

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 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 & Company
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 are pleased to present to you the condensed interim financial information for the second quarter and half year ended December 31, 2016. During the period under review, your company incurred a post-tax loss of Rs. 61.997 Million whereas in the comparative period of last year company incurred a post-tax loss of Rs. 28.902 million.

Total sales revenue of the company for the half year stood at Rs. 2,079.323 Million, whereas, the turnover figures during the same period in year 2015 was Rs. 1,688.489 Million hence depicting an increase of almost twenty three percent as compared to last year. Accordingly raw material consumed also increased as compared to corresponding period. Similarly cost of sales in the period under review stood at 97.95% whereas, up to December 31, 2015 it was around 95.19%.

During the first half of the financial year, cotton prices in international market remained volatile which made the yarn buyers to adopt wait and see policy creating a decreasing trend in cotton yarn prices. On the other hand, local cotton prices remained at higher level due to continuous procurement by spinners. Cotton yarn prices in international market were unresponsive for yarn exporters due to uncertain international cotton market scenario. Like previous financial year, demand in Hong Kong and China, which are our main markets, remained sluggish; therefore, our marketing team is working hard to enlarge its customer base in other international markets. The declining international scenario compelled the company to sell its produce in the local market.

During the period under review supply of Re-gasified Liquefied Natural Gas (RLNG) provided some relief in fuel and power cost but this meager saving was offset by weak margins in selling prices. 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

The management does not expect any improvement in the overall business scenario in the near future. The global trade forecast for the year is depressing and there is no bright prospectus for the immediate future either. Under such a grim business scenario expectations are that commodity prices will not sustain the current levels. Oil prices have also risen and will affect the energy cost adversely. All these factors will put pressure on the margins to pose challenge on financial performance of the company. However, efforts will be continued towards improvement where ever possible.

Acknowledgement

We would take this opportunity to thank all our shareholders and bankers for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their valuable insight and guidance.

For and on behalf of
the Board of Directors



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
February 27, 2016

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2016ء کو مختتمہ دوسری سہ ماہی اور پہلی ششماہی کے لیے محمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے 61.997 ملین روپے کا قتل از ٹیکس نقصان برداشت کیا ہے جبکہ گزشتہ سال کی اسی مدت میں قتل از ٹیکس نقصان 28.902 ملین روپے تھا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت محصولات 2079.323 ملین روپے ہیں جبکہ سال 2015ء میں اسی مدت کے دوران ٹرن اور کی رقم 1688.489 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 23 فیصد اضافہ واقع ہوا۔ اسی کے مطابق اسی مدت کے مقابلہ میں خام مال کے اصراف میں بھی اضافہ ہوا۔ اس طرح زیر جائزہ مدت میں فروخت کی لاگت 97.95 فیصد رہی جبکہ 31 دسمبر 2015ء تک یہ 95.19 فیصد کے لگ بھگ تھی۔

مالی سال کی پہلی ششماہی کے دوران عالمی منڈی میں روٹی کی قیمتیں غیر مستحکم رہیں جس سے سوتے کے خریدار ”انتظار کرو اور دیکھو کی پالیسی“ پر مجبور ہوئے جس سے کٹن یارن کی قیمتوں میں کمی کا رجحان پیدا ہوا۔ دوسری طرف پستری کی طرف سے مسلسل خریداری کی وجہ سے مقامی روٹی کی قیمتیں بلند تر سطح پر ہیں۔ عالمی منڈی میں کٹن یارن کی قیمتیں کٹن ایکسپورٹرز کے لیے غیر یقینی عالمی کٹن منڈی کے منظر نامے کی وجہ سے غیر معاون تھیں۔ پچھلے مالی سال کی طرح ہانگ کانگ اور چین (جو ہماری بڑی منڈیاں ہیں) کی طلب سست رہی۔ اس لیے ہماری مارکیٹنگ ٹیم دیگر عالمی منڈیوں میں اپنے گاہکوں کی بنیاد وسیع کرنے کے لیے سخت محنت کر رہی ہے۔ زوال پذیر عالمی منظر نامے نے کمپنی کو اس کی پیداوار مقامی منڈی میں فروخت کرنے پر مجبور کر دیا۔

زیر جائزہ مدت کے دوران RLNG کی فراہمی نے ایندھن اور توانائی کی قیمت میں کچھ سکون مہیا کیا مگر یہ معمولی بچت قیمت فروخت میں کمزور مارجنز کی وجہ سے برابر ہو گئی۔ زیر جائزہ مدت کے دوران درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے مسلسل محنت کر رہی ہے۔


مستقبل کے امکانات:

انتظامیہ کو مستقل قریب میں مجموعی کاروباری حالات میں کسی بہتری کی توقع نہیں ہے۔ اس سال عالمی تجارتی صورتحال مایوس کن ہے اور مستقبل قریب میں بھی اس میں روشن پہلو دکھائی نہیں دیتا۔ ایسے سنگین تجارتی منظر نامے میں توقع ہے کہ اجناس کی قیمتیں اپنی موجودہ سطح برقرار نہیں رکھ سکیں گی۔ تیل کی قیمتیں بھی بڑھ چکی ہیں جو اجناس کے اخراجات پر برا اثر ڈالیں گی۔ یہ تمام عوامل کمپنی کی مالیاتی کارکردگی کو درپیش خطرات پر دباؤ ڈالیں گے۔

