

# CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION  
FOR THE NINE MONTHS ENDED 31 MARCH 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. Humayun 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

### SHARE REGISTRAR

Vision Consulting Limited,  
3-C, LDA Flats, 1st Floor,  
Lawrance Road, Lahore  
Ph: 042-36283096-7

### URL

[www.crescentcotton.com](http://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, 2016. During the period under review, your company incurred a pre-tax loss of Rs. 50.785 Million whereas in the comparative period of last year loss was Rs. 37.018 million.

Total sales revenue of the company for the nine months stood at Rs. 2,539.187 Million, whereas, the turnover figures during the same period in year 2015 was Rs. 2,925.592 Million hence depicting a fall of almost thirteen percent and accordingly raw material consumed also decreased as compared to corresponding period. Similarly cost of sales in the period under review stood at 95.35% whereas, up to March 31, 2015 it was around 95.25%.

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

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

**Future Prospectus**

Though oil prices are touching 10 years low levels but Pakistan is still facing energy crises which is a big challenge to our country. Pakistan's spinning industry is also confronting dumping of Indian yarn in the local and global market. Pakistan's cotton crop for the season 2015-16 is 35% lesser as compared to previous year. Management of your company is carefully watching the cotton market to procure the cotton at minimal prices. Currently yarn demand in local and foreign market is going at very sluggish levels with very low sale margins. The company is focusing on improving efficiencies and minimizing costs to achieve the better financial results of remaining period of financial year ending June 30, 2016.

The management does not expect any improvement in the overall business scenario in the near future. The fourth quarter of the financial year 2016 is expected to remain sluggish in terms of profitability. The textile industry of Pakistan is passing through a critical phase and it will be presented with many challenges in the coming period. There are issues of demand erosion for yarn and fabrics as well as questions about the size of crops in the cotton growing countries of the world.

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

**Acknowledgement**

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

For and on behalf of  
the Board of Directors



MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER

FAISALABAD  
April 27, 2016

**حصص یافتگان کیلئے ڈائریکٹرز کا جائزہ**

کپنی کے ڈائریکٹرز 31 مارچ 2016ء مختصر نو ماہی اور سہ ماہی کیلئے مختصر عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کپنی نے 50.785 ملین روپے کا پری ٹیکس نقصان برداشت کیا جبکہ گزشتہ سال کی اسی مدت میں نقصان 37.018 ملین روپے تھا۔

نو ماہ کیلئے کپنی کی کل فروخت محصولات 2,539.187 ملین روپے رہیں جبکہ سال 2015ء میں اسی مدت کے دوران ٹرن اور اعداد و شمار 2,925.592 ملین روپے تھا اس لئے تقریباً 13 فیصد کمی واقع ہوئی اور اس کے مطابق اسی مدت کے مقابلہ میں خام مال کے اخراجات بھی کمی ہوئی۔ اس طرح زیر جائزہ مدت میں فروخت کی لاگت 95.35 فیصد رہی جبکہ 31 مارچ 2015ء تک یہ 95.25 فیصد کے ارد گرد تھی۔

زیر جائزہ مدت یارن اور کپڑوں کی مانگ میں کمی کے ساتھ کم آپریٹنگ مارجنز میں سے ایک رہی ہے۔ یارن اور کپڑے کی مانگ میں کمی کی آئی ہے اور خاص طور پر ہماری بڑی مارکیٹوں، جن میں سے ہم چین میں تھیں، دنیا کا شکار ہیں۔ اس مدت کے دوران ٹیکسٹائل کی صنعت شدید رکاوٹوں کے تحت چل رہی ہے جس میں سے توانائی کا شدید بحران اولین رکاوٹ تھی جو پیداواری صلاحیت کے اخراجات پر اثر انداز ہوئی اور بالآخر پیداواری لاگت بڑھ گئی۔

زیر جائزہ مدت کے دوران درپیش مشکلات کے باوجود کپنی کی انتظامیہ بہتر نتائج کے لئے مسلسل محنت کر رہی ہے۔

**مستقبل کے امکانات**

اگرچہ تیل کی قیمتیں 10 سال کی کم ترین سطح کو چھوری ہیں لیکن پاکستان اب بھی توانائی کے بحرانوں کا سامنا کر رہا ہے جو ہمارے ملک کیلئے ایک بڑا چیلنج ہے۔ پاکستان کی سپننگ صنعت کو مقامی اور عالمی منڈی میں بھارتی یارن کی ڈمپنگ کا بھی سامنا ہے۔ موسم 2015-16ء کیلئے پاکستان کی کپاس کی فصل گزشتہ سال کے مقابلہ میں 35% کم ہوئی ہے۔ کپنی کی انتظامیہ کم سے کم قیمتوں پر کپاس حاصل کرنے کیلئے احتیاط سے کاشن مارکیٹ تلاش کر رہی ہے۔ مقامی اور غیر ملکی مارکیٹ میں فی الحال یارن کی مانگ بہت کم سہل مارجنز کے ساتھ بہت سی سست سطحوں پر جا رہی ہے۔ کپنی 30 جون 2016ء کو ختم ہونے والے مالی سال کی بقیہ مدت کے بہتر مالی نتائج حاصل کرنے کیلئے کارکردگی کو بہتر بنانے اور اخراجات کو کم سے کم کرنے پر توجہ مرکوز کر رہی ہے۔

