quarters ended 30 June 2016	-	-	-	-	-	-	-	(5,978)	(5,978)	(5,978)
Other comprehensive income for the next three quarters ended 30 June 2016	-	-	-	(6,149)	(6,149)	-	-	-	-	(6,149)
Total comprehensive income for the next three quarters ended 30 June 2016	-	-	-	(6,149)	(6,149)	-	-	(5,978)	(5,978)	(12,127)
Balance as at 30 June 2016 - Audited	213,775	5,496	12,000	100,008	117,504	96,988	4,000	145,519	246,507	577,786
Loss for the first quarter ended 30 September 2016	-	-	-	-	-	-	-	(35,481)	(35,481)	(35,481)
Other comprehensive income for the first quarter ended 30 September 2016	-	-	-	38,579	38,579	-	-	-	-	38,579
Total comprehensive income for the first quarter ended 30 September 2016	-	-	-	38,579	38,579	-	-	(35,481)	(35,481)	3,098
Balance as at 30 September 2016 - Un-audited	213,775	5,496	12,000	138,587	156,083	96,988	4,000	110,038	211,026	580,884

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

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). Shares of the Company are quoted on Pakistan stock exchange. 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. The registered office of the Company is situated at New Lahore Road, Nishatabad, Faisalabad.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the first quarter ended 30 September 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2016.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information 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.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

5. CONTINGENCIES AND COMMITMENTS
Contingencies:

- 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 (30 June 2016: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable High Court which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

- The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2016: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

- Letters of guarantee of Rupees 42.993 million (30 June 2016: Rupees 42.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

Commitments:

- Letters of credit for capital expenditure are of Rs. 8.322 million (30 June 2016: Rupees 9.576 million)

- Letters of credit for other than capital expenditure are of Rupees 0.065 million (30 June 2015: Rupees Nil).

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2016	2016

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,292,792	3,297,888
Capital work-in-progress	198,140	197,737
	<u>3,490,932</u>	<u>3,495,625</u>

6.1 Operating fixed assets

Opening book value	3,297,888	2,730,848
Add : Cost of additions during the period / year (Note 6.1.1)	3,322	61,717
Add : Effect of surplus on revaluation as at 30 June 2016	-	536,617
Add : Transferred from non-current assets held for sale	-	913
	<u>3,301,210</u>	<u>3,330,095</u>

Less:

Book value of deletions during the period / year (Note 6.1.2)	18	379
Depreciation charged during the period / year	8,400	31,828
	<u>8,418</u>	<u>32,207</u>

Book value at the end of the period / year	<u>3,292,792</u>	<u>3,297,888</u>
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6.1.1 Cost of additions during the period / year

Plant and machinery	1,833	54,197
Electric installations	-	2,610
Furniture and fixtures	-	282
Vehicles	1,427	4,262
Office equipment	62	126
Service equipment	-	240
	<u>3,322</u>	<u>61,717</u>

6.1.2 Book value of deletions during the period / year

Vehicles	18	379
	<u>18</u>	<u>379</u>

	(RUPEES IN THOUSAND)	
	UN-AUDITED	AUDITED
	30 September 2016	30 June 2016
7. LONG TERM INVESTMENTS - Available for sale		
Unquoted - Subsidiary company	1,894	10,511
Quoted - Associated companies	175	175
Unquoted - Associated companies		2,500
Quoted - Others	1,043	1,043
Unquoted - Others	3,150	664
	6,262	14,893
Less: Impairment loss charged to profit and loss account	-	(8,632)
Add: Fair value adjustment	10,451	10,438
	16,713	16,699
8. SHORT TERM INVESTMENTS – Available for sale		
Quoted - Associated companies	21,861	23,612
Quoted - Others	53,307	53,307
	75,168	76,919
Add: Fair value adjustment	128,136	89,570
	203,304	166,489
	(UN-AUDITED)	
	30 September 2016	30 September 2015
9. COST OF SALES	(RUPEES IN THOUSAND)	
Raw material consumed	690,643	542,020
Salaries, wages and other benefits	84,757	83,852
Stores, spare parts and loose tools consumed	22,865	27,366
Fuel and power	114,231	129,608
Outside weaving charges	7,908	89,517
Other manufacturing overheads	2,226	2,158
Insurance	1,478	1,433
Repair and maintenance	411	803
Depreciation	7,141	6,408
	931,660	883,165
Work-in-process:		
Opening stock	16,154	18,251
Closing stock	(19,281)	(15,354)
	(3,127)	2,897
Cost of goods manufactured	928,533	886,062
Finished goods:		
Opening stock	238,084	235,716
Closing stock	(180,654)	(311,631)
	57,430	(75,915)
	985,963	810,147
Cost of goods - purchased for resale	87,328	-
	1,073,291	810,147

