

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR NINE MONTHS ENDED 31 MARCH 2018
(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. Naveed Gulzar
Mr. Salman Rafi
Mr. Taimur Amjad

AUDIT COMMITTEE

Mr. Salman Rafi (Chairman)
Mr. Adnan Amjad (Member)
Mr. Taimur 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

AUDITORS

Riaz Ahmad & Compnay
Chartered Accountants

COMPANY REGISTRAR

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

URL

www.crescentcotton.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

The directors of your company are pleased to present to you the condensed interim financial information for the third quarter and nine months ended March 31, 2018. During the period under review, your company earned a pre-tax profit of Rs. 16.939 Million whereas in the comparative period of last year company incurred a pre-tax loss of Rs. 14.598 million.

Total sales revenue of the company for the half year stood at Rs. 4,262.252 Million, whereas, the turnover figures during the same period in year 2017 was Rs. 3,009.441 Million hence depicting an increase of almost 41.63 percent as compared to last year. Due to the operations of the newly acquired spinning unit the expenses when compared with the previous year stand enhanced. However, cost of sales in the period under review stood at 96.58% whereas, up to March 31, 2017 it was around 97.07%. The nine months of the financial year 2017-18 showed an overall downward trend of textile industry in Pakistan.

Future Prospectus

Spinning Optimism about quality bumper crop, which prevailed at the start of harvesting season of new cotton crop, faded due to low production and high prices. Financial results of the Spinning Segment for the nine months ended 31 March 2018 were not as anticipated because of unexpected increase in cotton prices and resistance from yarn buyers to purchase at increased yarn rates. The cotton yarn business in international market was not quite promising because international buyers were not willing to improve prices. On the other hand, prices in local market were more supportive as compared to export market. The marketing department of company is continuously working hard to improve the situation in favor of the Company. Price and demand of yarn have improved in local market and we are expecting similar improvement in international market as well. During the period under review, main markets of cotton yarn, Hong Kong / China, remained reluctant in terms of price improvement but we expect positive business trend in coming days. We hope that with the raw cotton prices stabilizing, demand for yarn and fabrics will also remain steady. The price of Re-gasified Liquefied Natural Gas has risen tremendously hence increasing the fuel and power expense.

The company is focusing on improving efficiencies and minimizing costs by enhancing spinning capacity to achieve the better financial results of remaining period of financial year ending June 30, 2018.

Acknowledgment

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 30, 2018.

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2018ء کو اختتام تیسری سہ ماہی اور مالی سال کے ابتدائی نو ماہ کے لیے منجملہ عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے 16.939 ملین روپے کا قبل از ٹیکس نفع کمایا جبکہ گزشتہ سال کی اسی مدت میں قبل از ٹیکس 14.598 ملین روپے کا نقصان اٹھایا تھا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت محصولات 4,262.252 ملین روپے ہیں جبکہ سال 2017ء میں اسی مدت کے دوران ٹرن اوور کی رقم 3,009.441 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 41.63 فیصد اضافہ واقع ہوا۔ نئے حاصل کردہ پونٹ کے عوامل کی وجہ سے پچھلے سالوں کے مقابلہ میں اخراجات زیادہ ہوئے تاہم زیر جائزہ مدت کے دوران فروخت کی لاگت 96.58 فیصد رہی جبکہ 31 مارچ 2017ء تک یہ 97.07 فیصد کے لگ بھگ تھی۔ مالی سال 2017-18 کے نو ماہ نے مجموعی طور پر پاکستان کی ٹیکسٹائل انڈسٹری کے لیے تیزلی کاربحان ظاہر کیا ہے۔


مستقبل کے امکانات:

کپاس کی نئی فصل کی چٹائی کے آغاز پر معیاری بہترین فصل کی وجہ سے سپننگ کے متعلق جو پر امید توقع پیدا ہوئی تھی وہ کم پیداوار اور زیادہ قیمتوں کی وجہ سے ماند پڑ گئی۔ 31 مارچ 2018ء کو اختتام نو ماہی کے لیے سپننگ کے شعبہ کے مالیاتی نتائج غیر متوقع تھے کیونکہ کاشن کی قیمتیں غیر متوقع طور پر زیادہ تھیں اور یارن کے خریدار زیادہ قیمت پر یارن کی خریداری میں ہچکچاہٹ کا شکار تھے۔ کاشن یارن کا کاروبار بین الاقوامی منڈی میں بھی حوصلہ افزاء نہ تھا کیونکہ بین الاقوامی خریدار بھی قیمتیں بڑھانے پر رضامند نہ تھے۔ دوسری طرف مقامی منڈی میں برآمدی منڈی کے مقابلہ میں قیمتیں زیادہ معاون تھیں۔ کمپنی کا مارکیٹنگ ڈیپارٹمنٹ کمپنی کے حق میں صورت حال بہتر کرنے کے لیے مسلسل محنت کر رہا ہے۔ مقامی مارکیٹ میں یارن کی قیمت اور طلب بہتر ہوئی ہیں اور ہم بین الاقوامی مارکیٹ میں بھی ایسی ہی بہتری کی توقع کر رہے ہیں۔ زیر جائزہ مدت کے دوران کاشن یارن کی مرکزی منڈیاں ہانگ کانگ / چین قیمتوں کی بہتری کے حوالے سے گریزاں رہیں لیکن ہم آئندہ دنوں میں مثبت کاروباری رجحان کی توقع کرتے ہیں۔ ہم امید کرتے ہیں کہ خام کپاس کی قیمتوں کے استحکام کے ساتھ یارن اور فیبرکس کی طلب بھی مستحکم رہے گی۔ RLNG کی قیمت بہت زیادہ بڑھنے کی وجہ سے ایندھن اور پاور کا خرچ بھی بڑھا ہے۔