انتظامیہ کو مستقبل قریب میں مجموعی کاروباری حالات میں کمی بھرتی کی توقع نہ ہے۔ مالی سال 2016ء کی آئندہ سہ ماہی نتائج کے لحاظ سے سست رہنے کی امید ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری ایک نازک دور سے گزر رہی ہے اور آنے والے دنوں میں بہت سے چیلنج درپیش ہوں گے۔ یارن اور کپڑے کی مانگ میں کمی کے مسائل کے ساتھ ساتھ دنیا کے کپاس اگانے والے ممالک میں فصلوں کے سائز بارے سوالات موجود ہیں۔

کپنی تاہم بھرتی کیلئے جو بھی ممکن ہو تمام کوششیں کرے گی۔

**اعتراف:**

ڈائریکٹرز کا روٹری سرگرمیوں کے دوران تعاون کیلئے قابل قدر صارفین، بینکاروں اور حصص یافتگان کے شکر گزار ہیں۔ ڈائریکٹرز کپنی کے عملے کے ارکان اور کارکنوں کی سخت محنت اور سرشار خدمات کو بھی سراہتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز

محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

27 اپریل 2016ء

UNCONSOLIDATED CONDENSED INTERIM

		(RUPEES IN THOUSAND)	
		UN-AUDITED	AUDITED
NOTE		31 March 2016	30 June 2015

**EQUITY AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

**Authorized share capital**

30 000 000 (30 June 2015: 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**

334,897	384,549
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**TOTAL EQUITY**

548,672	598,324
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**Surplus on revaluation of freehold land and investment properties**

2,543,373	2,543,373
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**LIABILITIES**

**NON-CURRENT LIABILITIES**

Employees' retirement benefit

64,886	59,000
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**CURRENT LIABILITIES**

Trade and other payables

320,429	330,448
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Accrued mark-up

8,670	5,168
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Short term borrowings

591,511	328,436
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Provision for taxation

27,423	38,731
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948,033	702,783
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**TOTAL LIABILITIES**

1,012,919	761,783
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**CONTINGENCIES AND COMMITMENTS**

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**TOTAL EQUITY AND LIABILITIES**

4,104,964	3,903,480
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER

BALANCE SHEET AS AT 31 MARCH 2016

		(RUPEES IN THOUSAND)	
		UN-AUDITED	AUDITED
NOTE		31 March 2016	30 June 2015

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment

6	2,953,064	2,922,513
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Investment properties

111,680	111,680
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Long term investments

7	17,758	25,252
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Long term deposits

2,612	2,612
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Deferred income tax asset

39,286	22,321
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3,124,400	3,084,378
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**CURRENT ASSETS**

Stores, spare parts and loose tools

34,601	40,935
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Stock-in-trade

501,570	395,340
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Trade debts

55,765	56,154
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Loans and advances

63,992	26,439
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Short term deposits, prepayments and balances with statutory authorities

113,661	115,273
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Other receivables

33,054	32,044
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Short term investments

163,669	135,376
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Cash and bank balances

14,252	16,628
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980,564	818,189
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Non-current assets held for sale

8	-	913
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980,564	819,102
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**TOTAL ASSETS**

4,104,964	3,903,480
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ABID MEHMOOD  
DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS ENDED 31 MARCH 2016 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	Nine months ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
SALES	2,539,187	2,925,592	850,698	1,032,594
COST OF SALES	(2,421,207)	(2,786,728)	(813,896)	(995,058)
GROSS PROFIT	117,980	138,864	36,802	37,536
DISTRIBUTION COST	(41,231)	(67,283)	(12,189)	(22,885)
ADMINISTRATIVE EXPENSES	(111,118)	(97,978)	(36,986)	(32,834)
OTHER EXPENSES	(8,647)	(101)	(10)	(1)
	<u>(160,996)</u>	<u>(165,362)</u>	<u>(49,185)</u>	<u>(55,720)</u>
	(43,016)	(26,498)	(12,383)	(18,184)
OTHER INCOME	16,518	17,985	4,599	4,921
(LOSS) / PROFIT FROM OPERATIONS	(26,498)	(8,513)	(7,784)	(13,263)
FINANCE COST	(24,287)	(28,505)	(9,913)	(10,332)
LOSS BEFORE TAXATION	(50,785)	(37,018)	(17,697)	(23,595)
TAXATION	(10,457)	(27,919)	(14,643)	(11,036)
LOSS AFTER TAXATION	<u>(61,242)</u>	<u>(64,937)</u>	<u>(32,340)</u>	<u>(34,631)</u>
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	<u>(2.86)</u>	<u>(3.04)</u>	<u>(1.51)</u>	<u>(1.62)</u>

