

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR NINE MONTHS ENDED 31 MARCH 2017
(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 present to you the condensed interim financial information for the third quarter and nine months ended March 31, 2017. During the period under review, your company incurred a post-tax loss of Rs. 47.019 Million whereas in the comparative period of last year company incurred a post-tax loss of Rs. 61.242 million.

Total sales revenue of the company for the nine months stood at Rs. 3,009.441 Million, whereas, the turnover figures during the same period in year 2016 was Rs. 2,531.295 Million hence depicting an increase of almost nineteen 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% whereas, up to March 31, 2016 it was around 96%.

The textile industry in Pakistan has been going through a prolonged recessionary period characterized by weak demand, low end-product prices and eroding margins. Factors contributing to this include high cost of doing business, a global growth slowdown, devaluation of regional currencies, increased financial and commodity market volatility and a significant economic slowdown in China. The adverse economic conditions which overshadowed spinning sector in the financial year 2015-16 continued to prevail during the nine months of the financial year 2016-17. Cotton prices in international market remained volatile and the same trend was reflected in yarn prices. On the other hand, cotton prices in local market remained at higher level due to continuous procurement by spinners. The Company procured raw cotton keeping in view the dynamics of cotton market and tried to achieve a favourable cotton price mix. Cotton yarn prices in international market were unsupportive for yarn exporters due to uncertain international cotton market scenario.

Future Prospectus

Though yarn prices have shown some improvement in the recent past, we expect the profitability of the textile industry to remain under pressure. The uncertain global economic situation is likely to keep demand for end products weak. Apart from the market dynamics, the local textile industry faces several other challenges. These include continued shortfalls in cotton production, uncertainty relating to energy supply and pricing, unrealistic currency valuation and high local taxes and surcharges. The situation is further exacerbated by the strong government support being offered to our regional competitors in the form of subsidies and export incentives.

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
April 29, 2017.

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2017ء کو مختتمہ تیسری سہ ماہی / نو ماہی کے لیے مختمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے 47.019 ملین روپے کا بعد از ٹیکس نقصان برداشت کیا ہے جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس نقصان 61.242 ملین روپے تھا۔

نو ماہی کے لیے کمپنی کی کل فروخت محصولات 3,009.441 ملین روپے جبکہ سال 2016ء میں اسی مدت کے دوران ٹرن اوور کی رقم 2,531.295 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 19 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 فیصد رہی جبکہ 31 مارچ 2016ء تک یہ 96 فیصد کے لگ بھگ تھی۔

پاکستان کی ٹیکسٹائل انڈسٹری کمزور طلب، کم پیداواری قیمتوں اور بتدریج کم ہوتے منافع کی وجہ سے مالیاتی بحران کے طویل دور سے گزر رہی ہے۔ اس کی وجوہات میں کاروبار کی بلند شرح لاگت، عالمی سست شرح نمو، مقامی کرنسیوں کی تخفیف، مالیاتی اور اجناس کی منڈی میں واضح اتار چڑھاؤ اور چین میں نمایاں معاشی سست روی جیسے عوامل شامل ہیں۔ منفی معاشی حالات جنہوں نے مئی سال 2015-16 کے دوران سپننگ سیکٹر کو گھیرے رکھا، مالی سال 2016-17 کی نو ماہی کے دوران بھی غالب رہے۔ روٹی کی قیمتیں بین الاقوامی منڈی میں غیر مستحکم رہیں جس کا اثر سوت کی قیمتوں پر پڑا۔ دوسری طرف مقامی منڈی میں سپنرز کی طرف سے مسلسل خریداری کی وجہ سے روٹی کی قیمتیں بلند تر سطح پر رہیں۔ کمپنی نے کائون مارکیٹ کے تحریک کو ذہن میں رکھتے ہوئے خام روٹی کی خریداری کی اور روٹی کی سازگار قیمت حاصل کرنے کی کوشش کی۔ عالمی منڈی میں کائون یارن کی قیمتیں غیر یقینی بین الاقوامی کائون مارکیٹ کے تناظر میں یارن ایکسپورٹرز کے لیے غیر معاون تھیں۔

مستقبل کے امکانات:

اگرچہ ماضی قریب میں سوت کی قیمتوں میں کچھ بہتری دکھائی دی ہے، تاہم ٹیکسٹائل انڈسٹری کا منافع دباؤ میں رہنے کی امید ہے۔ غیر یقینی عالمی معاشی صورتحال کی وجہ سے تیار شدہ مصنوعات کی طلب کمزور رہے گی۔ مارکیٹ کے تحریک کے قطع نظر مقامی ٹیکسٹائل انڈسٹری کو بہت سے دیگر خطرات کا سامنا ہے۔ جس میں کائون کی پیداوار میں مسلسل کمی، توانائی کی دستیابی اور قیمتوں میں غیر یقینی، کرنسی کی غیر حقیقی قیمت اور ٹیکسز و جرانوں کی بھاری شرح شامل ہے۔ ہمارے مقامی حریفوں کو سب سڈی اور برآمدی ترنگیات کی شکل میں مضبوط حکومتی تعاون سے اس صورتحال میں مزید شدت پیدا ہوگئی ہے۔

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 رہنمائی کے لیے بورڈ آف ڈائریکٹرز کے بھی شکر گزار ہیں۔

منجانب
بورڈ آف ڈائریکٹرز



محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

29 اپریل 2017ء

UNCONSOLIDATED CONDENSED INTERIM

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2017	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
Reserves
TOTAL EQUITY

213,775	213,775
552,057	364,011
765,832	577,786

Surplus on revaluation of freehold land and investment properties

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

Long term loan

Employees' retirement benefit

207,326	-
66,840	66,799

CURRENT LIABILITIES

Trade and other payables

Accrued mark-up on short term borrowings

Short term borrowings

Provision for taxation

409,896	343,007
10,478	7,001
658,188	453,477
32,538	31,384
1,111,100	834,869
1,385,266	901,668

TOTAL LIABILITIES
CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

5,231,088	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 MARCH 2017

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2017	2016
	(RUPEES IN THOUSAND)	

ASSETS
NON-CURRENT ASSETS

Property, plant and equipment

Investment properties

Long term investments

Long term deposits and prepayments

Deferred income tax asset

6	3,678,462	3,495,625
	169,724	169,724
7	14,181	16,699
	4,646	2,659
	46,312	46,195
	3,913,325	3,730,902

CURRENT ASSETS

Stores, spare parts and loose tools

Stock-in-trade

Trade debts

Loans and advances

Short term deposits, prepayments and balances with statutory authorities

Other receivables

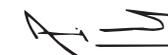
Short term investments

Cash and bank balances

32,827	34,014
576,900	385,883
72,948	40,019
72,287	36,777
103,457	102,439
39,551	30,587
396,403	166,489
23,390	32,334
1,317,763	828,542

TOTAL ASSETS

5,231,088	4,559,444
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ABID MEHMOOD

DIRECTOR

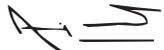
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			
SALES	3,009,441	2,531,295	930,118	850,698
COST OF SALES	(2,921,371)	(2,421,502)	(884,507)	(813,896)
GROSS PROFIT	88,070	109,793	45,611	36,802
DISTRIBUTION COST	(25,993)	(41,231)	(5,082)	(12,189)
ADMINISTRATIVE EXPENSES	(108,305)	(111,118)	(33,281)	(36,986)
OTHER EXPENSES	(2,141)	(8,647)	(44)	(10)
OTHER INCOME	54,884	24,705	31,757	4,599
FINANCE COST	(21,113)	(24,287)	(10,209)	(9,913)
LOSS BEFORE TAXATION	(14,598)	(50,785)	28,752	(17,697)
TAXATION	(32,421)	(10,457)	(13,320)	(14,643)
LOSS AFTER TAXATION	(47,019)	(61,242)	15,432	(32,340)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	(2.20)	(2.86)	0.72	(1.51)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

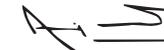
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			
LOSS AFTER TAXATION	(47,019)	(61,242)	15,432	(32,340)
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	241,430	11,590	131,726	14,930
Reclassification adjustment for gain included in profit or loss	(6,365)	-	(3,395)	-
	235,065	11,590	128,331	14,930
Other comprehensive income / (loss) for the period	235,065	11,590	128,331	14,930
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	188,046	(49,652)	143,763	(17,410)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

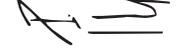
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)**