تاہم کمپنی بہتری کے لیے جو بھی ممکن ہو تمام کوششیں کرے گی۔
یہ تمام عوامل دباؤ ڈالیں گے مارجنز پر درپیش چیلنجز کے لیے

اعتراف:

ہم اس موقع پر قابل قدر تعاون کے لیے اپنے تمام حصص یافتگان اور بینکاروں جبکہ محنت اور لگن کے حامل عملے کے ارکان کے شکر گزار ہیں۔ ہم توجہ اور ہنرمائی کے لیے بورڈ آف ڈائریکٹرز کے بھی شکر گزار ہیں۔

منجانب
بورڈ آف ڈائریکٹرز


محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

27 فروری 2017ء

AUDITORS' REPORT TO THE MEMBERS

ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

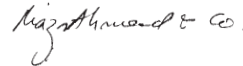
We have reviewed the accompanying unconsolidated condensed interim balance sheet of CRESCENT COTTON MILLS LIMITED as at 31 December 2016 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2016 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 December 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Liaqat Ali Panwar

Faisalabad
February 27, 2017

UNCONSOLIDATED CONDENSED INTERIM

NOTE	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
	(RUPEES IN THOUSAND)	

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

213,775	213,775
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Reserves

401,929	364,011
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TOTAL EQUITY

615,704	577,786
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Surplus on revaluation of freehold land and investment properties

3,079,990	3,079,990
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LIABILITIES
NON-CURRENT LIABILITIES

Employees' retirement benefit

68,908	66,799
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CURRENT LIABILITIES

Trade and other payables

401,062	343,007
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Accrued mark-up on short term borrowings

5,149	7,001
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Short term borrowings

558,340	453,477
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Provision for taxation

22,297	31,384
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986,848	834,869
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TOTAL LIABILITIES

1,055,756	901,668
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

4,751,450	4,559,444
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

BALANCE SHEET AS AT 31 DECEMBER 2016

NOTE	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
	(RUPEES IN THOUSAND)	

ASSETS
NON-CURRENT ASSETS

Property, plant and equipment

6	3,484,452	3,495,625
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Investment properties

169,724	169,724
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Long term investments

7	15,254	16,699
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Long term deposits and prepayments

2,761	2,659
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Deferred income tax asset

46,312	46,195
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3,718,503	3,730,902
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CURRENT ASSETS

Stores, spare parts and loose tools

39,516	34,014
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Stock-in-trade

476,109	385,883
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Trade debts

76,741	40,019
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Loans and advances

26,492	36,777
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Short term deposits, prepayments and balances with statutory authorities

92,462	102,439
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Other receivables

35,649	30,587
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Short term investments

264,133	166,489
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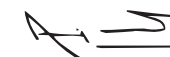
Cash and bank balances

21,845	32,334
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1,032,947	828,542
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TOTAL ASSETS

4,751,450	4,559,444
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ABID MEHMOOD
DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
SALES	2,079,323	1,682,399	981,496	820,072
COST OF SALES	(2,036,864)	(1,607,524)	(963,957)	(797,354)
GROSS PROFIT	42,459	74,875	17,539	22,718
DISTRIBUTION COST	(20,911)	(29,042)	(6,707)	(9,194)
ADMINISTRATIVE EXPENSES	(75,024)	(74,132)	(39,068)	(35,613)
OTHER EXPENSES	(2,097)	(8,637)	(2,087)	(8,632)
OTHER INCOME	23,127	18,222	16,896	14,108
FINANCE COST	(10,904)	(14,374)	(5,961)	(9,219)
LOSS BEFORE TAXATION	(43,350)	(33,088)	(19,388)	(25,832)
TAXATION	(19,101)	4,186	(7,582)	13,307
LOSS AFTER TAXATION	(62,451)	(28,902)	(26,970)	(12,525)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	(2.92)	(1.35)	(1.26)	(0.59)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
LOSS AFTER TAXATION	(62,451)	(28,902)	(26,970)	(12,525)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	106,734	(3,340)	65,185	(11,306)
Reclassification adjustment for gain included in profit or loss	(6,365)	-	(3,395)	-
	100,369	(3,340)	61,790	(11,306)
Other comprehensive income / (loss) for the period	100,369	(3,340)	61,790	(11,306)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	37,918	(32,242)	34,820	(23,831)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER




ABID MEHMOOD
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)**

	NOTE	31 December	
		2016	2015
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	9	(78,232)	(186,806)
Finance cost paid		(12,756)	(12,698)
Employees' retirement benefit paid		(10,907)	(8,199)
Income tax paid		(16,619)	(16,940)
Decrease in long term deposits and prepayments		(102)	-
Net cash utilized in operating activities		(118,616)	(224,643)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment and investment properties		(5,244)	(32,605)
Proceeds from sale of property, plant and equipment		61	-
Investment made		-	(210)
Proceeds from sale of investment		8,447	-
Profit on deposits with banks received		-	82
Net cash from / (used in) investing activities		3,264	(32,733)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		104,863	274,695
Net cash from financing activities		104,863	274,695
Net (decrease) / increase in cash and cash equivalents		(10,489)	17,319
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		32,334	16,628
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		21,845	33,947

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)**

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES				TOTAL	TOTAL EQUITY	
		Premium on issue of shares	Plant Modemil-station	Fair value reserve	Sub Total	General reserve	Dividend equalization	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	384,549	598,324
Loss for the half year ended 31 December 2015	-	-	-	-	-	-	-	-	(28,902)	(28,902)	(28,902)
Other comprehensive loss for the half year ended 31 December 2015	-	-	-	(3,340)	(3,340)	-	-	-	-	(3,340)	(3,340)
Total comprehensive loss for the half year ended 31 December 2015	-	-	-	(3,340)	(3,340)	-	-	-	(28,902)	(32,242)	(32,242)
Balance as at 31 December 2015 - (Un-audited)	213,775	5,496	12,000	94,851	112,347	96,988	4,000	138,972	239,960	352,307	566,082
Profit for the half year ended 30 June 2016	-	-	-	-	-	-	-	6,547	6,547	6,547	6,547
Other comprehensive income for the half year ended 30 June 2016	-	-	-	5,157	5,157	-	-	-	-	5,157	5,157
Total comprehensive income for the half year ended 30 June 2016	-	-	-	5,157	5,157	-	-	6,547	6,547	11,704	11,704
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	364,011	577,786
Loss for the half year ended 31 December 2016	-	-	-	-	-	-	-	(62,451)	(62,451)	(62,451)	(62,451)
Other comprehensive income for the half year ended 31 December 2016	-	-	-	100,369	100,369	-	-	-	100,369	100,369	100,369
Total comprehensive income / (loss) for the half year ended 31 December 2016	-	-	-	100,369	100,369	-	-	(62,451)	(62,451)	37,918	37,918
Balance as at 31 December 2016 - (Un-audited)	213,775	5,496	12,000	200,377	217,873	96,988	4,000	83,068	184,056	401,929	615,704

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 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 Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in the business of manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit.

2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the half year ended 31 December 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 shall prevail. This unconsolidated condensed interim financial information should be read in conjunction with the preceding 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 computation adopted for the preparation of this unconsolidated condensed interim financial information are 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 unconsolidated 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 unconsolidated 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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

5. CONTINGENCIES AND COMMITMENTS
(a): Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 June 2016: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honorable Lahore High Court, Lahore which are still pending. No provision has been made in this unconsolidated condensed financial information against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2016: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against this receivable has been made in this unconsolidated 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.

iii) Guarantees of Rupees 42.993 million (30 June 2016: Rupees 42.993 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

(b): Commitments:

i) Letters of credit for capital expenditure as at 31 December 2016 are of Rupees Nil (30 June 2016: Rupees 9.576 million).

ii) Letters of credit other than for capital expenditure as at 31 December 2016 are of Rupees 5.496 million (30 June 2016: Rupees Nil).

UN-AUDITED	AUDITED
31 December	30 June
2016	2016

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,291,376	3,297,888
Capital work-in-progress (Note 6.2)	193,076	197,737
	3,484,452	3,495,625

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)	9,905	61,717
Effect of surplus on revaluation	-	536,617
Transferred from non-current assets held for sale	-	913
	3,307,793	3,330,095

Less: Book value of deletions during the period / year - vehicles	35	379
	3,307,758	3,329,716

Less : Depreciation charged during the period / year	16,382	31,828
	3,291,376	3,297,888

6.1.1 Cost of additions during the period / year

Plant and machinery	5,178	54,197
Electric installations	3,105	2,610
Furniture and fixtures	89	282
Vehicles	1,427	4,262
Office equipment	106	126
Service equipment	-	240
	9,905	61,717

	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
6.2 Capital work-in-progress	(RUPEES IN THOUSAND)	
Advance against purchase of new industrial unit (Note 6.2.1)	191,665	191,665
Expenses against purchase of new industrial unit	645	575
Buildings and roads on freehold land	766	370
Plant and machinery	-	3,067
Electric installations	-	2,060
	193,076	197,737

6.2.1 Subsequent to the reporting period on 28 January 2017, the Company has obtained possession of new industrial unit. However, this event has been considered as non-adjusting and has not been recognized in this condensed interim financial information.