The annexed notes form an integral part of this 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 2016 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Nine months ended		Quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
LOSS AFTER TAXATION	(61,242)	(64,937)	(32,340)	(34,631)
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Deficit arising on remeasurement of available for sale investments to fair value	11,590	(19,413)	14,930	(10,615)
Other comprehensive loss for the period	11,590	(19,413)	14,930	(10,615)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(49,652)</u>	<u>(84,350)</u>	<u>(17,410)</u>	<u>(45,246)</u>

The annexed notes form an integral part of this 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 2016(UN-AUDITED)**

(RUPEES IN THOUSAND)

NOTE	Nine months ended	
	31 March 2016	31 March 2015

**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Cash utilized in operations</b>	10	(141,431)	(53,101)
Finance cost paid		(20,785)	(26,114)
Staff retirement gratuity paid		(11,124)	(6,236)
Income tax paid		(21,889)	(30,448)
<b>Net cash utilized in operating activities</b>		(195,229)	(115,899)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure on property, plant and equipment and investment properties		(53,451)	(94,945)
Proceeds from sale of property, plant and equipment		983	147
Investments made		(17,842)	(10,056)
Profit on bank deposits received		88	6,834
<b>Net cash used in investing activities</b>		(70,222)	(98,020)

**CASH FLOWS FROM FINANCING ACTIVITIES**


Short term borrowings - net		263,075	137,219
<b>Net cash from financing activities</b>		263,075	137,219
<b>Net increase / (decrease) in cash and cash equivalents</b>		(2,376)	(76,700)

**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**

16,628      119,929

**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD**14,252      43,229

The annexed noted form an integral part of this 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 2016 (UN-AUDITED)**

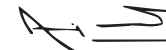
(RUPEES IN THOUSAND)

	CAPITAL RESERVES				REVENUE RESERVES				TOTAL	TOTAL EQUITY	
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value	Sub Total	General	Dividend equalization	unappropriated profit			Sub Total
Balance as at 30 June 2014 - (Audited)	213,775	5,496	12,000	93,121	110,617	96,988	4,000	191,421	292,409	403,026	616,801
Loss for the nine months ended 31 March 2015	-	-	-	-	-	-	-	(64,937)	(64,937)	(64,937)	(64,937)
Other comprehensive loss for the nine months ended 31 March 2015	-	-	-	(19,413)	(19,413)	-	-	-	-	(19,413)	(19,413)
Total comprehensive loss for the nine months ended 31 March 2015	-	-	-	(19,413)	(19,413)	-	-	(64,937)	(64,937)	(84,350)	(84,350)
Balance as at 31 March 2015 - (Un-audited)	213,775	5,496	12,000	73,708	91,204	96,988	4,000	126,484	227,472	318,676	532,451
Profit for the three months ended 30 June 2015	-	-	-	-	-	-	-	43,483	43,483	43,483	43,483
Other comprehensive income / (loss) for the three months ended 30 June 2015	-	-	-	24,483	24,483	-	-	(2,093)	(2,093)	22,390	22,390
Total comprehensive income for the three months ended 30 June 2015	-	-	-	24,483	24,483	-	-	41,390	41,390	65,873	65,873
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 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

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



**MUHAMMAD ARSHAD**  
CHIEF EXECUTIVE OFFICER



**ABID MEHMOOD**  
DIRECTOR



Crescent Cotton Mills Limited

Nine Months Accounts 31 March 2016

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 MARCH 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 nine months ended 31 March 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2015.

**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 2015.

**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 2015.

**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 2015: 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 2015: 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 35.993 million (30 June 2015: Rupees 35.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

**b) Commitments:**

i) Letters of credit for capital expenditure as at 31 March 2016 are Nil (30 June 2015: Rupees 8.189 million).

ii) Letters of credit for other than capital expenditure as at 31 March 2016 are of Rupees 102.015 million (30 June 2015: Rupees 4.110 million).

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
31 March 2016	30 June 2015

**6. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets (Note 6.1)	2,758,622	2,730,848
Capital work-in-progress	194,442	191,665
	<u>2,953,064</u>	<u>2,922,513</u>

**6.1 Operating fixed assets**

Opening book value	2,730,848	2,757,104
Add:		
Cost of additions during the period / year (Note 6.1.1)	50,674	25,542
Effect of surplus on revaluation as at 30 June 2015	-	20,850
Transferred from non-current assets held for sale (Note 8)	913	-
	<u>2,782,435</u>	<u>2,803,496</u>
Less:		
Book value of deletions during the period / year (Note 6.1.2)	378	325
Transferred to investment properties	-	42,008
	<u>378</u>	<u>42,333</u>
	<u>2,782,057</u>	<u>2,761,163</u>
Less : Depreciation charged during the period / year	23,435	30,315
	<u>2,758,622</u>	<u>2,730,848</u>

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 March 2016	30 June 2015

**6.1.1 Cost of additions during the period / year**

Plant and machinery	43,472	18,033
Electric installations	2,624	3,638
Furniture and fixtures	75	283
Vehicles	4,198	3,502
Office equipment	65	86
Service equipment	240	-
	<u>50,674</u>	<u>25,542</u>