کمپنی 30 جون 2018ء کو ختم ہونے والے مالی سال کے باقی ماندہ عرصہ میں بہتر مالیاتی نتائج کے حصول کے لیے سپننگ کی صلاحیت کو بڑھا کر لاگت کم کرنے اور کارکردگی میں اضافہ کرنے پر اپنی توجہ مرکوز کیے ہوئے ہیں۔

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

30 اپریل 2018ء

UNCONSOLIDATED CONDENSED INTERIM

NOTE	UN-AUDITED	AUDITED
	31 March 2018	30 June 2017
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES
SHARE CAPITAL AND RESERVES
Authorized share capital

30 000 000 (30 June 2017: 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

3	226,601	213,775
	490,024	647,405

TOTAL EQUITY

716,625	861,180
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Surplus on revaluation of freehold land and
investment properties

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

Long term financing
Employees' retirement benefit

4	202,020	
	73,185	
	275,205	300,584

CURRENT LIABILITIES

Trade and other payables
Accrued mark-up
Short term borrowings
Current portion of long term financing
Provision for taxation

859,896	391,872
15,601	12,186
845,329	439,919
35,650	11,883
27,100	32,713
1,783,576	888,573

TOTAL LIABILITIES

2,058,781	1,189,157
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

5,855,396	5,130,327
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

BALANCE SHEET AS AT 31 MARCH 2018

NOTE	UN-AUDITED	AUDITED
	31 March 2018	30 June 2017
	(RUPEES IN THOUSAND)	

ASSETS
NON-CURRENT ASSETS

Property, plant and equipment

6	3,909,918	3,776,111
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Investment properties

	248,008	248,008
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Long term investments

7	11,661	13,133
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Long term deposits

	3,092	3,092
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Deferred income tax asset

	27,327	27,327
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4,200,006	4,067,671
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CURRENT ASSETS

Stores, spare parts and loose tools

55,442	45,026
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Stock-in-trade

782,229	269,885
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Trade debts

225,331	63,873
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Loans and advances

65,967	51,911
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Prepayments and balances with
statutory authorities

166,338	127,564
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Other receivables

48,961	45,405
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Short term investments

280,662	417,515
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Cash and bank balances

30,460	41,477
1,655,390	1,062,656

TOTAL ASSETS

5,855,396	5,130,327
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SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER


UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)			
REVENUE	4,262,252	3,009,441	1,581,178	930,118
COST OF SALES	(4,116,632)	(2,921,371)	(1,537,723)	(884,507)
GROSS PROFIT	145,620	88,070	43,455	45,611
DISTRIBUTION COST	(39,189)	(25,993)	(15,676)	(5,082)
ADMINISTRATIVE EXPENSES	(119,847)	(108,305)	(39,700)	(33,281)
OTHER EXPENSES	(186)	(2,141)	(8)	(44)
OTHER INCOME	69,882	54,884	10,294	31,757
FINANCE COST	(39,341)	(21,113)	(17,945)	(10,209)
PROFIT / (LOSS) BEFORE TAXATION	16,939	(14,598)	(19,580)	28,752
TAXATION	(27,100)	(32,421)	(12,255)	(13,320)
PROFIT / (LOSS) AFTER TAXATION	(10,161)	(47,019)	(31,835)	15,432
		Restated		Restated
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	(0.45)	(2.07)	(1.40)	0.68

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)			
PROFIT / (LOSS) AFTER TAXATION	(10,161)	(47,019)	(31,835)	15,432
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
(Deficit) / surplus arising on remeasurement of available for sale investments to fair value	(87,681)	241,430	(175,122)	131,726
Reclassification adjustment for gain included in profit or loss	(46,713)	(6,365)	(43,743)	(3,395)
	(134,394)	235,065	(218,865)	128,331
Other comprehensive (loss) / income for the period	(134,394)	235,065	(218,865)	128,331
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(144,555)	188,046	(250,700)	143,763

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

NOTE	(Nine months ended)		
	31 March 2018	31 March 2017	
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	9	(182,297)	(188,873)
Finance cost paid		(35,926)	(17,636)
Employees' retirement benefit paid		(22,259)	(15,275)
Income tax paid		(37,608)	(28,831)
Decrease in long term deposits		-	(1,987)
Net cash used in operating activities		(278,090)	(252,602)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(198,943)	(208,878)
Proceeds from disposal of property, plant and equipment		6,697	1,647
Proceeds from sale of investment		53,909	38,852
Net cash (used in) / from investing activities		(138,337)	(168,379)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan		-	207,326
Short term borrowings - net		405,410	204,711
Net cash from financing activities		405,410	412,037
Net decrease in cash and cash equivalents		(11,017)	(8,944)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		41,477	32,334
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		30,460	23,390