	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
7. LONG TERM INVESTMENTS	(RUPEES IN THOUSAND)	
Unquoted - Subsidiary company	1,893	10,511
Quoted - Associated companies	175	175
Unquoted - Associated company	2,500	2,500
Quoted - Others	1,043	1,043
Unquoted - Others	650	664
	6,261	14,893
Less: Impairment loss charged to profit and loss account	(2,087)	(8,632)
Add: Fair value adjustment	11,080	10,438
	15,254	16,699

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
8. COST OF SALES	(RUPEES IN THOUSAND)			
Raw materials consumed	1,361,761	1,091,956	671,502	549,913
Salaries, wages and other benefits	170,570	167,569	85,813	83,717
Stores, spare parts and loose tools consumed	46,050	54,083	23,185	26,717
Fuel and power	240,513	248,679	126,282	119,071
Outside weaving / other charges	16,258	140,573	8,350	51,056
Other manufacturing overheads	4,596	4,262	2,370	2,104
Insurance	3,005	2,928	1,527	1,495
Repair and maintenance	986	1,475	575	672
Depreciation	14,404	12,967	7,263	6,559
	1,858,143	1,724,492	926,867	841,304
Work-in-process				
Opening stock	16,154	18,251	19,281	15,354
Closing stock	(18,664)	(17,256)	(18,664)	(17,256)
	(2,510)	995	617	(1,902)
Cost of goods manufactured	1,855,633	1,725,487	927,484	839,402
Finished goods				
Opening stock	238,084	235,716	180,654	311,631
Closing stock	(145,065)	(357,401)	(145,065)	(357,401)
	93,019	(121,685)	35,589	(45,770)
	1,948,652	1,603,802	963,073	793,632
Cost of goods purchased for resale	88,212	3,722	884	3,722
	2,036,864	1,607,524	963,957	797,354

9. CASH UTILIZED IN OPERATIONS

	UN-AUDITED 31 December 2016	AUDITED 30 June 2016
	(RUPEES IN THOUSAND)	
Loss before taxation	(43,350)	(33,088)
Adjustments for non-cash charges and other items:		
Depreciation	16,382	15,182
Provision for staff retirement gratuity	13,016	11,578
Gain on sale of property, plant and equipment	(26)	-
Profit on deposits with banks	-	(92)
Gain on sale of investment	(6,365)	-
Impairment loss on long term investments	2,087	8,632
Finance cost	10,904	14,374
Working capital changes (Note 9.1)	(70,880)	(203,392)
	<u>(78,232)</u>	<u>(186,806)</u>

9.1 Working capital changes
(Increase) / decrease in current assets

Stores, spare parts and loose tools	(5,502)	635
Stock-in-trade	(90,226)	(260,932)
Trade debts	(36,722)	22,934
Loans and advances	10,285	(30,866)
Short term deposits, prepayments and balances with statutory authorities	(1,708)	(810)
Other receivables	(5,062)	(227)
	<u>(128,935)</u>	<u>(269,266)</u>
Increase in trade and other payables	58,055	65,874
	<u>(70,880)</u>	<u>(203,392)</u>

10. SEGMENT INFORMATION - UNCONSOLIDATED
10.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Sales	1,906,433	1,651,757	213,210	701,734	(671,092)	1,682,399	2,079,323	1,682,399
Cost of sales	(1,879,076)	(1,593,910)	(198,108)	(684,706)	(40,320)	(2,036,864)	(2,036,864)	(1,607,524)
Gross profit	27,357	57,847	15,102	17,028	-	42,459	42,459	74,875
Distribution cost	(13,857)	(9,968)	(7,054)	(19,074)	-	(20,911)	(20,911)	(29,042)
Administrative expenses	(74,603)	(73,718)	(421)	(414)	-	(75,024)	(75,024)	(74,132)
Other income	19,908	11,919	3,219	6,303	-	23,127	23,127	18,222
Finance cost	(10,340)	(12,016)	(564)	(2,358)	-	(10,904)	(10,904)	(14,374)
(Loss) / profit before taxation and unallocated expenses	(51,535)	(25,936)	10,282	1,485	-	(41,253)	(41,253)	(24,451)
Unallocated expenses:								
Other expenses						(2,097)	(2,097)	(8,637)
Taxation						(19,101)	(19,101)	4,186
Loss after taxation						<u>(62,451)</u>	<u>(62,451)</u>	<u>(28,902)</u>

10.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED) 31 December 2016	(AUDITED) 30 June 2016	(UN-AUDITED) 31 December 2016	(AUDITED) 30 June 2016	(UN-AUDITED) 31 December 2016	(AUDITED) 30 June 2016
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	4,695,705	4,393,566	9,433	119,683	4,705,138	4,513,249
Unallocated asset:						
Deferred income tax asset					46,312	46,195
Total assets as per balance sheet					4,751,450	4,559,444
Total liabilities for reportable segments	1,031,323	854,943	2,136	15,341	1,033,459	870,284
Unallocated liability:						
Provision for taxation					22,297	31,384
Total liabilities as per balance sheet					1,055,756	901,668

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of 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:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			

i) Transactions
Subsidiary company

Rental expense	2,250	2,250	1,125	1,125
Stores consumed by the Company	2	-	2	-

Associated companies

Service charges	94	8,526	94	865
Dividend income	63	4,861	36	4,861

Other related parties

Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and sponsors - net	5,642	(703)	6,663	538
Remuneration paid to Chief Executive Officer, Directors and Executives	28,601	24,066	14,301	12,033

