



| The Crescent Textile Mills Limited

3<sup>rd</sup> Quarter March 31





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## Company Information

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### Board of Directors

Mr. Muhammad Rafi	Chairman	Bankers
Mr. Muhammad Anwar	Chief Executive Officer	Al Baraka Bank (Pakistan) Limited
Mr. Ahmad Shafi	Director	Allied Bank Limited
Mr. Anjad Mehmood	Director	Burj Bank Limited
Mr. Khalid Bashir	Director	Habib Bank Limited
Mr. Khurram Mazhar Karim	Director	MCB Bank Limited
Mr. Muhammad Asif (Nominee NIT)	Director	National Bank of Pakistan
Mr. Nasir Shafi	Director	NIB Bank Limited
		Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited

### Audit Committee

Mr. Khalid Bashir	Chairman	Mills & Head Office
Mr. Khurram Mazhar Karim	Member	Sargodha Road,
Mr. Nasir Shafi	Member	Faisalabad, Pakistan
		T: + 92-41-111-105-105
		F: + 92-41-111-103-104
		E: crestex@ctm.com.pk

### HR & R Committee

Mr. Khalid Bashir	Chairman
Mr. Ahmad Shafi	Member
Mr. Nasir Shafi	Member

### Chief Financial Officer

Mr. Sadiq Saleem

### Registered Office

### Corporate Secretary

Mr. Naseer Ahmad Chaudhary

45-A, Off: Zafar Ali Road, Gulberg-V,  
Lahore, Pakistan

T: + 92-42-111-245-245

F: + 92-42-111-222-245

### Head of Internal Audit

Mr. Kashif Saleem

E: mailho@crescentbahuman.com

### Auditors

Riaz Ahmed & Company

Chartered Accountants

### Legal Advisor

Syed Masroor Ahmad

Advocate

### Share Registrar

CorpTec Associates (Pvt) Ltd.,

503 - E, Johar Town,

Lahore, Pakistan

### Stock Exchange Listing

The Crescent Textile Mills Limited is a listed Company  
and its shares are traded on Pakistan Stock Exchange.

T: +92-42-35170336-37

F: +92-42-35170338

E: info@corptec.com.pk

The Company's shares are quoted in leading dailies  
under textile composite sector.

www.ctm.com.pk

## Directors' Report to the Shareholders

for the Nine Months Ended March 31, 2016

The directors are pleased to present review of the unaudited financial statements of the company for the 3rd Qtr and nine months ended March 31, 2016.

### Industry review:

Industry performance remained weak throughout this period emanating from depressed local demand and continuous decline in exports. In 9M FY16 textile exports exhibited downward trend mainly due to weak commodity prices, continuing oversupply both in local and international market, lower cotton crop, liquidity crunch and curtailment in gas supply. This situation was salvaged to some extent through subsequent reduction in furnace oil prices and lower interest rates regime. Hence core operations of industry posted weak earnings growth mainly driven by lower gross margins. Higher cost of doing business and lower cotton crop weakened the competitiveness of industry as volumes and margins both attrite. In 3rd Qtr constrained gas supply adversely affected production levels and dented margins due to higher cost of using alternate energy sources and burden of unabsorbed fixed cost on lower capacity utilization.

### Performance review of the company:

Period	Net sales & other income (Rs. in mln)	Net after tax profit (Rs. in mln)
Mar-16	8,128	236
Mar-15	9,009	170

Except decline in yarn production owing to capacity curtailment all segments of the company posted growth in operations over SPLY. But net sales declined (10.80% over SPLY) mainly due lower domestic yarn sales both in volume and value due depressed market conditions and lower production. Exports sales were marginally lower (3.56% over SPLY) due decline in commodity prices although volumes posted an overall growth. Performance of 3rd Qtr was adversely impacted as higher cost on alternate arrangement to cover up gas shortfall and underutilization of capacities dragged both volumes and margins.

Gross margins remained stable (achieved 13.28% against 13.37% over SPLY) as decline in raw materials prices, fuel and power cost helped in restoring parity which was badly affected by depressed margin on yarn sale. However, bottom line of the company was thrived through reduction in finance cost, reduced tax impact and from higher proportion of other income and share of associate's profit.