**6.1.2 Book value of deletions during the period / year**

Plant and machinery	-	44
Vehicles	378	281
	<u>378</u>	<u>325</u>

**7. LONG TERM INVESTMENTS - Available for sale**

Unquoted - Subsidiary company	10,511	10,511
Quoted - Associated companies	175	175
Quoted - Others	1,043	1,043
Unquoted - Others	3,164	3,164
	14,893	14,893
Less: Impairment loss charged to profit and loss account	(8,632)	-
Add: Fair value adjustment	11,497	10,359
	<u>17,758</u>	<u>25,252</u>

**8. NON-CURRENT ASSETS HELD FOR SALE**

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

**8.1** The Board of Directors in their meeting held on 08 October 2015 decided to reclassify non-current assets held for sale to operating fixed assets due to non-availability of buyers of these assets.

(RUPEES IN THOUSAND)

Nine months ended		Quarter ended	
31 March 2016	31 March 2015	31 March 2016	31 March 2015

**9. COST OF SALES**

Raw materials consumed	1,606,157	1,766,102	514,414	567,107
Salaries, wages and other benefits	241,778	223,820	74,209	80,190
Stores, spare parts and loose tools consumed	78,766	81,138	24,683	24,291
Fuel and power	340,202	384,193	91,523	121,864
Outside weaving / other charges	160,825	265,808	20,252	66,889
Other manufacturing overheads	6,297	7,080	2,035	2,016
Insurance	4,583	4,828	1,655	1,707
Repair and maintenance	1,981	1,827	506	727
Depreciation	20,227	19,765	7,260	6,598
	<u>2,460,816</u>	<u>2,754,561</u>	<u>736,537</u>	<u>871,389</u>

Work-in-process

Opening stock	18,251	19,335	17,256	16,827
Closing stock	(14,181)	(16,909)	(14,181)	(16,909)
	4,070	2,426	3,075	(82)
Cost of goods manufactured	<u>2,464,886</u>	<u>2,756,987</u>	<u>739,612</u>	<u>871,307</u>

Finished goods

Opening stock	235,716	256,116	357,401	378,802
Closing stock	(287,083)	(255,051)	(287,083)	(255,051)
	(51,367)	1,065	70,318	123,751
	<u>2,413,519</u>	<u>2,758,052</u>	<u>809,930</u>	<u>995,058</u>

Cost of goods purchased for resale

	7,688	28,676	3,966	-
	<u>2,421,207</u>	<u>2,786,728</u>	<u>813,896</u>	<u>995,058</u>



(RUPEES IN THOUSAND)

UN-AUDITED	
31 March 2016	31 March 2015

**10. CASH UTILIZED IN OPERATIONS**

<b>Loss before taxation</b>	(50,785)	(37,018)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	23,435	22,565
Provision for staff retirement gratuity	17,010	12,742
Gain on sale of property, plant and equipment	(605)	(43)
Profit on deposits with banks	(98)	(6,834)
Impairment loss on long term investments	8,632	-
Finance cost	24,287	28,142
Provision for workers' profit participation fund	-	363
Working capital changes (Note 10.1)	(163,307)	(73,018)
	<u>(141,431)</u>	<u>(53,101)</u>

**10.1 Working capital changes**

**Decrease / (increase) in current assets**

Stores, spare parts and loose tools	6,334	(8,907)
Stock-in-trade	(106,230)	(203,404)
Trade debts	389	17,322
Loans and advances	(37,553)	(27,740)
Short term deposits prepayments and balances with statutory authorities	(15,228)	37,068
Other receivables	(1,000)	1,147
	(153,288)	(184,514)
	(10,019)	111,496
Increase in trade and other payables	<u>(163,307)</u>	<u>(73,018)</u>

## II. SEGMENT INFORMATION

(UN-AUDITED)

11.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	..... (RUPEES IN THOUSAND) .....							
Sales	2,409,347	2,355,711	816,368	1,369,789	(686,528)	(799,908)	2,539,187	2,925,592
Cost of sales	(2,311,723)	(2,348,630)	(796,012)	(1,238,006)	686,528	799,908	(2,421,207)	(2,786,728)
Gross profit	97,624	7,081	20,356	131,783	-	-	117,980	138,864
Distribution cost	(18,237)	(33,394)	(22,994)	(33,889)	-	-	(41,231)	(67,283)
Administrative expenses	(110,514)	(93,422)	(604)	(4,556)	-	-	(111,118)	(97,978)
Other expenses	(8,647)	(101)	-	-	-	-	(8,647)	(101)
	(137,398)	(126,917)	(23,598)	(38,445)	-	-	(160,996)	(165,362)
	(39,774)	(119,836)	(3,242)	93,338	-	-	(43,016)	(26,498)
Other income	16,518	17,985	-	-	-	-	16,518	17,985
(Loss) / profit from operations	(23,256)	(101,851)	(3,242)	93,338	-	-	(26,498)	(8,513)
Finance cost	(21,822)	(20,455)	(2,465)	(8,050)	-	-	(24,287)	(28,505)
(Loss) / profit before taxation	(45,078)	(122,306)	(5,707)	85,288	-	-	(50,785)	(37,018)
Taxation							(10,457)	(27,919)
Loss after taxation							(61,242)	(64,937)



Crescent Cotton Mills Limited

Nine Months Accounts 31 March 2016

11.2 Reconciliation of reportable segment assets and liabilities:

Textiles		Trading		TOTAL	
(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
31 March 2016	30 JUNE 2015	31 March 2016	30 JUNE 2015	31 March 2016	30 JUNE 2015

..... (RUPEES IN THOUSAND) .....