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR


SAMI ULLAH CH.
 CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)**

	(RUPEES IN THOUSAND)											
	SHARE CAPITAL	CAPITAL RESERVES				REVENUE RESERVES			TOTAL	TOTAL EQUITY		
		Premium on issue of shares	Plant Modernisation	Fair value reserve	Reserve for issue of bonus shares	Sub Total	General reserve	Dividend equalization			Unappropriated profit	Sub Total
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	-	-	-	235,065	-	235,065	-	-	(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
Total comprehensive income / (loss) for the nine months ended 31 March 2017	-	-	-	235,065	-	235,065	-	-	(47,019)	(47,019)	(47,019)	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
Profit for the three months ended 30 June 2017	-	-	-	-	-	-	-	-	75,856	75,856	75,856	75,856
Other comprehensive income / (loss) for the three months ended 30 June 2017	-	-	-	23,209	-	23,209	-	-	(3,717)	(3,717)	(3,717)	19,492
Total comprehensive income for the half year ended 30 June 2017	-	-	-	23,209	-	23,209	-	-	72,139	72,139	95,348	95,348
Balance as at 30 June 2017 - (Audited)	213,775	5,496	12,000	358,282	-	375,778	96,988	4,000	170,639	271,627	647,405	861,180
Transferred from unappropriated profit for issue of bonus shares	-	-	-	-	12,826	12,826	-	-	(12,826)	(12,826)	-	-
Transaction with owners:												
Issue of 6% bonus shares	12,826	-	-	-	(12,826)	(12,826)	-	-	-	-	(12,826)	-
Profit for the nine months ended 31 March 2018	-	-	-	-	-	-	-	-	-	-	(10,161)	(10,161)
Other comprehensive loss for the nine months ended 31 March 2018	-	-	-	(134,394)	-	(134,394)	-	-	-	-	(134,394)	(134,394)
Total comprehensive (loss) / income for the nine months ended 31 March 2018	-	-	-	(134,394)	-	(134,394)	-	-	(10,161)	(10,161)	(157,381)	(144,555)
Balance as at 31 March 2018 - (Un-audited)	226,601	5,496	12,000	223,888	-	241,384	96,988	4,000	147,652	248,640	490,024	716,625

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR


SAMI ULLAH CH.
 CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (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 Act, 2017) 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 has an embroidery unit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended 30 June 2017.

2.1 Basis of preparation
2.1.1 Statement of compliance

a) As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this unconsolidated condensed interim financial information 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

b) This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2017.

2.1.2 Accounting estimates, judgments and financial risk management

The preparation of unconsolidated condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, the management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in this unconsolidated condensed interim financial information.

Judgments and estimates made by the management in the preparation of this unconsolidated condensed interim financial information are the same as those applied in Company's annual audited financial statements for the year ended 30 June 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2017.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 March 2018	Audited 30 June 2017		Un-audited 31 March 2018	Audited 30 June 2017
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid up in cash	55,098	55,098
16 992 345	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	169,923	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up, issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	1,580	1,580
22 660 126	21 377 478		226,601	213,775

3.1 Movement during the period / year

15 709 697	15 709 697	Opening Balance	157,097	157,097
1 282 648	-	Ordinary shares of Rupees 10 each issued as fully paid up bonus shares	12,826	-
16 992 345	15 709 697	Closing Balance	169,923	157,097

4. LONG TERM FINANCING
Financing from banking company - secured

Opening balance	237,670	-
Add: Obtained during the period / year	-	237,670
	237,670	237,670
Less: Current portion shown under current liabilities	35,650	11,883
	202,020	225,787

5. CONTINGENCIES AND COMMITMENTS
(a): Contingencies:

i) Certain additions have been made by the assessing officers in different assessment years on various grounds and have created demand of Rupees 7.013 million (30 June 2017: Rupees 7.013 million). The Company, being aggrieved, has filed appeals with Lahore High Court, Lahore and with Supreme Court of Pakistan, which are still pending. No provision has been made in this unconsolidated condensed interim 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 (CFL) for the recovery of Rupees 23.000 million (30 June 2017: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. CFL filed an application seeking rejection of the suit but the said application was dismissed by Civil Court, Lahore. Against this rejection, CFL filed civil revision petition before Lahore High Court, Lahore and under order of Lahore High Court, Lahore, the proceedings before Civil Court, Lahore were stayed. 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 47.353 million (30 June 2017: Rupees 47.480 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

iv) Cheques of Rupees 17.113 million (30 June 2017: Rupees 8.377 million) are issued to Nazir of Sindh High Court as security against impugned gas rate difference suit. If the outcome of the suit comes against the Company, cheques issued as security shall be encashable.

(b): Commitments:

i) Letters of credit for capital expenditure as at 31 March 2018 are of Rupees Nil (30 June 2017: Rupees 2.318 million).

ii) Letters of credit other than for capital expenditure as at 31 March 2018 are of Rupees 63.908 million (30 June 2017: Rupees 1.323 million).