(Un-audited) 31 December 2016	(Audited) 30 June 2016

(RUPEES IN THOUSAND)

ii) Period / year end balances

Trade and other payables	7,838	8,619
Short term borrowings	196,033	190,391

12. FINANCIAL INSTRUMENTS
12.1 Fair value of Financial Instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates.

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

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

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

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

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

12.2 Financial instruments by category

The table given as Note 13.3 shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

12.3 Carrying amounts and fair values of financial assets and financial liabilities (RUPEES IN THOUSAND)

	Carrying Amount		Total	Fair Value			Total
	Loans and receivable	Available for sale		Financial liabilities at amortized cost	Level 1	Level 2	
31 December 2016 (Un-audited)							
Financial assets							
Investments at fair value	-	276,430	276,430	276,430	-	-	276,430
Investments at cost	-	2,957	2,957	-	-	-	-
Loans and advances	12,715	-	12,715	-	-	-	-
Deposits	2,761	-	2,761	-	-	-	-
Trade debts	76,741	-	76,741	-	-	-	-
Other receivables	35,635	-	35,635	-	-	-	-
Cash and bank balances	21,845	-	21,845	-	-	-	-
	149,697	279,387	429,084	276,430	-	-	276,430
Financial liabilities							
Trade and other payables	-	-	372,738	-	-	-	-
Accrued mark-up on short term borrowing	-	-	5,149	-	-	-	-
Short term borrowings	-	-	558,340	-	-	-	-
	-	-	936,227	-	-	-	-
30 June 2016 (Audited)							
Financial assets							
Investments at fair value	-	178,145	178,145	178,145	-	-	178,145
Investments at cost	-	5,043	5,043	-	-	-	-
Loans and advances	7,757	-	7,757	-	-	-	-
Deposits	2,612	-	2,612	-	-	-	-
Trade debts	40,019	-	40,019	-	-	-	-
Other receivables	30,098	-	30,098	-	-	-	-
Cash and bank balances	32,334	-	32,334	-	-	-	-
	112,820	183,188	296,008	178,145	-	-	178,145
Financial liabilities							
Trade and other payables	-	-	305,108	-	-	-	-
Accrued mark-up on short term borrowing	-	-	7,001	-	-	-	-
Short term borrowings	-	-	446,814	-	-	-	-
	-	-	758,923	-	-	-	-

13. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on February 27, 2017.

14. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated 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 except for following:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	

Balance Sheet as at 30 June 2016:


Borrowings from other related parties	Trade and other payables	Short term borrowings	6,663
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Profit and loss account for the period ended 31 December 2015:

Exchange gain	Sales	Other Income	6,303
Export rebate	Cost of Sales	Sales	213

15. GENERAL

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CONSOLIDATED CONDENSED INTERIM

NOTE	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
	(RUPEES IN THOUSAND)	

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

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

349,000	380,364
----------------	---------

562,775	594,139
----------------	---------

(13,698)	(13,698)
-----------------	----------

549,077	580,441
----------------	---------

3,090,484	3,090,484
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LIABILITIES

NON-CURRENT LIABILITIES

68,908	66,799
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CURRENT LIABILITIES

407,588	355,153
----------------	---------

17,851	19,403
---------------	--------

563,340	451,814
----------------	---------

23,896	32,450
---------------	--------

1,012,675	858,820
------------------	---------

1,081,583	925,619
------------------	---------

CONTINGENCIES AND COMMITMENTS 5

4,721,144	4,596,544
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

BALANCE SHEET AS AT 31 DECEMBER 2016

NOTE	UN-AUDITED	AUDITED
	31 December 2016	30 June 2016
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	3,501,082	3,513,063
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Investment properties		169,724	169,724
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Long term investments	7	80,950	85,782
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Long term deposits		3,133	3,181
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Deferred income tax - asset		46,535	46,417
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		3,801,424	3,818,167
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CURRENT ASSETS

Stores, spare parts and loose tools	42,859	37,359
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Stock-in-trade	476,109	385,883
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Trade debts	76,741	40,019
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Loans and advances	26,492	36,777
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Short term deposits, prepayments and balances with statutory authorities	93,148	102,898
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Other receivables	38,835	33,388
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Short term investments	140,256	106,384
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Cash and bank balances	25,280	35,669
------------------------	---------------	--------

	919,720	778,377
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4,721,144	4,596,544
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ABID MEHMOOD
DIRECTOR