**Total assets for reportable segments** 4,061,976 3,860,749 3,702 19,497 4,065,678 3,880,246

**Unallocated assets:**

Deferred income tax asset 39,286 22,321  
 Non-current assets held for sale - 913

**Total assets as per balance sheet** 4,104,964 3,903,480

**Total liabilities for reportable segments** 960,881 686,356 24,615 36,696 985,496 723,052

**Unallocated liabilities:**

Provision for taxation 27,423 38,731

**Total liabilities as per balance sheet** 1,012,919 761,783

12. 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:

(RUPEES IN THOUSAND)

Nine months ended		Quarter ended	
31 March 2016	31 March 2015	31 March 2016	31 March 2015

i) Transactions

**Subsidiary company**

Rental expense 3,375 3,150 1,125 1,050

**Associated companies**

Service charges 8,526 7,383 - -  
 Loan repaid / adjusted - 541 - -  
 Mark-up expense - 39 - 9  
 Investment made 17,632 10,056 17,632 -  
 Dividend income 4,861 3,352 - -

**Other related parties**

Loans (repaid to) / received from Directors and Executives - net 24,853 (7,895) 25,556 (326)  
 Remuneration paid to Chief Executive Officer, Directors and Executives 36,099 31,394 12,033 10,465

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 March 2016	30 June 2015

ii) Period / year end balances

Trade and other payables 8,485 5,292  
 Short term borrowings 202,200 177,346

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

14. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on April 27, 2016.

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.

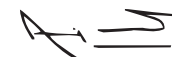
Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

16. 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

(RUPEES INTHOUSAND)

	UN-AUDITED	AUDITED
NOTE	31 March 2016	30 June 2015

**EQUITY AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

**Authorized share capital**

30 000 000 (30 June 2015: 30 000 000)

ordinary shares of Rupees 10 each

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

**Issued, subscribed and paid up share capital Reserves**

213,775	213,775
391,671	443,465

**TOTAL EQUITY**

605,446	657,240
---------	---------

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

2,552,526	2,552,526
-----------	-----------

**LIABILITIES**

**NON-CURRENT LIABILITIES**

Employees' retirement benefit

64,886	59,000
--------	--------

**CURRENT LIABILITIES**

Trade and other payables

325,908	335,085
---------	---------

Accrued mark-up

20,952	16,970
--------	--------

Short term borrowings

596,511	333,436
---------	---------

Provision for taxation

28,559	39,361
--------	--------

**TOTAL LIABILITIES**

971,930	724,852
1,036,816	783,852

**CONTINGENCIES AND COMMITMENTS**

5

**TOTAL EQUITY AND LIABILITIES**

4,194,788	3,993,618
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER

BALANCE SHEET AS AT 31 MARCH 2016

(RUPEES INTHOUSAND)

	UN-AUDITED	AUDITED
NOTE	31 March 2016	30 June 2015

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment

6	2,966,102	2,936,528
---	-----------	-----------

Investment properties

111,680	111,680
---------	---------

Long term investments

7	226,451	213,786
---	---------	---------

Long term deposits

3,134	3,134
-------	-------

Deferred income tax asset - Net

35,585	18,620
--------	--------

3,342,952	3,283,748
-----------	-----------

**CURRENT ASSETS**

Stores, spare parts and loose tools

38,598	45,086
--------	--------

Stock-in-trade

501,570	395,340
---------	---------

Trade debts

55,765	56,154
--------	--------

Loans and advances

63,992	26,439
--------	--------

Short term deposits, prepayments and balances with statutory authorities

114,231	115,435
---------	---------

Other receivables

35,698	34,689
--------	--------

Short term investments

23,130	15,755
--------	--------

Cash and bank balances

18,852	20,059
--------	--------

851,836	708,957
---------	---------

Non-current assets held for sale

8	-	913
---	---	-----

851,836	709,870
---------	---------

**TOTAL ASSETS**

4,194,788	3,993,618
-----------	-----------



ABID MEHMOOD  
DIRECTOR

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS ENDED 31 MARCH 2016 (UN-AUDITED)