UN-AUDITED	AUDITED
31 March	30 June
2018	2017

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,874,714	3,298,983
Capital work-in-progress (Note 6.2)	35,204	477,128
	3,909,918	3,776,111

6.1 Operating fixed assets

Opening book value	3,298,983	3,297,888
Add: Cost of additions during the period / year (Note 6.1.1)	640,867	55,802
	3,939,850	3,353,690
Less:		
Book value of deletions during the period / year (Note 6.1.2)	5,353	2,735
Transferred to investment properties	-	18,576
	5,353	21,311
	3,934,497	3,332,379
Less: Depreciation charged during the period / year	59,783	33,396
	3,874,714	3,298,983

6.1.1 Cost of additions during the period / year

Freehold land	87,905	-
Buildings and roads on freehold land	148,068	-
Plant and machinery	373,445	44,570
Electric installations	18,791	2,989
Tools and equipment	4,039	41
Furniture and fixtures	670	1,247
Vehicles	6,021	6,744
Office equipment	1,928	211
	640,867	55,802

6.1.2 Book value of deletions during the period / year

Plant and machinery	3,932	2,700
Vehicles	1,421	35
	5,353	2,735

UN-AUDITED	AUDITED
31 March	30 June
2018	2017

(RUPEES IN THOUSAND)

6.2 Capital work-in-progress

Advance against purchase of new industrial unit	-	325,435
Expenses against purchase of new industrial unit	-	138,438
Buildings and roads on freehold land	-	801
Plant and machinery	35,204	12,454
	35,204	477,128

7. LONG TERM INVESTMENTS

Unquoted - Subsidiary company	-	1,893
Quoted - Associated companies	602	602
Unquoted - Associated company	2,500	2,500
Quoted - Others	616	616
Unquoted - Others	456	650
	4,174	6,261
Less: Impairment loss charged to profit and loss account	(171)	(2,087)
Add: Fair value adjustment	7,658	8,959
	11,661	13,133

(Un-audited)

Half year ended		Quarter ended	
31 March	31 March	31 March	31 March
2018	2017	2018	2017

(RUPEES IN THOUSAND)

8. COST OF SALES

Raw materials consumed	3,129,659	2,001,306	1,168,630	639,545
Salaries, wages and other benefits	355,272	251,101	127,420	80,531
Stores, spare parts and loose tools consumed	105,634	70,811	35,328	24,761
Fuel and power	513,700	352,513	180,420	112,000
Outside weaving / other charges	16,341	22,697	8,495	6,439
Other manufacturing overheads	7,217	6,801	2,355	2,205
Insurance	5,974	4,507	2,101	1,502
Repair and maintenance	4,985	1,441	1,437	455
Depreciation	55,418	21,379	19,842	6,975
Work-in-process	4,194,200	2,732,556	1,546,028	874,413

Opening stock	21,293	16,154	30,214	18,664
Closing stock	(30,890)	(20,798)	(30,890)	(20,798)
	(9,597)	(4,644)	(676)	(2,134)
Cost of goods manufactured	4,184,603	2,727,912	1,545,352	872,279

Finished goods	149,087	238,084	209,429	145,065
Opening stock	(217,058)	(132,837)	(217,058)	(132,837)
Closing stock	(67,971)	105,247	(7,629)	12,228
	4,116,632	2,833,159	1,537,723	884,507

Cost of goods purchased for resale	-	88,212	-	-
	4,116,632	2,921,371	1,537,723	884,507

9. CASH USED IN OPERATIONS

	UN-AUDITED
	31 March 2018 31 March 2017
	(RUPEES IN THOUSAND)
Profit / (loss) before taxation	16,939 (14,598)

Adjustments for non-cash charges and other items:

Depreciation	59,783	24,377
Provision for employees' retirement benefit	20,647	15,316
(Gain)/loss on disposal of property, plant and equipment	(1,344)	17
Gain on sale of investment	(50,150)	(33,270)
Impairment loss on long term investments	171	2,087
Finance cost	39,341	21,113
Working capital changes (Note 9.1)	(267,684)	(203,915)
	<u>(182,297)</u>	<u>(188,873)</u>

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

Stores, spare parts and loose tools	(10,416)	1,187
Stock-in-trade	(512,344)	(191,017)
Trade debts	(161,458)	(32,929)
Loans and advances	(14,056)	(35,510)
Prepayments and balances with statutory authorities	(33,878)	(3,571)
Other receivables	(3,556)	(8,964)
	<u>(735,708)</u>	<u>(270,804)</u>
Increase in trade and other payables	468,024	66,889
	<u>(267,684)</u>	<u>(203,915)</u>

10. SEGMENT INFORMATION - UNCONSOLIDATED
10.1

	(UN-AUDITED)		(RUPEES IN THOUSAND)	
	Nine months ended 31 March 2018	Nine months ended 31 March 2017	Nine months ended 31 March 2018	Nine months ended 31 March 2017
	TOTAL			
	Elimination of inter-segment transactions			
Sales	4,272,404	2,807,748	108,732	251,532
Cost of sales	(4,130,322)	(2,730,986)	(105,194)	(240,224)
Gross profit	142,082	76,762	3,538	11,308
Distribution cost	(35,991)	(19,526)	(3,198)	(6,467)
Administrative expenses	(119,793)	(107,762)	(54)	(543)
Other income	67,700	54,884	2,182	-
Finance cost	(39,267)	(20,449)	(74)	(664)
Profit / (Loss) before taxation and unallocated expenses	14,731	(16,091)	2,394	3,634
Unallocated expenses:				
Other expenses			(186)	(2,141)
Taxation			(27,100)	(32,421)
Profit / (Loss) after taxation	(10,161)	(47,019)	(10,161)	(47,019)