NOTE	(Nine months ended)	
	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	(188,873)	(141,431)
Finance cost paid	(17,636)	(20,785)
Employees' retirement benefit paid	(15,275)	(11,124)
Income tax paid	(28,831)	(21,889)
Decrease in long term deposits and prepayments	(1,987)	-
Net cash utilized in operating activities	(252,602)	(195,229)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment and investment properties	(208,878)	(53,451)
Proceeds from sale of property, plant and equipment	1,647	983
Investment made	-	(17,842)
Proceeds from sale of investment	38,852	-
Profit on deposits with banks received	-	88
Net cash from / (used in) investing activities	(168,379)	(70,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan	207,326	-
Short term borrowings - net	204,711	263,075
Net cash from financing activities	412,037	263,075
Net (decrease) / increase in cash and cash equivalents	(8,944)	(2,376)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	32,334	16,628
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23,390	14,252

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

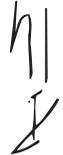
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)**

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			TOTAL	TOTAL EQUITY		
		Premium on issue of shares	Plant Modernisation	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	288,862	384,549	598,324
Loss for the nine months ended 31 March 2016	-	-	-	-	-	-	-	(61,242)	(61,242)	(61,242)	(61,242)
Other comprehensive loss for the nine months ended 31 March 2016	-	-	-	11,590	11,590	-	-	-	-	11,590	11,590
Total comprehensive loss for the nine months ended 31 March 2016	-	-	-	11,590	11,590	-	-	(61,242)	(61,242)	(49,652)	(49,652)
Balance as at 31 March 2016 - (Un-audited)	213,775	5,496	12,000	109,781	127,277	96,988	4,000	106,632	207,620	334,897	548,672
Profit for the three months ended 30 June 2016	-	-	-	-	-	-	-	38,887	38,887	38,887	38,887
Other comprehensive income for the three months ended 30 June 2016	-	-	-	(9,773)	(9,773)	-	-	-	-	(9,773)	(9,773)
Total comprehensive income for the three months ended 30 June 2016	-	-	-	(9,773)	(9,773)	-	-	38,887	38,887	29,114	29,114
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 nine months ended 31 March 2017	-	-	-	-	-	-	-	(47,019)	(47,019)	(47,019)	(47,019)
Other comprehensive income for the nine months ended 31 March 2017	-	-	-	235,065	235,065	-	-	-	-	235,065	235,065
Total comprehensive income / (loss) for the nine months ended 31 March 2017	-	-	-	235,065	235,065	-	-	(47,019)	(47,019)	188,046	188,046
Balance as at 31 March 2017 - (Un-audited)	213,775	5,496	12,000	335,073	352,569	96,988	4,000	98,500	199,488	552,057	765,832

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 NINE MONTHS ENDED 31 MARCH 2017 (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 March 2017 are of Rupees 14.435 million (30 June 2016: Rupees 9.576 million).

ii) Letters of credit other than for capital expenditure as at 31 March 2017 are of Rupees 41.337 million (30 June 2016: Rupees Nil).

UN-AUDITED	AUDITED
31 March	30 June
2017	2016

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,289,047	3,297,888
Capital work-in-progress (Note 6.2)	389,415	197,737
	<u>3,678,462</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)	17,200	61,717
Effect of surplus on revaluation	-	536,617
Transferred from non-current assets held for sale	-	913
	3,315,088	3,330,095
Less: Book value of deletions during the period / year - vehicles	1,664	379
	3,313,424	3,329,716

Less : Depreciation charged during the period / year	24,377	31,828
	<u>3,289,047</u>	<u>3,297,888</u>

6.1.1 Cost of additions during the period / year

Plant and machinery	12,396	54,197
Electric installations	2,015	2,610
Furniture and fixtures	1,237	282
Vehicles	1,427	4,262
Office equipment	125	126
Service equipment	-	240
	<u>17,200</u>	<u>61,717</u>

	UN-AUDITED	AUDITED
	31 March 2017	30 June 2016
(RUPEES IN THOUSAND)		
6.2 Capital work-in-progress		
Advance against purchase of new industrial unit	333,935	191,665
Pre-operational expenses	25,311	575
Advances to suppliers/contractors	29,368	-
Buildings and roads on freehold land	801	370
Plant and machinery	-	3,067
Electric installations	-	2,060
	389,415	197,737
7. LONG TERM INVESTMENTS		
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	10,007	10,438
	14,181	16,699