		(RUPEES IN THOUSAND)			
		Nine months ended		Quarter ended	
NOTE		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	SALES	2,539,187	2,925,592	850,698	1,032,594
	COST OF SALES	(2,421,207)	(2,786,728)	(813,896)	(995,058)
	GROSS PROFIT	117,980	138,864	36,802	37,536
	DISTRIBUTION COST	(41,231)	(67,283)	(12,189)	(22,885)
	ADMINISTRATIVE EXPENSES	(111,544)	(100,395)	(36,646)	(34,286)
	OTHER EXPENSES	(29)	(101)	(10)	(1)
		(152,804)	(167,779)	(48,845)	(57,172)
		(34,824)	(28,915)	(12,043)	(19,636)
	OTHER INCOME	11,657	14,633	4,599	4,921
	PROFIT / (LOSS) FROM OPERATIONS	(23,167)	(14,282)	(7,444)	(14,715)
	FINANCE COST	(24,737)	(28,955)	(10,063)	(10,482)
		(47,904)	(43,237)	(17,507)	(25,197)
	SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANY	526	11,149	1,340	11,525
	(LOSS) / PROFIT BEFORE TAXATION	(47,378)	(32,088)	(16,167)	(13,672)
	TAXATION	(10,963)	(28,391)	(14,811)	(11,193)
	(LOSS) / PROFIT AFTER TAXATION	(58,341)	(60,479)	(30,978)	(24,865)
	(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):	(2.73)	(2.83)	(1.45)	(1.16)

The annexed notes form an integral part of this 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 2016 (UN-AUDITED)

		(RUPEES IN THOUSAND)			
		Nine months ended		Quarter ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(LOSS) / PROFIT AFTER TAXATION	(58,341)	(60,479)	(30,978)	(24,865)
	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	6,547	(223)	3,115	(2,110)
	Other comprehensive income / (loss) for the period	6,547	(223)	3,115	(2,110)
	TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(51,794)	(60,702)	(27,863)	(26,975)

The annexed notes form an integral part of this 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 2016 (UN-AUDITED)**

		(RUPEES IN THOUSAND)	
		Nine months ended	
NOTE		31 March 2016	31 March 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Cash utilized in operations</b>	10 (144,754)	(218,000)
	Finance cost paid	(20,755)	(15,684)
	Staff retirement gratuity paid	(11,124)	-
	Income tax paid	(22,298)	(20,399)
	Workers' profit participation fund paid	-	-
	<b>Net cash utilized in operating activities</b>	(198,931)	(254,083)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Capital expenditure on property, plant and equipment and investment properties	(53,451)	(14,420)
	Proceeds from operating fixed assets	983	147
	Investments made	(17,842)	(10,056)
	Dividend received from associated companies	4,861	3,352
	Profit on bank deposits received	98	4,474
	<b>Net cash (used in) / from investing activities</b>	(65,351)	(16,503)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Repayment of long term financing	-	-
	Short term borrowings - net	263,075	244,602
	Dividend paid	-	-
	<b>Net cash from financing activities</b>	263,075	244,602
	<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,207)	(25,984)
	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	20,059	123,313
	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	18,852	97,329

The annexed noted form an integral part of this 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 2016 (UN-AUDITED)**

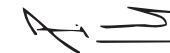
(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES			Sub Total	REVENUE RESERVES				TOTAL	TOTAL EQUITY
		Premium on issue of shares	Plant Moderni- sation	Fair value		General	Dividend equalization	unappropriated profit	Sub Total		
Balance as at 30 June 2014 - (Audited)	213,775	5,496	12,000	13,119	30,615	44,975	4,000	394,146	443,121	473,736	687,511
Loss for the nine months ended 31 March 2015	-	-	-	-	-	-	-	(60,479)	(60,479)	(60,479)	(60,479)
Other comprehensive income / (loss) for the nine months ended 31 March 2015	-	-	-	(223)	(223)	-	-	-	-	(223)	(223)
Total comprehensive loss for the nine months ended 31 March 2015	-	-	-	(223)	(223)	-	-	(60,479)	(60,479)	(60,702)	(60,702)
Balance as at 31 March 2015 - (Un-audited)	213,775	5,496	12,000	12,896	30,392	44,975	4,000	333,667	382,642	413,034	626,809
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred income tax	-	-	-	-	-	-	-	1,374	1,374	1,374	1,374
Profit for the three months ended 30 June 2015	-	-	-	-	-	-	-	29,786	29,786	29,786	29,786
Other comprehensive loss for the three months ended 30 June 2015	-	-	-	(729)	(729)	-	-	-	-	(729)	(729)
Total comprehensive (loss) / income for the three months ended 30 June 2015	-	-	-	(729)	(729)	-	-	29,786	29,786	29,057	29,057
Balance as at 30 June 2015 - (Audited)	213,775	5,496	12,000	12,167	29,663	44,975	4,000	364,827	413,802	443,465	657,240
Loss for the nine months ended 31 March 2016	-	-	-	-	-	-	-	(58,341)	(58,341)	(58,341)	(58,341)
Other comprehensive income for the nine months ended 31 March 2016	-	-	-	6,547	6,547	-	-	-	-	6,547	6,547
Total comprehensive (loss) / income for the nine months ended 31 March 2016	-	-	-	6,547	6,547	-	-	(58,341)	(58,341)	(51,794)	(51,794)
Balance as at 31 March 2016 - (Un-audited)	213,775	5,496	12,000	18,714	36,210	44,975	4,000	306,486	355,461	391,671	605,446