Highlights of income statement during the period compared to same period of last year were as below:

Million Rs.	9M FY16	9M FY15	Var (%)
Net sales	7,909	8,866	(10.79)
Gross profit	1,050	1,185	(11.39)
Operating expenses	704	660	6.67
Other income	219	143	53.15
Finance cost	298	387	(23.00)
Profit before tax	267	281	(4.98)
Share of profit from associate	50	5	900.00
Taxation	81	116	(30.17)
Net after tax profit	236	170	38.82

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## Directors' Report to the Shareholders

for the Nine Months Ended March 31, 2016

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### Future prospects:

So far exports have remained on tail end of the GoP priorities; however, 24x7 RLNG supply to Punjab based industry since Mar- 16 is likely to boost its performance. But much will depend on future cotton crop and release of GST Refunds to avoid liquidity crunch to industry. We are focusing on strengthening assets base of the company by using Rs.1,250 million LTFF and on acquisition of 50 Acres land in FIEDMC for moving some of its operations from existing premises; which are in progress. With completion of such fundamental changes we are confident the future performance of the company will remain afloat.

for and on behalf of the Board.



(Muhammad Anwar)

Chief Executive Officer

## تھمسٹون کے لئے ڈائریکٹرز رپورٹ

برائے 31 مارچ 2016 تھمسٹون نوامی

ڈائریکٹرز تیسری سہ ماہی اور 31 مارچ 2016 تھمسٹون نوامی کے لئے کمپنی کے غیر متعلقہ شدہ مالیاتی گوشواروں کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### صنعت کا جائزہ

اس پوری مدت میں دلکشا مقامی طلب اور برآمدات میں مسلسل کمی سے نمٹنے کے لئے صنعت کی کارکردگی بہت ہی کمزور رہی۔ 9MFY16 میں بیکسٹائل برآمدات ایشیائی کم قیمتوں، دونوں مقامی اور بین الاقوامی مارکیٹ میں وافر رسد جاری رہنے، کپاس کی فصل کی کم پیداوار، گیس کی فراہمی میں تخفیف اور لیکو پیڈ بیٹریوں کے باعث بنیادی طور پر مندی کے رجحان سے دوچار رہی ہیں۔ اس صورت حال میں بعد میں حکومت کی طرف سے فرس آئل کی قیمتوں میں کمی اور کم شرح سود کے ذریعے کسی حد تک پتہ ٹھیک ہوا۔ لہذا صنعت کے بنیادی آپریشن نے کم مجموعی مارجن کے ذریعے کاروبار کو مدنی میں کم اضافہ درج کیا ہے۔ کاروبار کے اخراجات میں زیادتی اور کپاس کی فصل کی کم پیداوار کے باعث کم اور مارجن دونوں کے دباؤ نے صنعتی مسابقت کو کمزور کیا ہے۔ تیسری سہ ماہی میں کم پیداواری صلاحیت پر غیر جاذب مقررہ انتظامی اخراجات کے بوجھ اور متبادل توانائی کے ذرائع استعمال کرتے ہوئے اضافی اخراجات کے باعث گیس کی فراہمی سے منفی اثرات کی پیداواری سطحوں اور نقصان دہ مارجن پر مجبور کیا۔

### کمپنی کی کارکردگی کا جائزہ

عرضہ	خالص فروخت اور دیگر آمدن (روپے ملین میں)	بعد از ٹیکس خالص منافع (روپے ملین میں)
مارچ 2016	8,128	236
مارچ 2015	9,009	170

پچھلے سال کے متعلقہ دور کے مقابلے میں، دھماگہ کی پیداوار میں کمی کے علاوہ، کمپنی کے تمام شعبوں کی صلاحیتوں میں اضافہ دیکھنے میں آیا۔ لیکن خالص فروخت مارکیٹ کی دلکشا بصورتوں اور کم پیداوار کے باعث بنیادی طور پر کم مقامی دھماگہ کی بکری کی وجہ سے کم اور قدر دونوں لحاظ سے کم ہوئی ہے (10.80 فیصد بخلاف پچھلے سال کا متعلقہ دور)۔ ایشیائی قیمتوں میں کمی کی وجہ سے برآمدات کی فروخت کم تھی (3.56 فیصد بخلاف پچھلے سال کا متعلقہ دور) اگرچہ مجموعی حجم میں اضافہ ہوا ہے۔ تیسری سہ ماہی کی کارکردگی پر حجم اور مارجن کے ٹکراؤ میں غیر پیداواری صلاحیتوں اور گیس کے شارٹ فال پر قابو پانے کے لیے متبادل انتظامات پر بھاری اخراجات نے منفی اثرات ڈالے ہیں۔