	(UN-AUDITED)	
	30 September 2016	30 September 2015
	(RUPEES IN THOUSAND)	
10. OTHER OPERATING INCOME		
Exchange gain	2,613	5,462
Profit on deposits with banks	-	21
Gain on sale of investments	2,344	-
Dividend income	31	3
Rental income	3,574	3,249
Scrape sales	256	-
Gain on sale of property, plant and equipment	26	-
	8,844	8,735
11. CASH UTILIZED IN OPERATIONS		
Profit before taxation	(23,962)	(7,256)
Adjustments for non-cash charges and other items:		
Depreciation	8,400	7,686
Provision for staff retirement gratuity	-	5,130
Gain on sale of property, plant and equipment	(26)	-
Gain on sale of investments	(2,344)	-
Finance cost	4,943	5,155
Working capital changes (Note 11.1)	74,479	(84,323)
	61,490	(73,608)
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	6,526	(4,003)
Stock in trade	47,021	(101,362)
Trade debts	(34,280)	(6,830)
Loans and advances	(2,799)	(9,110)
Prepayments and balances with statutory authorities	968	4,983
Other receivables	(2,844)	(68)
	14,592	(116,390)
(Decrease) / increase in trade and other payables	59,887	32,067
	74,479	(84,323)

12. SEGMENT INFORMATION - UNCONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	(RUPEES IN THOUSAND)							
Sales	922,841	787,182	184,780	468,295	(12,023)	(397,794)	1,095,598	857,683
Cost of sales	(909,754)	(763,347)	(175,560)	(444,594)	12,023	397,794	(1,073,291)	(810,147)
Gross profit	13,087	23,835	9,220	23,701	-	-	22,307	47,536
Distribution cost	(8,076)	(6,965)	(6,128)	(12,883)	-	-	(14,204)	(19,848)
Administrative expenses	(34,590)	(36,231)	(1,366)	(2,288)	-	-	(35,956)	(38,519)
Other operating expenses	(10)	(5)	-	-	-	-	(10)	(5)
	(42,676)	(43,201)	(7,494)	(15,171)	-	-	(50,170)	(58,372)
	(29,589)	(19,366)	1,726	8,530	-	-	(27,863)	(10,836)
Other operating income	8,844	8,735	-	-	-	-	8,844	8,735
Profit/(loss) from operations	(20,745)	(10,631)	1,726	8,530	-	-	(19,019)	(2,101)
Finance cost	(4,747)	(3,747)	(196)	(1,408)	-	-	(4,943)	(5,155)
Profit/(loss) before taxation	(25,492)	(14,378)	1,530	7,122	-	-	(23,962)	(7,256)
Taxation							(11,519)	(9,121)
Profit/(loss) after taxation							(35,481)	(16,377)

13. 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 and balances with related parties are as follows:

DESCRIPTION	(UN-AUDITED)	
	QUARTER ENDED	
	30 September 2016	30 September 2015
	(RUPEES IN THOUSAND)	

i) Transactions

Subsidiary company

Rental expense	1,125	1,125
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Associated companies

Service charges	-	7,661
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14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

15. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on October 28, 2016 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.


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

17. 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 CONSOLIDATED CONDENSED INTERIM

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	30 September	30 June
NOTE	2016	2016

EQUITY AND LIABILITIES**SHARE CAPITAL AND RESERVES****Authorized share capital**30 000 000 (30 June 2016: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
----------------	---------

Issued, subscribed and paid up share capital

213,775	213,775
----------------	---------

Reserves

343,372	366,666
----------------	---------

Total equity

557,147	580,441
----------------	---------

Surplus on revaluation of land and investment properties

3,090,484	3,090,484
------------------	-----------

LIABILITIES**NON-CURRENT LIABILITIES**

Employees' retirement benefits

66,691	66,799
---------------	--------

CURRENT LIABILITIES

Trade and other payables

415,662	355,153
----------------	---------

Accrued markup

16,883	19,403
---------------	--------

Short term borrowings

390,565	451,814
----------------	---------

Provision for taxation

44,137	32,450
---------------	--------

TOTAL LIABILITIES

867,247	858,820
933,938	925,619

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

4,581,569	4,596,544
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The annexed notes form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