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



**MUHAMMAD ARSHAD  
CHIEF EXECUTIVE OFFICER**



**ABID MEHMOOD  
DIRECTOR**



Crescent Cotton Mills Limited & its Subsidiary

Nine Months Accounts 31 March 2016

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED 31 MARCH 2016 (UN-AUDITED)**

**1. THE GROUP 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 2015.

**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 2015.

**3.2 Basis of Consolidation**

**a) Subsidiary**

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

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

Intragroup balances and transactions have been eliminated.

Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

**b) Associates**

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

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.



## 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 2015: Rupees 10.787 million). The 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 Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2015: 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 35.993 million (30 June 2015: Rupees 35.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

### Subsidiary Company

### Contingencies:

The Company is contingently liable for a claim of Rupees 0.215 million (30 June 2015: 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 2016 are Nil (30 June 2015: Rupees 8.189 million).

ii) Letters of credit for other than capital expenditure as at 31 March 2016 are of Rupees 102.015 million (30 June 2015: Rupees 4.110 million).

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
31 March 2016	30 June 2015

## 6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	2,771,660	2,744,863
Capital work-in-progress	194,442	191,665
	<u>2,966,102</u>	<u>2,936,528</u>

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	31 March 2016	30 June 2015
<b>6.1 Operating fixed assets</b>		
Opening book value	2,744,863	2,782,021
<b>Add:</b>		
Cost of additions during the period / year (Note 6.1.1)	50,674	25,542
Effect of surplus on revaluation as at 30 June 2015	-	20,850
Transferred from non-current assets held for sale	913	-
	<u>2,796,450</u>	<u>2,828,413</u>
<b>Less:</b>		
Book value of deletions during the period / year (Note 6.1.2)	378	325
Net decrease in revaluation	-	8,633
Transferred to investment property	-	42,008
Depreciation charged during the period / year	24,412	32,584
	<u>24,790</u>	<u>83,550</u>
Book value at the end of the period / year	<u>2,771,660</u>	<u>2,744,863</u>
<b>6.1.1 Cost of additions during the period / year</b>		
Plant and machinery	43,472	18,033
Electric installations	2,624	3,638
Furniture and fixtures	75	283
Vehicles	4,198	3,502
Office equipment	65	86
Service equipment	240	-
	<u>50,674</u>	<u>25,542</u>
<b>6.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	-	44
Vehicles	378	281
	<u>378</u>	<u>325</u>
<b>7. LONG TERM INVESTMENTS</b>		
In associates:		
Cost	70,169	52,537
Share of post acquisition profit:		
At the beginning of the period / Year	151,290	154,343
Share of loss during the period / year	(4,335)	(3,053)
	<u>146,955</u>	<u>151,290</u>
	217,124	203,827
Available for sale:		
Quoted - Others	2,641	2,988
Unquoted - Others	3,164	3,164
	<u>5,805</u>	<u>6,152</u>
Less: Impairment loss charged to profit and loss account	(14)	(347)
Add: Fair value adjustment	3,536	4,154
	<u>9,327</u>	<u>9,959</u>
	<u>226,451</u>	<u>213,786</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.

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
31 March 2016	30 June 2015
-	913

#### 8. NON-CURRENT ASSETS HELD FOR SALE

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

8.1 The Board of Directors in their meeting held on 08 October 2015 decided to reclassify non-current assets held for sale to operating fixed assets due to non-availability of buyers of these assets.

(RUPEES IN THOUSAND)			
Nine months ended		Quarter ended	
31 March 2016	31 March 2015	31 March 2016	31 March 2015

#### 9. COST OF SALES

Raw material consumed	1,606,157	1,766,102	514,414	567,107
Salaries, wages and other benefits	241,778	223,820	74,209	80,190
Stores, spare parts and loose tools consumed	78,766	81,138	24,683	24,291
Fuel and power	340,202	384,193	91,523	121,864
Outside weaving charges	160,825	265,808	20,252	66,889
Other manufacturing overheads	6,297	7,080	2,035	2,016
Insurance	4,583	4,828	1,655	1,707
Repair and maintenance	1,981	1,827	506	727
Depreciation	20,227	19,765	7,260	6,598
	2,460,816	2,754,561	736,537	871,389

Work-in-process:

Opening stock	18,251	19,335	17,256	16,827
Closing stock	(14,181)	(16,909)	(14,181)	(16,909)
	4,070	2,426	3,075	(82)
Cost of goods manufactured	2,464,886	2,756,987	739,612	871,307

Finished goods:

Opening stock	235,716	256,116	357,401	378,802
Closing stock	(287,083)	(255,051)	(287,083)	(255,051)
	(51,367)	1,065	70,318	123,751
	2,413,519	2,758,052	809,930	995,058