مجموعی مارجن نام مال کی قیمتوں میں کمی سے مستحکم رہا (حاصل شدہ 13.28 فیصد بخلاف 13.37 فیصد پچھلے سال کا متعلقہ دور) اور ایندھن اور پاور کے اخراجات نے مساوی بحالی میں مدد کی جس نے دباؤ کا شکار دھماگہ کی بکری کو بری طرح متاثر کیا ہوا تھا۔ تاہم، کمپنی کی چلی لائن مالی اخراجات میں کمی، گیس کے اثرات میں کمی کے ذریعے اور دیگر آمدن کے اعلیٰ تناسب اور ایسی ایسے منافع کی شرکت سے فروغ پاری ہے۔ گزشتہ سال کی اسی مدت کے مقابلے میں اس مدت کے دوران مالی گوشواروں کی جھلکیاں مندرجہ ذیل ہیں۔

ملین روپے	نوامی مالی سال 2016	نوامی مالی سال 2015	فرق فیصد
خالص فروخت	7,909	8,866	(10.79)
نام منافع	1,050	1,185	(11.39)
آپریٹنگ اخراجات	704	660	6.67
دیگر آمدن	219	143	53.15
فنانس لاگت	298	387	(23.00)
قبل از ٹیکس منافع	267	281	(4.98)
شرکتی منافع کا حصہ	50	5	900.00
ٹیکس	81	116	(3.17)
بعد از ٹیکس خالص منافع	236	170	38.82

## حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

برائے 31 مارچ 2016 مختتمہ نوامی

مستقبل کے امکانات:

اب تک برآمدات GoP آخری ترجعات پر رہی ہیں، تاہم، مارچ 2016ء سے پنجاب کی بنیاد پر پورا ہفتہ چوبیس گھنٹے چلانی سے صنعت کی کارکردگی کو فروغ ملنے کا امکان ہے۔ لیکن اس کا مستقبل میں کپاس کی فصل اور صنعت کے کیوبیو بی بی بحران سے بچنے کے لئے GST رقوم کی واپسی پر بہت زیادہ انحصار ہوگا۔ ہم 1,250 ملین روپے ایل ٹی ایف ایف استعمال کرنے اور FIEDMC میں 150 ایکڑ زمین کے حصول کے بعد کمپنی کے کچھ اریٹرز کو منتقل کرنے کے ساتھ کمپنی کے بنیادی اثاثوں کو مزید مستحکم بنانے پر توجہ مرکوز کر رہے ہیں، جو زبرد پر اگر کس ہیں۔ ایسی بنیادی تبدیلیوں کی تکمیل کے ساتھ ہم پر اعتماد ہیں کہ کمپنی کی مستقبل کی کارکردگی بھرپور رہے گی۔

منجانب بورڈ



(محمد انور)

چیف ایگزیکٹو آفیسر



# Condensed Interim Balance Sheet

as at March 31, 2016

	Note	Un-Audited March 31, 2016	Audited June 30, 2015 Restated
<b>(Rupees in thousand)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
100 000 000 (June 30, 2015: 100 000 000)			
ordinary shares of Rupees 10 each			
		1,000,000	1,000,000
Issued, subscribed and paid up share capital			
		800,000	615,124
Reserves			
		3,766,366	2,833,144
<b>TOTAL EQUITY</b>			
		4,566,366	3,448,268
Surplus on revaluation of operating fixed assets- net of deferred income tax			
		2,214,009	2,290,704
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing			
	5	370,079	99,994
Liabilities against assets subject to finance lease			
		-	11,059
Deferred income tax liability			
		62,161	32,086
		432,240	143,139
<b>CURRENT LIABILITIES</b>			
Trade and other payables			
		938,498	1,191,175
Accrued mark-up			
		58,541	85,254
Short term borrowings			
		5,525,946	5,078,680
Current portion of non-current liabilities			
		70,777	111,795
Provision for taxation			
		51,194	104,294
		6,644,956	6,571,198
<b>TOTAL LIABILITIES</b>			
		7,077,196	6,714,337
Contingencies and commitments			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>			
		13,857,571	12,453,309
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment			
	7	4,398,228	4,139,630
Investment in associate			
	8	386,106	336,244
Long term investments			
		3,216,592	2,541,381
Long term loans and advances			
		2,045	3,664
Long term deposits and prepayments			
		5,466	5,466
		8,008,437	7,026,385
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools			
		258,692	176,991
Stock-in-trade			
		1,528,244	1,337,524
Trade debts			
		2,495,108	2,566,707
Loans and advances			
		408,864	418,287
Short term deposits and prepayments			
		28,138	22,801
Accrued interest			
		4,375	5,068
Other receivables			
		1,023,050	743,981
Short term investments			
		92,473	66,052
Cash and bank balances			
		10,190	5,195
		5,849,134	5,342,606
Non-current asset held for sale			
	9	-	84,318
		5,849,134	5,426,924
<b>TOTAL ASSETS</b>			
		13,857,571	12,453,309