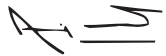
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
SALES	2,079,323	1,682,399	983,725	825,344
COST OF SALES	(2,036,864)	(1,607,524)	(963,573)	(797,164)
GROSS PROFIT	42,459	74,875	20,152	28,180
DISTRIBUTION COST	(20,911)	(29,042)	(6,707)	(9,194)
ADMINISTRATIVE EXPENSES	(76,312)	(74,898)	(39,658)	(35,832)
OTHER EXPENSES	(204)	(19)	(194)	(14)
	(97,427)	(103,959)	(46,559)	(45,040)
	(54,968)	(29,084)	(26,407)	(16,860)
OTHER INCOME	18,650	13,361	12,150	3,785
PROFIT / (LOSS) FROM OPERATIONS	(36,318)	(15,723)	(14,257)	(13,075)
FINANCE COST	(11,204)	(14,674)	(6,111)	(9,369)
	(47,522)	(30,397)	(20,368)	(22,444)
SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANY	717	(814)	717	(21,294)
(LOSS) / PROFIT BEFORE TAXATION	(46,805)	(31,211)	(19,651)	(43,738)
TAXATION	(19,634)	3,848	(7,946)	13,138
(LOSS) / PROFIT AFTER TAXATION	(66,439)	(27,363)	(27,597)	(30,600)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):	(3.11)	(1.28)	(1.29)	(1.43)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR


CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
(LOSS) / PROFIT AFTER TAXATION	(66,439)	(27,363)	(27,597)	(30,600)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Recognition of actuarial loss on staff retirement gratuity	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	37,002	3,432	31,925	(1,645)
Other comprehensive income / (loss) for the period	37,002	3,432	31,925	(1,645)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(29,437)	(23,931)	4,328	(32,245)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

	NOTE	31 December 2016	31 December 2015
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	10	(81,800)	(152,541)
Finance cost paid		(12,756)	(12,698)
Staff retirement gratuity paid		(10,907)	(8,199)
Income tax paid		(19,779)	(17,345)
Net cash utilized in operating activities		(125,242)	(190,783)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment and investment properties		(5,244)	(32,605)
Proceeds from operating fixed assets		61	-
Investments made		-	(210)
Proceeds from sale of investment		8,447	-
Dividend received from associated companies		63	4,861
Profit on bank deposits received		-	92
Net cash (used in) / from investing activities		3,327	(27,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		111,526	274,695
Net cash from financing activities		111,526	274,695
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,389)	56,050
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		35,669	20,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		25,280	76,109

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES		TOTAL	TOTAL EQUITY	RESERVES			TOTAL
		Premium on issue of shares	Plant Modernisation	Fair value reserve	Sub Total			General reserve	Dividend equalization	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	443,465	657,240
Profit for the half year ended 31 December 2015	-	-	-	-	-	-	-	(27,363)	(27,363)	(27,363)	(27,363)
Other comprehensive income / (loss) for the half year ended 31 December 2015	-	-	-	3,432	3,432	-	-	-	-	3,432	3,432
Total comprehensive income for the half year ended 31 December 2015	-	-	-	3,432	3,432	-	-	-	(27,363)	(23,931)	(23,931)
Balance as at 31 December 2015 - (Un-audited)	213,775	5,496	12,000	18,106	35,602	44,975	4,000	334,957	388,932	419,534	633,309
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred income tax	-	-	-	-	-	-	-	744	744	744	744
Loss for the half year ended 30 June 2016	-	-	-	-	-	-	-	(62,062)	(62,062)	(62,062)	(62,062)
Other comprehensive income for the half year ended 30 June 2016	-	-	-	20,221	20,221	-	-	-	-	20,221	20,221
Total comprehensive (loss) / income for the half year ended 30 June 2016	-	-	-	20,221	20,221	-	-	(62,062)	(62,062)	(41,841)	(41,841)
Balance as at 30 June 2016 - (Audited)	213,775	5,496	12,000	38,327	55,823	44,975	4,000	273,639	322,614	378,437	592,212
Loss for the half year ended 31 December 2016	-	-	-	-	-	-	-	(66,439)	(66,439)	(66,439)	(66,439)
Other comprehensive income for the half year ended 31 December 2016	-	-	-	37,002	37,002	-	-	-	-	37,002	37,002
Total comprehensive (loss) / income for the half year ended 31 December 2016	-	-	-	37,002	37,002	-	-	(66,439)	(66,439)	(29,437)	(29,437)
Balance as at 31 December 2016 - (Un-audited)	213,775	5,496	12,000	75,329	92,825	44,975	4,000	207,200	256,175	349,000	562,775

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2016 (UN-AUDITED)**

1. THE GROUPS AND ITS OPERATIONS

The Group consist of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

crescot Mills Limited

Crescent Cotton Mills Limited

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

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). CCML holds 66.15% equity of 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 the Islamabad, Karachi and Lahore stock exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and International Accounting Standard (IAS) 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 or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the proceeding audited annual published consolidated financial statements of the Group for the year ended 30 June 2016.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

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

3.1 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 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 financial statements of the Company for the year ended 30 June 2016.

5. CONTINGENCIES AND COMMITMENTS

(a): Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 June 2016: Rupees 10.787 million). The Holding Company, being aggrieved, has filed appeals with the Honourable Lahore High Court, Lahore which are still pending. No provision has been made in this unconsolidated condensed financial information against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) 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 this receivable has been made in this unconsolidated condensed interim financial information as the management is hopeful that the case will be decided in favour of the Holding Company and all the outstanding dues will be recovered.