LIMITED AND ITS SUBSIDIARY BALANCE SHEET AS AT 30 SEPTEMBER 2016

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	30 September	30 June
NOTE	2016	2016

ASSETS**NON-CURRENT ASSETS**

Property, plant and equipment

6	3,507,966	3,513,063
----------	------------------	-----------

Investment properties

169,724	169,724
----------------	---------

Long term investments

7	82,540	85,782
----------	---------------	--------

Long term deposits

3,133	3,181
--------------	-------

Deferred income tax - asset

46,417	46,417
---------------	--------

3,809,780	3,818,167
------------------	-----------

CURRENT ASSETS

Stores, spare parts and loose tools

30,832	37,359
---------------	--------

Stock in trade

338,862	385,883
----------------	---------

Trade debts

74,299	40,019
---------------	--------

Loans and advances

39,576	36,777
---------------	--------

Short term deposits, prepayments and
balances with statutory authorities

106,557	102,898
----------------	---------

Other receivables

36,520	33,388
---------------	--------

Short term investments

8	121,081	106,384
----------	----------------	---------

Cash and bank balances

24,062	35,669
---------------	--------

771,789	778,377
----------------	---------

Non-current assets held for sale

-	-
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771,789	778,377
----------------	---------

TOTAL ASSETS

4,581,569	4,596,544
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ABID MEHMOOD
DIRECTOR



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
NOTE		30 September 2016	30 September 2015
SALES		1,095,598	857,683
COST OF SALES	9	(1,073,291)	(810,147)
GROSS PROFIT		22,307	47,536
DISTRIBUTION COST		(14,204)	(19,848)
ADMINISTRATIVE EXPENSES		(36,654)	(39,066)
OTHER OPERATING EXPENSES		(10)	(5)
		(50,868)	(58,919)
		(28,561)	(11,383)
OTHER OPERATING INCOME	10	6,500	8,735
(LOSS)/PROFIT FROM OPERATIONS		(22,061)	(2,648)
FINANCE COST		(5,093)	(5,305)
		(27,154)	(7,953)
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		-	20,480
PROFIT/(LOSS) BEFORE TAXATION		(27,154)	12,527
TAXATION		(11,688)	(9,290)
PROFIT / (LOSS) AFTER TAXATION FROM		(38,842)	3,237
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(1.82)	0.15

The annexed notes form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2016	30 September 2015
PROFIT/(LOSS) AFTER TAXATION		(38,842)	3,237
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates		21,411	-
Surplus / (deficit) on remeasurement of available for sale investments		(5,863)	5,077
Other comprehensive income / (loss) for the period		15,548	5,077
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(44,705)	8,314

The annexed notes form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	30 September 2016	30 September 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilized in) / generated from operations	61,530	(73,280)
Finance cost paid	(7,613)	(6,914)
Staff retirement gratuity paid	(108)	(4,085)
Income tax paid	(4,580)	(8,898)
Dividend paid	-	(2,285)
	(12,301)	(22,182)
Net cash (utilized in) / generated from operating activities	49,229	(95,462)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(3,725)	(658)
Proceeds from sale of property, plant and equipment	44	-
Proceeds from sale of investments	4,094	-
Net cash from investing activities	413	(658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	-
Short term borrowings - net	(61,249)	89,041
Net cash (used in) / from financing activities	(61,249)	89,041
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(11,607)	(7,079)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,669	20,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	24,062	12,980