Cost of goods purchased for resale	7,688	28,676	3,966	-
	2,421,207	2,786,728	813,896	995,058

(RUPEES IN THOUSAND)

Un-audited	
31 March 2016	31 March 2015

#### 10. CASH UTILIZED IN OPERATIONS

Profit before taxation	(47,378)	(32,088)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	24,412	16,142
Provision for staff retirement gratuity	17,010	6,512
Gain on sale of operating fixed assets	(605)	(43)
Share of loss/(profit) from associate company	(526)	(11,149)
Loans and advances written off	-	-
Profit on deposits with banks	(98)	(5,179)
Finance cost	24,737	28,955
Impairment loss on investments	14	-
Provision for workers' profit participation fund	-	302
Working capital changes (Note 10.1)	(162,320)	(221,452)
	(144,754)	(218,000)

#### 10.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	6,488	(10,796)
Stock-in-trade	(106,230)	(360,738)
Trade debts	389	31,197
Loans and advances	(37,553)	(10,409)
Short term deposits prepayments and balances with statutory authorities	(15,228)	(19,821)
Other receivables	(1,009)	(3,545)
	(153,143)	(374,112)
Increase in trade and other payables	(9,177)	152,660
	(162,320)	(221,452)

**II. SEGMENT INFORMATION**

(UN-AUDITED)

II.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
..... (RUPEES IN THOUSAND) .....								
Sales	2,198,203	2,355,711	1,027,512	1,369,789	(686,528)	(799,908)	2,539,187	2,925,592
Cost of sales	(2,098,997)	(2,348,630)	(1,008,738)	(1,238,006)	686,528	799,908	(2,421,207)	(2,786,728)
Gross profit	99,206	7,081	18,774	131,783	-	-	117,980	138,864
Distribution cost	(17,024)	(33,394)	(24,207)	(33,889)	-	-	(41,231)	(67,283)
Administrative expenses	(108,762)	(95,839)	(2,782)	(4,556)	-	-	(111,544)	(100,395)
Other expenses	(29)	(101)	-	-	-	-	(29)	(101)
	(125,815)	(129,334)	(26,989)	(38,445)	-	-	(152,804)	(167,779)
	(26,609)	(122,253)	(8,215)	93,338	-	-	(34,824)	(28,915)
Other income	11,657	14,633	-	-	-	-	11,657	14,633
Profit from operations	(14,952)	(107,620)	(8,215)	93,338	-	-	(23,167)	(14,282)
Finance cost	(20,003)	(20,905)	(4,734)	(8,050)	-	-	(24,737)	(28,955)
(Loss) / profit before taxation and unallocated income and expenses	(34,955)	(128,525)	(12,949)	85,288	-	-	(47,904)	(43,237)
Share of (loss) / profit from associated companies							526	11,149
Taxation							(10,963)	(28,391)
(Loss) / profit after taxation							<u>(58,341)</u>	<u>(60,479)</u>

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Crescent Cotton Mills Limited &amp; its Subsidiary

Nine Months Accounts 31 March 2016

11.2 Reconciliation of reportable segment assets and liabilities - Consolidated

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2016	30 JUNE 2015	31 March 2016	30 JUNE 2015	31 March 2016	30 JUNE 2015
..... (RUPEES IN THOUSAND) .....						
Total assets for reportable segments	<u>4,155,501</u>	<u>3,954,588</u>	<u>3,702</u>	<u>19,497</u>	4,159,203	3,974,085
Deferred income tax asset					35,585	18,620
Non-current assets held for sale					-	913
Total assets as per balance sheet					<u>4,194,788</u>	<u>3,993,618</u>
Total liabilities for reportable segments	<u>983,642</u>	<u>707,795</u>	<u>24,615</u>	<u>36,696</u>	1,008,257	744,491
Unallocated liabilities:						
Provision for taxation					28,559	39,361
Total liabilities as per balance sheet					<u>1,036,816</u>	<u>783,852</u>

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:

(RUPEES IN THOUSAND)

Nine months ended		Quarter ended	
31 March 2016	31 March 2015	31 March 2016	31 March 2015

i) Transactions

Associated companies

Service charges	8,526	7,383	1,125	1,050
Loan repaid / adjusted	-	541	-	-
Mark-up expense	-	39	-	-

Other related parties

Loans (repaid to)/received from directors and executives	24,853	(7,895)	25,556	(326)
Remuneration paid to Chief Executive Officer, Directors and Executives	36,099	31,394	12,033	10,465

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 March 2016	30 June 2015

ii) Period end balances

Trade and other payables	6,877	2,752
Short term borrowings	202,200	177,346

13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Company for the year ended 30 June 2015.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized by the Board of Directors of the Company for issue on April 27, 2016.

15. CORRESPONDING FIGURES

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

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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NEW LAHORE ROAD, NISHATABAD

FAISALABAD - PAKISTAN

PHONE: (041) 8752111-4

FAX: (041) 8750366

E-MAIL: [info@crescentcotton.com](mailto:info@crescentcotton.com)

**D-MEDIA 0300-7909229**