10.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	<u>5,825,593</u>	<u>5,101,746</u>	<u>2,476</u>	<u>1,254</u>	<u>5,828,069</u>	<u>5,103,000</u>
Unallocated asset:						
Deferred income tax asset					<u>27,327</u>	<u>27,327</u>
Total assets as per balance sheet					<u>5,855,396</u>	<u>5,130,327</u>
Total liabilities for reportable segments	<u>2,024,159</u>	<u>1,156,444</u>	<u>7,522</u>	<u>-</u>	<u>2,031,681</u>	<u>1,156,444</u>
Unallocated liability:						
Provision for taxation					<u>27,100</u>	<u>32,713</u>
Total liabilities as per balance sheet					<u>2,058,781</u>	<u>1,189,157</u>

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 2018	31 March 2017	31 March 2018	31 March 2017
(RUPEES IN THOUSAND)			

i) Transactions
Subsidiary company

Rental expense	1,450	3,375	300	1,125
Stores consumed by the Company	4	2	-	-

Associated companies

Service and other charges	11,083	260	-	166
Dividend income	-	63	-	-
Bonus shares received (Number of shares)	27 580	-	-	-

Other related parties

Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and Sponsors - net	38,609	17,211	2,314	6,663
Remuneration paid to Chief Executive Officer, Directors and Executives	38,477	35,989	19,239	17,995

	(Un-audited)	(Audited)
	31 March 2018	30 June 2017
ii) Period end balances		
	(RUPEES IN THOUSAND)	
Subsidiary company		
Trade and other payables	1,328	1,454
Associated companies		
Trade and other payables	2,539	4,607
Other related parties		
Short term borrowings	259,890	217,923

12. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS
12.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial information. 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.

12.2 Financial instruments by category

The table given in Note 12.3 does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non current receivables, the fair values are also not significantly different to their carrying values.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

12.2.1 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial statements include the use of quoted market prices.

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		At amortized cost	Level 1	Level 2	
31 March 2018 (Un-audited)							
Financial assets							
Investments	-	292,323	292,323	289,538	-	-	289,538
Loans and advances	13,967	-	13,967	-	-	-	-
Deposits	3,092	-	3,092	-	-	-	-
Trade debts	225,331	-	225,331	-	-	-	-
Other receivables	48,961	-	48,961	-	-	-	-
Cash and bank balances	30,460	-	30,460	-	-	-	-
Financial liabilities	321,811	292,323	614,134	289,538	-	-	289,538
Long term financing	-	-	237,670	-	-	-	-
Trade and other payables	-	-	825,768	-	-	-	-
Accrued mark-up	-	-	15,601	-	-	-	-
Short term borrowings	-	-	845,329	-	-	-	-
30 June 2017 (Audited)			1,924,368				
Financial assets							
Investments	-	430,648	430,648	427,692	-	-	427,692
Loans and advances	10,153	-	10,153	-	-	-	-
Deposits	3,092	-	3,092	-	-	-	-
Trade debts	63,873	-	63,873	-	-	-	-
Other receivables	44,302	-	44,302	-	-	-	-
Cash and bank balances	41,477	-	41,477	-	-	-	-
Financial liabilities	162,897	430,648	593,545	427,692	-	-	427,692
Long term financing	-	-	237,670	-	-	-	-
Trade and other payables	-	-	362,426	-	-	-	-
Accrued mark-up	-	-	12,186	-	-	-	-
Short term borrowings	-	-	439,919	-	-	-	-
			1,052,201				

13. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on April 30, 2018.


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.

15. GENERAL

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM

NOTE	UN-AUDITED	AUDITED
	31 March 2018	30 June 2017
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2017: 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

226,601	213,775
382,961	469,328

TOTAL EQUITY

609,562	683,103
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Surplus on revaluation of freehold land and investment properties

3,079,990	3,079,990
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefit

202,020	225,787
73,185	74,797
275,205	300,584

CURRENT LIABILITIES

Trade and other payables
Accrued mark-up
Short term borrowings
Current portion of long term financing
Provision for taxation

867,077	397,683
29,053	25,188
850,329	444,919
35,650	11,883
28,454	33,744
1,810,563	913,417

TOTAL LIABILITIES

2,085,768	1,214,001
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

5,775,320	4,977,094
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

BALANCE SHEET AS AT 31 MARCH 2018

NOTE	UN-AUDITED	AUDITED
	31 March 2018	30 June 2017
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	3,910,892	3,777,165
Investment properties		267,476	267,476
Long term investments	7	19,307	58,937
Long term deposits		3,614	3,614
Deferred income tax - asset		31,105	31,105
		4,232,394	4,138,297

CURRENT ASSETS

Stores, spare parts and loose tools	58,776	48,365
Stock-in-trade	782,229	269,885
Trade debts	225,331	63,873
Loans and advances	65,967	51,911
Short term deposits, prepayments and balances with statutory authorities	167,055	128,183
Other receivables	54,603	48,344
Short term investments	155,075	183,329
Cash and bank balances	33,890	44,907
	1,542,926	838,797

TOTAL ASSETS

5,775,320	4,977,094
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SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER


CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)			
SALES	4,262,252	3,009,441	1,581,178	930,118
COST OF SALES	(4,116,632)	(2,921,371)	(1,537,723)	(884,507)
GROSS PROFIT	145,620	88,070	43,455	45,611
DISTRIBUTION COST	(39,189)	(25,993)	(15,676)	(5,082)
ADMINISTRATIVE EXPENSES	(118,500)	(110,165)	(40,526)	(33,853)
OTHER EXPENSES	(186)	(247)	(8)	(43)
	(157,875)	(136,405)	(56,210)	(38,978)
	(12,255)	(48,335)	(12,755)	6,633
OTHER INCOME	60,367	41,671	9,457	23,021
PROFIT / (LOSS) FROM OPERATIONS	48,112	(6,664)	(3,298)	29,654
FINANCE COST	(39,791)	(21,563)	(18,095)	(10,359)
	8,321	(28,227)	(21,393)	19,295
SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANY	(5,976)	717	166	-
(LOSS) / PROFIT BEFORE TAXATION	2,345	(27,510)	(21,227)	19,295
TAXATION	(27,422)	(33,285)	(12,077)	(13,651)
(LOSS) / PROFIT AFTER TAXATION	(25,077)	(60,795)	(33,304)	5,644
		Restated		Restated
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):	(1.11)	(2.68)	(1.47)	0.25

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)			
(LOSS) / PROFIT AFTER TAXATION	(25,077)	(60,795)	(33,304)	5,644
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	(48,464)	55,885	(14,180)	18,883
Other comprehensive income / (loss) for the period	(48,464)	55,885	(14,180)	18,883
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(73,541)	(4,910)	(47,484)	24,527

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

NOTE	(Nine months ended)	
	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	10 (182,200)	(197,405)
Finance cost paid	(35,926)	(17,636)
Staff retirement gratuity paid	(22,259)	(15,275)
Income tax paid	(37,705)	(28,911)
Net cash utilized in operating activities	(278,090)	(259,227)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment and investment properties	(198,943)	(208,878)
Proceeds from operating fixed assets	6,697	1,647
Proceeds from sale of investment	53,909	38,852
Dividend received from associated companies	-	63
Net cash (used in) / from investing activities	(138,337)	(168,316)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan	-	207,326
Short term borrowings - net	405,410	211,373
Net cash from financing activities	405,410	418,699
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,017)	(8,844)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	44,907	35,669
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	33,890	26,825

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (UN-AUDITED)

	(RUPEES IN THOUSAND)											
	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			RESERVES		TOTAL EQUITY		
		Premium on issue of shares	Plant Modernisation	Fair value reserve	Reserve for issue of bonus shares	Sub Total	General reserve	Dividend equalization	Unappropriated profit		Sub Total	
Balance as at 30 June 2016 - (Audited)	213,775	-	12,000	38,327	-	55,823	44,975	4,000	276,745	325,720	381,543	595,318
Loss for the nine months ended 31 March 2017	-	-	-	-	-	-	-	-	(60,795)	(60,795)	(60,795)	(60,795)
Other comprehensive income / (loss) for the nine months ended 31 March 2017	-	-	-	-	-	-	-	-	-	-	-	55,885
Total comprehensive income / (loss) for the nine months ended 31 March 2017	-	-	-	-	-	-	-	-	-	-	-	(4,910)
Balance as at 31 December 2016 - (Un-audited)	213,775	5,496	12,000	94,212	-	111,708	44,975	4,000	215,950	264,925	376,633	590,408
Share of items of associated directly credited in equity	-	-	-	-	-	-	-	-	8,798	8,798	8,798	8,798
Income for the three months ended 30 June 2017	-	-	-	-	-	-	-	-	62,965	62,965	62,965	62,965
Other comprehensive income for the half year ended 30 June 2017	-	-	-	20,932	-	20,932	-	-	-	-	20,932	20,932
Total comprehensive (loss) / income for the half year ended 30 June 2017	-	-	-	20,932	-	20,932	-	-	-	-	20,932	83,897
Balance as at 30 June 2017 - (Audited)	213,775	5,496	12,000	115,144	-	132,640	44,975	4,000	287,713	336,688	469,328	683,103
Transferred from unappropriated profit for issue of bonus shares	-	-	-	12,826	-	12,826	-	-	(12,826)	(12,826)	-	-
Transaction with owners - Issue of 6% bonus shares	12,826	-	-	-	-	(12,826)	-	-	-	-	(12,826)	-
Loss for the nine months ended 31 March 2018	-	-	-	-	-	-	-	-	(25,077)	(25,077)	(25,077)	(25,077)
Other comprehensive income for the nine months ended 31 March 2018	-	-	-	(48,464)	-	(48,464)	-	-	-	-	(48,464)	(48,464)
Total comprehensive (loss) / income for the nine months ended 31 March 2018	-	-	-	(48,464)	-	(48,464)	-	-	(25,077)	(25,077)	(73,541)	(73,541)
Balance as at 31 March 2018 - (Un-audited)	226,601	5,496	12,000	66,680	-	84,176	44,975	4,000	249,810	298,785	382,961	609,562

Balance as at 30 June 2016 - (Audited)
Loss for the nine months ended 31 March 2017
Other comprehensive income / (loss) for the nine months ended 31 March 2017

Total comprehensive income / (loss) for the nine months ended 31 March 2017

Balance as at 31 December 2016 - (Un-audited)
Share of items of associated directly credited in equity

Income for the three months ended 30 June 2017
Other comprehensive income for the half year ended 30 June 2017

Total comprehensive (loss) / income for the half year ended 30 June 2017

Balance as at 30 June 2017 - (Audited)
Transferred from unappropriated profit for issue of bonus shares

Transaction with owners - Issue of 6% bonus shares

Loss for the nine months ended 31 March 2018
Other comprehensive income for the nine months ended 31 March 2018

Total comprehensive (loss) / income for the nine months ended 31 March 2018

Balance as at 31 March 2018 - (Un-audited)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 31 MARCH 2018 (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 2017.