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

## Condensed Interim Profit and Loss Account (Un-Audited)

for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sales		7,908,858	8,866,390	2,553,567	2,828,086
Cost of sales	10	6,858,945	7,681,187	2,223,746	2,381,076
Gross profit		1,049,913	1,185,203	329,821	447,010
Distribution cost		477,329	468,669	153,094	158,174
Administrative expenses		209,032	167,851	70,487	59,312
Other expenses		17,411	23,834	3,708	11,946
		703,772	660,354	227,289	229,432
		346,141	524,849	102,532	217,578
Other income		219,313	142,785	46,606	44,845
Profit from operations		565,454	667,634	149,138	262,423
Finance cost		298,027	386,705	88,558	111,365
Share of profit from associate		49,862	5,031	8,533	12,382
Profit before taxation		317,289	285,960	69,113	163,440
Taxation		81,224	115,763	19,577	51,547
Profit after taxation		236,065	170,197	49,536	111,893
			Restated		Restated
Earnings per share - basic and diluted (Rupees)		3.52	3.11	0.65	1.85

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Profit after taxation	236,065	170,197	49,536	111,893
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurement of available for sale investments to fair value	570,989	(46,189)	(36,738)	(76,094)
Other comprehensive income / (loss) for the period	570,989	(46,189)	(36,738)	(76,094)
<b>Total comprehensive income for the period</b>	<b>807,054</b>	<b>124,008</b>	<b>12,798</b>	<b>35,799</b>

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

  
 (Muhammad Anwar)  
 Chief Executive Officer

  
 (Khalid Bashir)  
 Director

## Condensed Interim Cash Flow Statement (Un-Audited)

for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Note	Nine months ended	
		March 31, 2016	March 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	11	(81,040)	(389,377)
Finance cost paid		(323,877)	(398,755)
Income tax paid		(108,539)	(113,145)
Dividend paid		(89,717)	(58,121)
Workers' profit participation fund paid		(12,125)	(9,678)
Net decrease in long term loans and advances		1,619	338
Net decrease in long term deposits and prepayments		-	1,435
Net cash used in operating activities		(613,679)	(967,303)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(418,056)	(206,612)
Proceeds from sale of property, plant and equipment		173,257	5,835
Long term investment made		(130,643)	-
Dividend received		5,309	10,598
Net cash used in investing activities		(370,133)	(190,179)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of right shares		323,533	184,537
Proceeds from long term financing		303,699	100,000
Repayment of long term financing		(60,430)	(117,857)
Liabilities against assets subject to finance lease - net		(25,261)	(24,931)
Short term borrowings - net		447,266	1,014,477
Net cash generated from financing activities		988,807	1,156,226
Net increase / (decrease) in cash and cash equivalents		4,995	(1,256)
Cash and cash equivalents at the beginning of the period		5,195	6,935
Cash and cash equivalents at the end of the period		10,190	5,679