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
(RUPEES IN THOUSAND)				
8. COST OF SALES				
Raw materials consumed	2,001,306	1,606,157	639,545	514,414
Salaries, wages and other benefits	251,101	241,778	80,531	74,209
Stores, spare parts and loose tools consumed	70,811	79,061	24,761	24,683
Fuel and power	352,513	340,202	112,000	91,523
Outside weaving / other charges	22,697	160,825	6,439	20,252
Other manufacturing overheads	6,801	6,297	2,205	2,035
Insurance	4,507	4,583	1,502	1,655
Repair and maintenance	1,441	1,981	455	506
Depreciation	21,379	20,227	6,975	7,260
	2,732,556	2,461,111	874,413	736,537
Work-in-process				
Opening stock	16,154	18,251	18,664	17,256
Closing stock	(20,798)	(14,181)	(20,798)	(14,181)
	(4,644)	4,070	(2,134)	3,075
Cost of goods manufactured	2,727,912	2,465,181	872,279	739,612
Finished goods				
Opening stock	238,084	235,716	145,065	357,401
Closing stock	(132,837)	(287,083)	(132,837)	(287,083)
	105,247	(51,367)	12,228	70,318
	2,833,159	2,413,814	884,507	809,930
Cost of goods purchased for resale	88,212	7,688	-	3,966
	2,921,371	2,421,502	884,507	813,896

9. CASH UTILIZED IN OPERATIONS

	UN-AUDITED	
	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)	
Loss before taxation	(14,598)	(50,785)
Adjustments for non-cash charges and other items:		
Depreciation	24,377	23,435
Provision for staff retirement gratuity	15,316	17,010
Net loss on sale of property, plant and equipment	17	(605)
Profit on deposits with banks	-	(98)
Gain on sale of investment	(33,270)	-
Impairment loss on long term investments	2,087	8,632
Finance cost	21,113	24,287
Working capital changes (Note 9.1)	(203,915)	(163,307)
	(188,873)	(141,431)

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

Stores, spare parts and loose tools	1,187	6,334
Stock-in-trade	(191,017)	(106,230)
Trade debts	(32,929)	389
Loans and advances	(35,510)	(37,553)
Short term deposits, prepayments and balances with statutory authorities	(3,571)	(15,228)
Other receivables	(8,964)	(1,000)
	(270,804)	(153,288)
Increase in trade and other payables	66,889	(10,019)
	(203,915)	(163,307)

10. SEGMENT INFORMATION - UNCONSOLIDATED
10.1

	Textiles		Trading		Elimination of inter-segment transactions		TOTAL	
	Nine months ended 31 March 2017	31 March 2016	Nine months ended 31 March 2017	31 March 2016	Nine months ended 31 March 2017	31 March 2016	Nine months ended 31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)							
Sales	2,807,748	2,409,347	251,532	808,476	(49,839)	(686,528)	3,009,441	2,531,295
Cost of sales	(2,730,986)	(2,311,723)	(240,224)	(796,307)	49,839	686,528	(2,921,371)	(2,421,502)
Gross profit	76,762	97,624	11,308	12,169	-	-	88,070	109,793
Distribution cost	(19,526)	(18,237)	(6,467)	(22,994)	-	-	(25,993)	(41,231)
Administrative expenses	(107,762)	(110,514)	(543)	(604)	-	-	(108,305)	(111,118)
Other income	54,884	16,518	-	8,187	-	-	54,884	24,705
Finance cost	(20,449)	(21,822)	(664)	(2,465)	-	-	(21,113)	(24,287)
(Loss) / profit before taxation and unallocated expenses	(16,091)	(36,431)	3,634	(5,707)	-	-	(12,457)	(42,138)
Unallocated expenses:								
Other expenses							(2,141)	(8,647)
Taxation							(32,421)	(10,457)
Loss after taxation							(47,019)	(61,242)

10.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2017	30 June 2016	31 March 2017	30 June 2016	31 March 2017	30 June 2016
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	5,181,478	4,393,566	3,298	119,683	5,184,776	4,513,249
Unallocated asset:						
Deferred income tax asset					46,312	46,195
Total assets as per balance sheet					5,231,088	4,559,444
Total liabilities for reportable segments	1,347,551	854,943	5,177	15,341	1,352,728	870,284
Unallocated liability:						
Provision for taxation					32,538	31,384
Total liabilities as per balance sheet					1,385,266	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)			
	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			

i) Transactions
Subsidiary company

Rental expense	3,375	3,375	1,125	1,125
Stores consumed by the Company	2	-	-	-

Associated companies

Service charges	260	8,526	166	-
Investment made	-	17,632	-	17,632
Dividend income	63	4,861	-	-