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 2017.

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 2017.

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 7.013 million (30 June 2017: Rupees 7.013 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 2017: 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 47.353 million (30 June 2017: Rupees 47.480 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 2017: 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 2018 are Nil (30 June 2017: Rupees 2.318 million).

ii) Letters of credit for other than capital expenditure as at 31 March 2018 are of Rupees 63.908 million (30 June 2017: Rupees 1.323 million).

UN-AUDITED	AUDITED
31 March 2018	30 June 2017
(RUPEES IN THOUSAND)	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,875,688	3,300,037
Capital work-in-progress (Note 6.2)	35,204	477,128
	<u>3,910,892</u>	<u>3,777,165</u>

6.1 Operating fixed assets

Opening book value	3,300,037	3,299,062
Add:		
Cost of additions during the period / year (Note 6.1.1)	640,867	55,802
	<u>3,940,904</u>	<u>3,354,864</u>
Less:		
Book value of deletions during the period / year (Note 6.1.2)	5,353	2,735
Transferred to investment properties		18,576
Depreciation charged during the period / year	59,863	33,516
	<u>65,216</u>	<u>54,827</u>
Book value at the end of the period / year	<u>3,875,688</u>	<u>3,300,037</u>

UN-AUDITED	AUDITED
31 March 2018	30 June 2017

6.1.1 Cost of additions during the period / year

(RUPEES IN THOUSAND)

Land - Freehold	87,905	-
Buildings on free hold land	148,068	-
Plant and machinery	373,445	44,570
Electric installations	18,791	2,989
Tools and equipments	4,039	41
Furniture and fixtures	670	1,247
Vehicles	6,021	6,744
Office equipment	1,928	211
	<u>640,867</u>	<u>55,802</u>

6.2 Book value of deletions during the period/year

Plant and machinery	3,932	2,700
Vehicles	1,421	35
	<u>5,353</u>	<u>2,735</u>

7. LONG TERM INVESTMENTS

In associates:

Cost	20,165	25,944
Share of post acquisition profit:		
At the beginning of the period / Year	30,226	39,607
Share of profit during the period / year	(3,483)	(9,381)
	<u>30,226</u>	<u>30,226</u>
	16,908	56,170
Available for sale:		
Quoted - Others	616	616
Unquoted - Others	664	664
	<u>1,280</u>	<u>1,280</u>

Less: Impairment loss charged to profit and loss account	(171)	(194)
Add: Fair value adjustment	1,290	1,681
	<u>2,399</u>	<u>2,767</u>
	<u>19,307</u>	<u>58,937</u>

7.1 The investments in associates were not acquired for disposal purposes, therefore equity method of accounting has been applied and as per the requirement of IAS 28 the same have been shown under long term investments. In addition paragraph 2(B)(d) of Part II of the Fourth Schedule to the Companies Ordinance, 1984 requires that the investments accounted for under equity method should be classified as long term investments.

8. SHORT TERM INVESTMENTS - Available for sale

Quoted - Others	89,937	89,937
Add : Fair value adjustment	65,138	93,392
	<u>155,075</u>	<u>183,329</u>

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)			
9. COST OF SALES				
Raw material consumed	3,129,659	2,001,306	1,168,630	639,545
Salaries, wages and other benefits	355,272	251,101	127,420	80,531
Stores, spare parts and loose tools consumed	105,634	70,811	35,328	24,761
Fuel and power	513,700	352,513	180,420	112,000
Outside weaving charges	16,341	22,697	8,495	6,439
Other manufacturing overheads	7,217	6,801	2,355	2,205
Insurance	5,974	4,507	2,101	1,502
Repair and maintenance	4,985	1,441	1,437	455
Depreciation	55,418	21,379	19,842	6,975
	4,194,200	2,732,556	1,546,028	874,413
Work-in-process:				
Opening stock	21,293	16,154	30,214	18,664
Closing stock	(30,890)	(20,798)	(30,890)	(20,798)
	(9,597)	(4,644)	(676)	(2,134)
Cost of goods manufactured	4,184,603	2,727,912	1,545,352	872,279
Finished goods:				
Opening stock	149,087	238,084	209,429	145,065
Closing stock	(217,058)	(132,837)	(217,058)	(132,837)
	(67,971)	105,247	(7,629)	12,228
	4,116,632	2,833,159	1,537,723	884,507
Cost of goods purchased for resale	-	88,212	-	-
	4,116,632	2,921,371	1,537,723	884,507