The annexed noted form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES			Sub Total	REVENUE RESERVES			Sub Total	TOTAL EQUITY
		Premium on issue of shares	Plant Modernisation	Fair value		General	Dividend equalization	(Accumulated loss) / unappropriated profit		
Balance as at 30 June 2015 - Audited	213,775	5,496	12,000	14,674	32,170	44,975	4,000	362,320	411,295	657,240
Loss for the first quarter ended 30 September 2015	-	-	-	-	-	-	-	3,237	3,237	3,237
Other comprehensive income for the first quarter ended 30 September 2015	-	-	-	5,077	5,077	-	-	-	-	5,077
Total comprehensive income for the first quarter ended 30 September 2015	-	-	-	5,077	5,077	-	-	3,237	3,237	8,314
Balance as at 30 September 2015 - Unaudited	213,775	5,496	12,000	19,751	37,247	44,975	4,000	365,557	414,532	665,554
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	744	744	744
Loss for the next three quarters ended 30 June 2016	-	-	-	-	-	-	-	(106,270)	(106,270)	(106,270)
Other comprehensive income for the next three quarters ended 30 June 2016	-	-	-	20,413	20,413	-	-	-	-	20,413
Total comprehensive income for the next two quarters ended 30 June 2016	-	-	-	20,413	20,413	-	-	(106,270)	(106,270)	(85,857)
Balance as at 30 June 2016 - Audited	213,775	5,496	12,000	40,164	57,660	44,975	4,000	260,031	309,006	580,441
Loss for the first quarter ended 30 September 2016	-	-	-	-	-	-	-	(38,842)	(38,842)	(38,842)
Other comprehensive income for the first quarter ended 30 September 2016	-	-	-	15,548	15,548	-	-	-	-	15,548
Total comprehensive income for the first quarter ended 30 September 2016	-	-	-	15,548	15,548	-	-	(38,842)	(38,842)	(23,294)
Balance as at 30 September 2016 - Un-audited	213,775	5,496	12,000	55,712	73,208	44,975	4,000	221,189	270,164	557,147

The annexed note form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

Crescot Mills Limited

Crescent Cotton Mills Limited

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills and Distillery 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). Shares of the Company are quoted on Pakistan stock exchange. 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. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

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 the 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. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of Pakistan stock exchange. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and Separate Financial Statements" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2016.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

3.1 The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2016.

**3.2 Basis of consolidation****a) Subsidiary**

Subsidiary Company 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 condensed interim financial information of the Subsidiary Company is included in the consolidated consolidated condensed interim financial information 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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this consolidated condensed interim financial information 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 Group'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.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2016.

**5. CONTINGENCIES AND COMMITMENTS****Contingencies:**

- 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 (30 June 2016: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable High Court which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

- The Holding Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2016: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

- Letters of guarantee of Rupees 42.993 million (30 June 2016: Rupees 42.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

Subsidiary Company:

- The Subsidiary Company is contingently liable for claim of Rs. 0.215 million (30 June 2016: Rupees 0.215 million) not acknowledged by the Subsidiary Company in respect of card clothing machine demanded by Custom Authorities in 1987 against which a letter of guarantee has been issued by bank in favour of Collector.

Commitments:

- Letters of credit for capital expenditure are of Rs. 8.322 million (30 June 2016: Rupees 9.576 million).

- Letters of credit for other than capital expenditure are of Rupees 0.065 million (30 June 2016: Rupees Nil).

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2016	2016

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,309,826	3,315,326
Capital work-in-progress	198,140	197,737
	3,507,966	3,513,063

6.1 Operating fixed assets

Opening book value	3,315,326	2,744,863
Add : Cost of additions during the period / year (Note 6.1.1)	3,322	61,717
Add : Effect of surplus on revaluation as at 30 June 2015	-	541,344
Add : Transferred from non-current assets held for sale	-	913
	3,318,648	3,348,837

Less:

Book value of deletions during the period / year (Note 6.1.2)	18	379
Net decrease in revaluation	-	-
Transferred to investment properties	-	-
Depreciation charged during the period / year	8,804	33,132
	8,822	33,511
Book value at the end of the period / year	3,309,826	3,315,326



(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2016	2016

6.1.1 Cost of additions during the period / year

Plant and machinery	1,833	54,197
Electric installations	-	2,610
Furniture and fixtures	-	282
Vehicles	1,427	4,262
Office equipment	62	126
Service equipment	-	240
	3,322	61,717

6.1.2 Book value of deletions during the period / year

Vehicles	18	379
	18	379

7. LONG TERM INVESTMENTS

In associates:

Cost	38,933	40,683
Share of post acquisition profit:		
At the beginning of the period / year	39,506	151,290
Partial disposal of investment	(2,361)	-
Share of profit/(loss) during the period / year	-	(111,784)
	37,145	39,506
	76,078	80,189

Available for sale:

Quoted - Others	2,641	2,641
Unquoted - Others	664	664
	3,305	3,305
Less: Impairment loss charged to profit and loss account	-	(18)
Add: Fair value adjustment	3,157	2,306
	6,462	5,593

	82,540	85,782
--	---------------	--------

7.1 The investments in associates were not acquired for disposal purposes, therefore 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.