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

Subsidiary Company

Contingencies:

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

(b): Commitments:

i) Letters of credit for capital expenditure as at 31 December 2016 are of Rupees Nil (30 June 2016: Rupees 9.576 million).

ii) Letters of credit for other than capital expenditure as at 31 December 2016 are of Rupees 5.496 million (30 June 2016: Rupees Nil).

UN-AUDITED	AUDITED
31 December 2016	30 June 2016
(RUPEES IN THOUSAND)	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,308,006	3,315,326
Capital work-in-progress (Note 6.2)	193,076	197,737
	<u>3,501,082</u>	<u>3,513,063</u>

6.1 Operating fixed assets

Opening book value	3,315,326	2,744,863
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Add:

Cost of additions during the period / year (Note 6.1.1)	9,905	61,717
Effect of surplus on revaluation as at 30 June 2016	-	541,344
Transferred from non-current assets held for sale	-	913
	<u>3,325,231</u>	<u>3,348,837</u>

Less:

Book value of deletions during the period / year	35	379
Depreciation charged during the period / year	17,190	33,132
	<u>17,225</u>	<u>33,511</u>

Book value at the end of the period / year	<u>3,308,006</u>	<u>3,315,326</u>
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UN-AUDITED	AUDITED
31 December 2016	30 June 2016
(RUPEES IN THOUSAND)	

6.1.1 Cost of additions during the period / year

Plant and machinery	5,178	54,197
Electric installations	3,105	2,610
Furniture and fixtures	89	282
Vehicles	1,427	4,262
Office equipment	106	126
Service equipment	-	240
	<u>9,905</u>	<u>61,717</u>

6.2 Subsequent to the reporting period on 28 January 2017, the Company has obtained possession of new industrial unit. However, this event has been considered as non-adjusting and has not been recognized in this condensed interim financial information.

UN-AUDITED	AUDITED
31 December 2016	30 June 2016
(RUPEES IN THOUSAND)	

7. LONG TERM INVESTMENTS

In associates:

Cost	38,601	40,683
Share of post acquisition profit:		
At the beginning of the period / Year	39,506	151,290
Share of profit during the period / year	(3,759)	(111,784)
	<u>35,747</u>	<u>39,506</u>
	<u>74,348</u>	<u>80,189</u>

Available for sale:

Quoted - Others	2,623	2,641
Unquoted - Others	664	664
	<u>3,287</u>	<u>3,305</u>

Less: Impairment loss charged to profit and loss account

	(194)	(18)
Add: Fair value adjustment	3,509	2,306
	<u>6,602</u>	<u>5,593</u>
	<u>80,950</u>	<u>85,782</u>

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. NON-CURRENT ASSETS HELD FOR SALE

Opening book value	-	913
Less : Transferred to operating fixed assets (Note 6.1)	-	913
	<u>-</u>	<u>-</u>

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
9. COST OF SALES				
Raw material consumed	1,361,761	1,091,956	671,502	549,913
Salaries, wages and other benefits	170,570	167,569	85,813	83,717
Stores, spare parts and loose tools consumed	46,050	54,083	23185	26,717
Fuel and power	240,513	248,679	126,282	119,071
Outside weaving charges	16,258	140,573	8,350	51,056
Other manufacturing overheads	4,596	4,262	2,370	2,104
Insurance	3,005	2,928	1,527	1,495
Repair and maintenance	986	1,475	575	672
Depreciation	14,404	12,967	7,263	6,559
	1,858,143	1,724,492	926,867	841,304
Work-in-process:				
Opening stock	16,154	18,251	19,281	15,354
Closing stock	(18,664)	(17,256)	(18,664)	(17,256)
	(2,510)	995	617	(1,902)
Cost of goods manufactured	1,855,633	1,725,487	927,484	839,402
Finished goods:				
Opening stock	238,084	235,716	180,654	311,631
Closing stock	(145,065)	(357,401)	(145,065)	(357,401)
	93,019	(121,685)	35,589	(45,770)
	1,948,652	1,603,802	963,073	793,632
Cost of goods purchased for resale	88,212	3,722	884	3,722
	2,036,864	1,607,524	963,957	797,354

	UN-AUDITED	
	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)	
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	(46,805)	(31,211)
Adjustments for non-cash charges and other items:		
Depreciation	17,190	15,837
Provision for staff retirement gratuity	13,016	11,578
Gain on sale of operating fixed assets	(26)	-
Share of loss/(profit) from associate company	(717)	814
Loans and advances written off	-	-
Profit on deposits with banks	-	(92)
Finance cost	11,204	14,674
Impairment loss on investments	194	14
Provision for workers' profit participation fund	-	-
Working capital changes (Note 10.1)	(75,856)	(164,155)
	(81,800)	(152,541)
10.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(5,500)	783
Stock-in-trade	(90,226)	(260,932)
Trade debts	(36,722)	22,934
Loans and advances	10,285	(30,866)
Short term deposits prepayments and balances with statutory authorities	(681)	37,921
Other receivables	(5,447)	(237)
	(128,291)	(230,397)
Increase in trade and other payables	52,435	66,242
	(75,856)	(164,155)