	UN-AUDITED	
	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)	
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	2,345	(27,510)
Adjustments for non-cash charges and other items:		
Depreciation	59,863	25,589
Provision for staff retirement gratuity	20,647	15,316
(Gain)/loss on sale of operating fixed assets	(1,344)	17
Gain on sale of investment	(40,637)	(20,121)
Share of loss/(profit) from associate company	5,976	(717)
Finance cost	39,791	21,563
Impairment loss on investments	171	194
Working capital changes (Note 10.1)	(269,012)	(211,736)
	(182,200)	(197,405)
10.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(10,411)	1,185
Stock-in-trade	(512,344)	(191,017)
Trade debts	(161,458)	(32,929)
Loans and advances	(14,056)	(35,510)
Short term deposits prepayments and balances with statutory authorities	(33,878)	(5,560)
Other receivables	(6,259)	(9,493)
	(738,406)	(273,324)
Increase in trade and other payables	469,394	61,588
	(269,012)	(211,736)

11. SEGMENT INFORMATION

11.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(RUPEES IN THOUSAND)							
Sales	4,272,404	2,807,748	108,732	251,532	(118,884)	(49,839)	4,262,252	3,009,441
Cost of sales	(4,130,322)	(2,730,986)	(105,194)	(240,224)	118,884	49,839	(4,116,632)	(2,921,371)
Gross profit	142,082	76,762	3,538	11,308	-	-	145,620	88,070
Distribution cost	(35,991)	(19,526)	(3,198)	(6,467)	-	-	(39,189)	(25,993)
Administrative expenses	(118,446)	(109,622)	(54)	(543)	-	-	(118,500)	(110,165)
Other expenses	(154,623)	(129,395)	(3,252)	(7,010)	-	-	(157,875)	(136,405)
Other income	(12,541)	(52,633)	286	4,298	-	-	(12,255)	(48,335)
Profit from operations	58,185	41,671	2,182	4,298	-	-	60,367	41,671
Finance cost	(39,717)	(20,899)	(74)	(664)	-	-	(39,791)	(21,563)
(Loss) / profit before taxation and unallocated income and expenses	5,927	(31,861)	2,394	3,634	-	-	8,321	(28,227)
Share of (loss) / profit from associated companies							(5,976)	717
Taxation							(27,422)	(33,285)
(Loss) / profit after taxation							(25,077)	(60,795)

11.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017	(UN-AUDITED) 31 March 2018	(AUDITED) 30 June 2017
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	5,741,739	4,944,735	2,476	1,254	5,744,215	4,945,989
Deferred income tax asset					31,105	31,105
Non-current assets held for sale					-	-
Total assets as per balance sheet					5,775,320	4,977,094
Total liabilities for reportable segments	2,049,792	1,180,257	7,522	-	2,057,314	1,180,257
Unallocated liabilities:						
Provision for taxation					28,454	33,744
Total liabilities as per balance sheet					2,085,768	1,214,001

12. TRANSACTIONS WITH RELATED PARTIES

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

(Un-audited)			
Nine months ended		Quarter ended	
31 March 2018	31 March 2017	31 March 2018	31 March 2017
(RUPEES IN THOUSAND)			

i) Transactions

Associated companies

Service charges	11,083	260	-	166
Dividend income	-	63	-	-
Bonus Shares received (Number of Shares)	27,580	-	-	-

Other related parties

Loans (repaid to)/received from directors and executives	38,609	17,211	2,314	6,663
Remuneration paid to Chief Executive Officer, Directors and Executives	38,477	35,989	19,239	17,995

(Un-audited)	(Audited)
31 March 2018	30 June 2017

(RUPEES IN THOUSAND)

ii) Period end balances

Trade and other payables	2,539	4,607
Short term borrowings	259,890	217,923

13. FINANCIAL INSTRUMENTS

13.1 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.

13.2 Financial instruments by category

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

	Carrying Amount		Total	Fair Value			Total
	Loans and receivable	Available for sale		Financial liabilities at amortized cost	Level 1	Level 2	
31 March 2018 (Un-audited)							
Financial assets							
Investments	-	174,382	174,382	174,382	-	-	174,382
Loans and advances	13,967	-	13,967	-	-	-	-
Deposits	3,614	-	3,614	-	-	-	-
Trade debts	225,331	-	225,331	-	-	-	-
Other receivables	54,603	-	54,603	-	-	-	-
Cash and bank balances	33,890	-	33,890	-	-	-	-
	331,405	174,382	505,787	174,382	-	-	174,382
Financial liabilities							
Long term financing	-	-	-	-	-	-	-
Trade and other payables	-	237,670	237,670	-	-	-	-
Accrued mark-up on short term borrowing	-	832,949	832,949	-	-	-	-
Short term borrowings	-	29,053	29,053	-	-	-	-
	-	850,329	850,329	-	-	-	-
	-	1,950,001	1,950,001	-	-	-	-
30 June 2017 (Audited)							
Financial assets							
Investments	-	185,432	185,432	185,432	-	-	185,432
Loans and advances	10,153	-	10,153	-	-	-	-
Deposits	3,614	-	3,614	-	-	-	-
Trade debts	63,873	-	63,873	-	-	-	-
Other receivables	47,241	-	47,241	-	-	-	-
Cash and bank balances	44,907	-	44,907	-	-	-	-
	169,788	185,432	355,220	185,432	-	-	185,432
Financial liabilities							
Long term financing	-	-	-	-	-	-	-
Trade and other payables	-	237,670	237,670	-	-	-	-
Accrued mark-up on short term borrowing	-	368,237	368,237	-	-	-	-
Short term borrowings	-	25,188	25,188	-	-	-	-
	-	444,919	444,919	-	-	-	-
	-	1,076,014	1,076,014	-	-	-	-

14. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on April 30, 2018.

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



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



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