8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others	89,937	89,937
Add: Fair value adjustment	31,144	16,447
	121,081	106,384

	(UN-AUDITED)	
	30 September 2016	30 September 2015
9. COST OF SALES	(RUPEES IN THOUSAND)	
Raw material consumed	690,643	542,020
Salaries, wages and other benefits	84,757	83,852
Stores, spare parts and loose tools consumed	22,865	27,366
Fuel and power	114,231	129,608
Outside weaving charges	7,908	89,517
Other manufacturing overheads	2,226	2,158
Insurance	1,478	1,433
Repair and maintenance	411	803
Depreciation	7,141	6,408
	<u>931,660</u>	<u>883,165</u>
Work-in-process:		
Opening stock	16,154	18,251
Closing stock	(19,281)	(15,354)
	<u>(3,127)</u>	<u>2,897</u>
Cost of goods manufactured	<u>928,533</u>	<u>886,062</u>
Finished goods:		
Opening stock	238,084	235,716
Closing stock	(180,654)	(311,631)
	<u>57,430</u>	<u>(75,915)</u>
	<u>985,963</u>	<u>810,147</u>
Cost of goods purchased	<u>87,328</u>	-
	<u>1,073,291</u>	<u>810,147</u>
10. OTHER OPERATING INCOME		
Exchange gain	2,613	5,462
Profit on deposits with banks	-	21
Dividend income	31	3
Rental income	3,574	3,249
Scrape sale	256	-
Gain on sale of property, plant and equipment	26	-
	<u>6,500</u>	<u>8,735</u>

	(UN-AUDITED)	
	30 September 2016	30 September 2015
11. CASH UTILIZED IN OPERATIONS	(RUPEES IN THOUSAND)	
Profit before taxation	(27,154)	12,527
Adjustments for non-cash charges and other items:		
Depreciation	8,804	8,337
Provision for staff retirement gratuity	-	5,130
Gain on sale of property, plant and equipment	(26)	-
Credit balances written back	-	-
Share of (profit) / loss from associated companies	-	(20,481)
Finance cost	5,093	5,305
Working capital changes (Note 11.1)	74,813	(84,098)
	<u>61,530</u>	<u>(73,280)</u>
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	6,527	(3,906)
Stock in trade	47,021	(101,362)
Trade debts	(34,280)	(6,830)
Loans and advances	(2,799)	(9,110)
Prepayments and balances with statutory authorities	967	4,984
Other receivables	(3,132)	(68)
	<u>14,304</u>	<u>(116,292)</u>
(Decrease) / increase in trade and other payables	60,509	32,194
	<u>74,813</u>	<u>(84,098)</u>

12. SEGMENT INFORMATION - UNCONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	(RUPEES IN THOUSAND)							
Sales	922,841	792,644	184,780	468,295	(12,023)	(397,794)	1,095,598	863,145
Cost of sales	(909,754)	(763,347)	(175,560)	(444,594)	12,023	397,794	(1,073,291)	(810,147)
Gross profit	13,087	29,297	9,220	23,701	-	-	22,307	52,998
Distribution cost	(8,076)	(6,965)	(6,128)	(12,883)	-	-	(14,204)	(19,848)
Administrative expenses	(35,288)	(36,778)	(1,366)	(2,288)	-	-	(36,654)	(39,066)
Other operating expenses	(10)	(5)	-	-	-	-	(10)	(5)
	(43,374)	(43,748)	(7,494)	(15,171)	-	-	(50,868)	(58,919)
	(30,287)	(14,451)	1,726	8,530	-	-	(28,561)	(5,921)
Other operating income	6,500	3,273	-	-	-	-	6,500	3,273
Profit from operations	(23,787)	(11,178)	1,726	8,530	-	-	(22,061)	(2,648)
Finance cost	(4,897)	(3,897)	(196)	(1,408)	-	-	(5,093)	(5,305)
Profit/(loss) before taxation and unallocated income and expenses	(28,684)	(15,075)	1,530	7,122	-	-	(27,154)	(7,953)
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							-	20,480
Taxation							(11,688)	(9,290)
Profit/(loss) after taxation							(38,842)	3,237

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise 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 and balances with related parties are as follows:

DESCRIPTION	UN-AUDITED	
	QUARTER ENDED	
	30 September 2016	30 September 2015
(RUPEES IN THOUSAND)		

i) Transactions**Associated companies**

Service charges	-	7,661
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14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2016.

15. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on October 28, 2015 by the Board of Directors of the Group.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of profit or loss and other comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

17. GENERAL

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

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