11. SEGMENT INFORMATION

11.1

	Textiles		Trading		Elimination of inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)							
Sales	1,906,433	1,651,757	213,210	701,734	(40,320)	(671,092)	2,079,323	1,682,399
Cost of sales	(1,879,076)	(1,593,910)	(198,108)	(684,706)	40,320	671,092	(2,036,864)	(1,607,524)
Gross profit	27,357	57,847	15,102	17,028	-	-	42,459	74,875
Distribution cost	(13,857)	(9,968)	(7,054)	(19,074)	-	-	(20,911)	(29,042)
Administrative expenses	(75,891)	(74,484)	(421)	(414)	-	-	(76,312)	(74,898)
Other expenses	(204)	(19)	(7,475)	(19,488)	-	-	(204)	(19)
	(89,952)	(84,471)	(7,475)	(19,488)	-	-	(97,427)	(103,959)
Other income	(62,595)	(26,624)	7,627	(2,460)	-	-	(54,968)	(29,084)
Profit from operations	15,431	7,058	3,219	6,303	-	-	18,650	13,361
Finance cost	(47,164)	(19,566)	10,846	3,843	-	-	(36,318)	(15,723)
	(10,640)	(12,316)	(564)	(2,358)	-	-	(11,204)	(14,674)
(Loss) / profit before taxation and unallocated income and expenses	(57,804)	(31,882)	10,282	1,485	-	-	(47,522)	(30,397)
Share of (loss) / profit from associated companies							717	(814)
Taxation							(19,634)	3,848
(Loss) / profit after taxation							(66,439)	(27,363)

11.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2016	30 June 2016	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	4,665,176	4,430,444	9,433	119,683	4,674,609	4,550,127
Deferred income tax asset					46,535	46,417
Non-current assets held for sale					-	-
Total assets as per balance sheet					4,721,144	4,596,544
Total liabilities for reportable segments	1,055,551	877,828	2,136	15,341	1,057,687	893,169
Unallocated liabilities:						
Provision for taxation					23,896	32,450
Total liabilities as per balance sheet					1,081,583	925,619

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(RUPEES IN THOUSAND)			
i) Transactions				
Associated companies				
Service charges	94	8,526	94	865
Dividend income	63	4,861	36	4,861
Other related parties				
Loans (repaid to)/received from directors and executives	5,642	(703)	6,663	538
Remuneration paid to Chief Executive Officer, Directors and Executives	28,601	24,066	14,301	12,033

ii) Period end balances

	(Un-audited)	(Audited)
	31 December 2016	30 June 2016
Trade and other payables	4,995	6,507
Short term borrowings	196,033	190,391

13. FINANCIAL INSTRUMENTS
13.1 Fair value of Financial Instruments

Subsequent to the reporting period on 28 January 2017, the Company has obtained possession of new industrial unit. However, this event has been considered as non-adjusting and has not been recognized in this condensed interim financial information.

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

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

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

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

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

13.2 Financial instruments by category

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.

	Carrying Amount		Fair Value				
	Loans and receivable	Available for sale	Financial liabilities at amortized cost	Level 1	Level 2	Level 3	Total
31 December 2016 (Un-audited)							
Financial assets							
Investments at fair value	-	276,430	-	276,430	-	-	276,430
Investments at cost	-	2,957	-	-	-	-	2,957
Loans and advances	12,715	-	-	-	-	-	12,715
Deposits	3,133	-	-	-	-	-	3,133
Trade debts	76,741	-	-	-	-	-	76,741
Other receivables	38,835	-	-	-	-	-	38,835
Cash and bank balances	25,280	-	-	-	-	-	25,280
	156,704	279,387	-	276,430	-	-	456,091
Financial liabilities							
Trade and other payables	-	-	379,264	-	-	-	379,264
Accrued mark-up on short term borrowing	-	-	17,851	-	-	-	17,851
Short term borrowings	-	-	563,340	-	-	-	563,340
	-	-	960,455	-	-	-	960,455
30 June 2016 (Audited)							
Financial assets							
Investments at fair value	-	178,145	-	178,145	-	-	178,145
Investments at cost	-	5,043	-	-	-	-	5,043
Loans and advances	7,757	-	-	-	-	-	7,757
Deposits	3,181	-	-	-	-	-	3,181
Trade debts	40,019	-	-	-	-	-	40,019
Other receivables	32,899	-	-	-	-	-	32,899
Cash and bank balances	35,669	-	-	-	-	-	35,669
	119,525	183,188	-	178,145	-	-	302,713
Financial liabilities							
Trade and other payables	-	-	310,096	-	-	-	310,096
Accrued mark-up on short term borrowing	-	-	19,403	-	-	-	19,403
Short term borrowings	-	-	451,814	-	-	-	451,814
	-	-	781,313	-	-	-	781,313

14. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on February 27, 2017.

15. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated 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 except for following:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	

Balance Sheet as at 30 June 2016:


Borrowings from other related parties	Trade and other payables	Short term borrowings	6,663
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Profit and loss account for the period ended 31 December 2015:

Exchange gain	Sales	Other Income	6,303
Export rebate	Cost of Sales	Sales	213

16. 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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