Other related parties

Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and sponsors - net	17,211	24,853	6,663	25,556
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Remuneration paid to Chief Executive Officer, Directors and Executives	35,989	36,099	17,995	12,033
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(Un-audited)	(Audited)
31 March 2017	30 June 2016

ii) Period / year end balances

Trade and other payables	7,363	8,619
Short term borrowings	207,602	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 12.3 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 March 2017 (Un-audited)							
Financial assets							
Investments at fair value	-	407,628	407,628	407,628	-	-	407,628
Investments at cost	-	2,956	2,956	-	-	-	-
Loans and advances	12,715	-	12,715	-	-	-	-
Deposits	4,646	-	4,646	-	-	-	-
Trade debts	72,948	-	72,948	-	-	-	-
Other receivables	39,551	-	39,551	-	-	-	-
Cash and bank balances	23,390	-	23,390	-	-	-	-
	153,250	410,584	563,834	407,628	-	-	407,628
Financial liabilities							
Trade and other payables	-	-	381,572	-	-	-	-
Accrued mark-up on short term borrowing	-	-	10,478	-	-	-	-
Short term borrowings	-	-	658,188	-	-	-	-
	-	-	1,050,238	-	-	-	-
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 April 29, 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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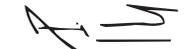
Profit and loss account for the period ended 31 March 2016:

Exchange gain	Sales	Other Income	8,187
Export rebate	Cost of Sales	Sales	295

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 March 2017	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
----------------	---------

Issued, subscribed and paid up share capital

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

Reserves

373,527	380,364
----------------	---------

Equity attributable to equity holders of the Holding Company

587,302	594,139
----------------	---------

Non-controlling interest

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

TOTAL EQUITY

573,604	580,441
----------------	---------

**Surplus on revaluation of freehold land
and investment properties**

3,090,484	3,090,484
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LIABILITIES

NON-CURRENT LIABILITIES

Long term loan

207,326	-
----------------	---

Employees' retirement benefit

66,840	66,799
---------------	--------

CURRENT LIABILITIES

Trade and other payables

416,741	355,153
----------------	---------

Accrued mark-up

23,330	19,403
---------------	--------

Short term borrowings

663,187	451,814
----------------	---------

Provision for taxation

34,468	32,450
---------------	--------

1,137,726	858,820
------------------	---------

TOTAL LIABILITIES

1,411,892	925,619
------------------	---------

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

5,075,980	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 MARCH 2017

NOTE	UN-AUDITED	AUDITED
	31 March 2017	30 June 2016
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment

6	3,694,688	3,513,063
---	------------------	-----------

Investment properties

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

Long term investments

7	46,443	85,782
---	---------------	--------

Long term deposits

5,168	3,181
--------------	-------

Deferred income tax - asset

46,535	46,417
---------------	--------

3,962,558	3,818,167
------------------	-----------

CURRENT ASSETS

Stores, spare parts and loose tools

36,174	37,359
---------------	--------

Stock-in-trade

576,900	385,883
----------------	---------

Trade debts

72,948	40,019
---------------	--------

Loans and advances

72,287	36,777
---------------	--------

Short term deposits, prepayments and
balances with statutory authorities

103,996	102,898
----------------	---------

Other receivables

42,881	33,388
---------------	--------

Short term investments

181,411	106,384
----------------	---------

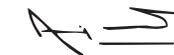
Cash and bank balances

26,825	35,669
---------------	--------

1,113,422	778,377
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TOTAL ASSETS

5,075,980	4,596,544
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ABID MEHMOOD
DIRECTOR

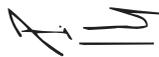
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			
SALES	3,009,441	2,531,295	930,118	850,698
COST OF SALES	(2,921,371)	(2,421,502)	(884,507)	(813,896)
GROSS PROFIT	88,070	109,793	45,611	36,802
DISTRIBUTION COST	(25,993)	(41,231)	(5,082)	(12,189)
ADMINISTRATIVE EXPENSES	(110,165)	(111,544)	(33,853)	(36,646)
OTHER EXPENSES	(247)	(29)	(43)	(10)
	(136,405)	(152,804)	(38,978)	(48,845)
	(48,335)	(43,011)	6,633	(12,043)
OTHER INCOME	41,671	19,844	23,021	4,599
PROFIT / (LOSS) FROM OPERATIONS	(6,664)	(23,167)	29,654	(7,444)
FINANCE COST	(21,563)	(24,737)	(10,359)	(10,063)
	(28,227)	(47,904)	19,295	(17,507)
SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANY	717	526	-	1,340
(LOSS) / PROFIT BEFORE TAXATION	(27,510)	(47,378)	19,295	(16,167)
TAXATION	(33,285)	(10,963)	(13,651)	(14,811)
(LOSS) / PROFIT AFTER TAXATION	(60,795)	(58,341)	5,644	(30,978)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):	(2.84)	(2.73)	0.26	(1.45)

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 NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			
(LOSS) / PROFIT AFTER TAXATION	(60,795)	(58,341)	5,644	(30,978)
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	55,885	4,040	18,883	6,547
Other comprehensive income / (loss) for the period	55,885	4,040	18,883	6,547
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(4,910)	(54,301)	24,527	(24,431)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



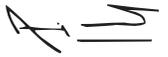
ABID MEHMOOD
DIRECTOR

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

NOTE	(Nine months ended)	
	31 March 2017	31 March 2016
(RUPEES IN THOUSAND)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	10 (197,405)	(144,754)
Finance cost paid	(17,636)	(20,755)
Staff retirement gratuity paid	(15,275)	(11,124)
Income tax paid	(28,911)	(22,298)
Net cash utilized in operating activities	(259,227)	(198,931)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment and investment properties	(208,878)	(53,451)
Proceeds from operating fixed assets	1,647	983
Investments made	-	(17,842)
Proceeds from sale of investment	38,852	-
Dividend received from associated companies	63	4,861
Profit on bank deposits received	-	98
Net cash (used in) / from investing activities	(168,316)	(65,351)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan	207,326	-
Short term borrowings - net	211,373	263,075
Net cash from financing activities	418,699	263,075
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,844)	(1,207)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,669	20,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,825	18,852

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

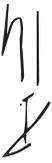

ABID MEHMOOD
DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2017 (UN-AUDITED)

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			RESERVES		TOTAL	TOTAL EQUITY
		Premium on issue of shares	Plant Modernisation	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	14,674	32,170	44,975	4,000	362,320	411,295	443,465	657,240
Loss for the nine months ended 31 March 2016	-	-	-	-	-	-	-	(58,341)	(58,341)	(58,341)	(58,341)
Other comprehensive income / (loss) for the nine months ended 31 March 2016	-	-	-	4,040	4,040	-	-	-	-	4,040	4,040
Total comprehensive income for the nine months ended 31 March 2016	-	-	-	4,040	4,040	-	-	(58,341)	(58,341)	(54,301)	(54,301)
Balance as at 31 March 2016 - (Un-audited)	213,775	5,496	12,000	18,714	36,210	44,975	4,000	303,979	352,954	389,164	602,939
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 three months ended 30 June 2016	-	-	-	-	-	-	-	(31,084)	(31,084)	(31,084)	(31,084)
Other comprehensive income for the three months ended 30 June 2016	-	-	-	19,613	19,613	-	-	-	-	19,613	19,613
Total comprehensive (loss) / income for the three months ended 30 June 2016	-	-	-	19,613	19,613	-	-	(31,084)	(31,084)	(11,471)	(11,471)
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 nine months ended 31 March 2017	-	-	-	-	-	-	-	(60,795)	(60,795)	(60,795)	(60,795)
Other comprehensive income for the nine months ended 31 March 2017	-	-	-	55,885	55,885	-	-	-	-	55,885	55,885
Total comprehensive (loss) / income for the nine months ended 31 March 2017	-	-	-	55,885	55,885	-	-	(60,795)	(60,795)	(4,910)	(4,910)
Balance as at 31 March 2017 - (Un-audited)	213,775	5,496	12,000	94,212	111,708	44,975	4,000	212,844	261,819	373,527	587,302

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 NINE MONTHS ENDED 31 MARCH 2017 (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 March 2017 are of Rupees 14.435 million (30 June 2016: Rupees 9.576 million).

ii) Letters of credit for other than capital expenditure as at 31 March 2017 are of Rupees 41.337 million (30 June 2016: Rupees Nil).

UN-AUDITED	AUDITED
31 March	30 June
2017	2016
(RUPEES IN THOUSAND)	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,305,273	3,315,326
Capital work-in-progress (Note 6.2)	389,415	197,737
	3,694,688	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)	17,200	61,717
Effect of surplus on revaluation as at 30 June 2016	-	541,344
Transferred from non-current assets held for sale	-	913
	3,332,526	3,348,837

Less:

Book value of deletions during the period / year	1,664	379
Depreciation charged during the period / year	25,589	33,132
	27,253	33,511

Book value at the end of the period / year	3,305,273	3,315,326
--	------------------	-----------

UN-AUDITED	AUDITED
31 March	30 June
2017	2016

(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

Plant and machinery	12,396	54,197
Electric installations	2,015	2,610
Furniture and fixtures	1,237	282
Vehicles	1,427	4,262
Office equipment	125	126
Service equipment	-	240
	17,200	61,717

6.2 Capital work-in-progress

Advance against purchase of new industrial unit	333,935	191,665
Pre-operational expenses	25,311	575
Advances to suppliers/contractors	29,368	-
Buildings and roads on freehold land	801	370
Plant and machinery	-	3,067
Electric installations	-	2,060
	389,415	197,737

7. LONG TERM INVESTMENTS

In associates:

Cost	35,102	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	(33,905)	(111,784)
	5,601	39,506
	40,703	80,189

Available for sale:

Quoted - Others	2,623	2,641
Unquoted - Others	664	664
	3,287	3,305

Less: Impairment loss charged to profit and loss account

	(194)	(18)
Add: Fair value adjustment	2,647	2,306
	5,740	5,593
	46,443	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.

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)			
8. COST OF SALES				
Raw material consumed	2,001,306	1,606,157	639,545	514,414
Salaries, wages and other benefits	251,101	241,778	80,531	74,209
Stores, spare parts and loose tools consumed	70,811	79,061	24,761	24,683
Fuel and power	352,513	340,202	112,000	91,523
Outside weaving charges	22,697	160,825	6,439	20,252
Other manufacturing overheads	6,801	6,297	2,205	2,035
Insurance	4,507	4,583	1,502	1,655
Repair and maintenance	1,441	1,981	455	506
Depreciation	21,379	20,227	6,975	7,260
	2,732,556	2,461,111	874,413	736,537
Work-in-process:				
Opening stock	16,154	18,251	18,664	17,256
Closing stock	(20,798)	(14,181)	(20,798)	(14,181)
	(4,644)	4,070	(2,134)	3,075
Cost of goods manufactured	2,727,912	2,465,181	872,279	739,612
Finished goods:				
Opening stock	238,084	235,716	145,065	357,401
Closing stock	(132,837)	(287,083)	(132,837)	(287,083)
	105,247	(51,367)	12,228	70,318
Cost of goods purchased for resale	88,212	7,688	-	3,966
	2,921,371	2,421,502	884,507	813,896

	UN-AUDITED	
	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)	
9. CASH UTILIZED IN OPERATIONS		
Profit before taxation	(27,510)	(47,378)
Adjustments for non-cash charges and other items:		
Depreciation	25,589	24,412
Provision for staff retirement gratuity	15,316	17,010
Net loss on sale of operating fixed assets	17	(605)
Share of loss/(profit) from associate company	(717)	(526)
Gain on sale of investment	(20,121)	-
Profit on deposits with banks	-	(98)
Finance cost	21,563	24,737
Impairment loss on investments	194	14
Working capital changes (Note 10.1)	(211,736)	(162,320)
	(197,405)	(144,754)
9.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,185	6,488
Stock-in-trade	(191,017)	(106,230)
Trade debts	(32,929)	389
Loans and advances	(35,510)	(37,553)
Short term deposits prepayments and balances with statutory authorities	(5,560)	(15,228)
Other receivables	(9,493)	(1,009)
	(273,324)	(153,143)
Increase in trade and other payables	61,588	(9,177)
	(211,736)	(162,320)

10. SEGMENT INFORMATION

10.1

	Textiles		Trading		Elimination of inter-segment transactions		TOTAL	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(RUPEES IN THOUSAND)							
Sales	2,409,347	213,210	808,476	-	(686,528)	-	3,009,441	2,531,295
Cost of sales	(2,763,583)	(198,108)	(796,307)	-	40,320	686,528	(2,921,371)	(2,421,502)
Gross profit	72,968	15,102	12,169	-	-	-	88,070	109,793
Distribution cost	(18,939)	(7,054)	(22,994)	-	-	-	(25,993)	(41,231)
Administrative expenses	(109,744)	(421)	(604)	-	-	-	(110,165)	(111,544)
Other expenses	(247)	(7,475)	(23,598)	-	-	-	(247)	(29)
	(128,930)	(12,926)	(23,598)	-	-	-	(136,405)	(152,804)
	(55,962)	7,627	(11,429)	-	-	-	(48,335)	(43,011)
Other income	38,452	3,219	8,187	-	-	-	41,671	19,844
Profit from operations	(17,510)	10,846	(3,242)	-	-	-	(6,664)	(23,167)
Finance cost	(20,999)	(564)	(2,465)	-	-	-	(21,563)	(24,737)
(Loss) / profit before taxation and unallocated income and expenses	(38,509)	10,282	(5,707)	-	-	-	(28,227)	(47,904)
Share of (loss) / profit from associated companies	-	-	-	-	-	-	717	526
Taxation	-	-	-	-	-	-	(33,285)	(10,963)
(Loss) / profit after taxation	-	-	-	-	-	-	(60,795)	(58,341)

10.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED) 31 March 2017	(AUDITED) 30 June 2016	(UN-AUDITED) 31 March 2017	(AUDITED) 30 June 2016	(UN-AUDITED) 31 March 2017	(AUDITED) 30 June 2016
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	5,026,147	4,430,444	3,298	119,683	5,029,445	4,550,127
Deferred income tax asset	-	-	-	-	46,535	46,417
Non-current assets held for sale	-	-	-	-	-	-
Total assets as per balance sheet					5,075,980	4,596,544
Total liabilities for reportable segments	1,372,247	877,828	5,177	15,341	1,377,424	893,169
Unallocated liabilities:						
Provision for taxation	-	-	-	-	34,468	32,450
Total liabilities as per balance sheet					1,411,892	925,619

11. 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:

	Nine months ended		Quarter ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	(Un-audited)			
	(RUPEES IN THOUSAND)			

i) Transactions

Associated companies

Service charges	260	8,526	166	1,125
Dividend income	63	-	-	-

Other related parties

Loans (repaid to)/received from directors and executives	17,211	24,853	6,663	25,556
Remuneration paid to Chief Executive Officer, Directors and Executives	35,989	39,099	17,995	12,033

ii) Period end balances

Trade and other payables	3,803	6,507
Short term borrowings	207,602	190,391

(Un-audited)	(Audited)
31 March 2017	30 June 2016

(RUPEES IN THOUSAND)

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 12.3 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.

	Carrying Amount		Fair Value					
	Loans and receivable	Available for sale	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
12.3 Carrying amounts and fair values of financial assets and financial liabilities (RUPEES IN THOUSAND)								
31 March 2017 (Un-audited)								
Financial assets								
Investments at fair value	-	407,628	-	407,628	407,628	-	-	407,628
Investments at cost	-	2,956	-	2,956	-	-	-	-
Loans and advances	12,715	-	-	12,715	-	-	-	-
Deposits	5,168	-	-	5,168	-	-	-	-
Trade debts	72,948	-	-	72,948	-	-	-	-
Other receivables	42,881	-	-	42,881	-	-	-	-
Cash and bank balances	26,825	-	-	26,825	-	-	-	-
	160,537	410,584	-	571,121	407,628	-	-	407,628
Financial liabilities								
Trade and other payables	-	-	416,741	416,741	-	-	-	-
Accrued mark-up on short term borrowing	-	-	23,330	23,330	-	-	-	-
Short term borrowings	-	-	663,187	663,187	-	-	-	-
	-	-	1,103,258	1,103,258	-	-	-	-
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	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	-	302,713	178,145	-	-	178,145
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	-	-	-	-

13. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on April 29, 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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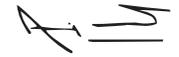
Profit and loss account for the period ended 31 March 2016:

Exchange gain	Sales	Other Income	8,187
Export rebate	Cost of Sales	Sales	295

15. 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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