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

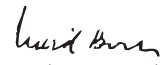
## Condensed Interim Statement of Changes In Equity (Un-Audited)

for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Share Capital	Reserves							Total	Total Equity
		Capital Reserves			Revenue Reserves					
		Premium on right shares	Fair Value	Sub total	General	Dividend Equalization	Unappropriated profit	Sub total		
Balance as at June 30, 2014 - Audited	492,099	-	434,569	434,569	1,773,643	30,000	347,146	2,150,789	2,585,358	3,077,457
Transaction with owners - Final dividend for the year ended June 30, 2014 at the rate of Rs. 1.25 per share	-	-	-	-	-	-	(61,512)	(61,512)	(61,512)	(61,512)
Transaction with owners - 25% right shares issued at a premium of Rs. 5 per share.	123,025	61,512	-	61,512	-	-	-	-	61,512	184,537
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	19	19	19	19
Profit for the nine months ended March 31, 2015	-	-	-	-	-	-	170,197	170,197	170,197	170,197
Other comprehensive loss for the nine months ended March 31, 2015	-	-	(46,189)	(46,189)	-	-	-	-	(46,189)	(46,189)
Total comprehensive income for the nine months ended March 31, 2015	-	-	(46,189)	(46,189)	-	-	170,197	170,197	124,008	124,008
Balance as at March 31, 2015 - Un-audited	615,124	61,512	388,380	449,892	1,773,643	30,000	455,850	2,259,493	2,709,385	3,324,509
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	6	6	6	6
Profit for the quarter ended June 30, 2015	-	-	-	-	-	-	51,497	51,497	51,497	51,497
Other comprehensive income for the quarter ended June 30, 2015	-	-	73,650	73,650	-	-	-	-	73,650	73,650
Total comprehensive income for the quarter ended June 30, 2015	-	-	73,650	73,650	-	-	51,497	51,497	125,147	125,147
Balance as at June 30, 2015 - Audited	615,124	61,512	462,030	523,542	1,773,643	30,000	507,353	2,310,996	2,834,538	3,449,662
Effect of accounting error regarding investment in associate (Note 8.1)	-	-	-	-	-	-	(1,394)	(1,394)	(1,394)	(1,394)
Balance as at June 30, 2015 - Restated	615,124	61,512	462,030	523,542	1,773,643	30,000	505,959	2,309,602	2,833,144	3,448,268
Transaction with owners - Final dividend for the year ended June 30, 2015 at the rate of Rs. 1.45 per share	-	-	-	-	-	-	(89,193)	(89,193)	(89,193)	(89,193)
Transaction with owners - Issue of 30.0551 % right shares at a premium of Rs. 7.5 per share	184,876	138,657	-	138,657	-	-	-	-	138,657	323,533
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	17	17	17	17
Transfer from surplus on revaluation of operating fixed assets on disposal of operating fixed asset	-	-	-	-	-	-	76,687	76,687	76,687	76,687
Profit for the nine months ended March 31, 2016	-	-	-	-	-	-	236,065	236,065	236,065	236,065
Other comprehensive income for the nine months ended March 31, 2016	-	-	570,989	570,989	-	-	-	-	570,989	570,989
Total comprehensive income for the nine months ended March 31, 2016	-	-	570,989	570,989	-	-	236,065	236,065	807,054	807,054
Balance as at March 31, 2016 - Un-audited	800,000	200,169	1,033,019	1,233,188	1,773,643	30,000	729,535	2,533,178	3,766,366	4,566,366

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

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## Selected Notes to the Condensed Interim Financial Information (Un-Audited) for the Nine Months Ended March 31, 2016

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### 1. THE COMPANY AND ITS OPERATIONS

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The registered office of the Company is situated at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore. Its shares are quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. The Company also operates a cold storage unit.

### 2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the nine months ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended June 30, 2015.

### 3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2015.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Un-Audited March 31, 2016	Audited June 30, 2015
<b>5. LONG TERM FINANCING</b>		
Financing from banking companies		
Opening balance	179,167	209,517
Add: Obtained during the period / year	303,699	100,000
Less: Repaid during the period / year	60,430	130,350
	422,436	179,167
Less: Current portion shown under current liabilities	52,357	79,173
	370,079	99,994

**6. CONTINGENCIES AND COMMITMENTS**

**a) Contingencies**

- i) Guarantees of Rupees 152.594 million (June 30, 2015: Rupees 149.784 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company against electricity connections.
- ii) Post dated cheques of Rupees 205.250 million (June 30, 2015: Rupees 75.729 million) are issued to custom authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
- iii) The Company is contingently liable to the extent of Rupees 221.249 million (June 30, 2015: Rupees 221.249 million) as its share of contingent liabilities of its associate.
- iv) The Company has filed appeal with Appellate Tribunal Inland Revenue for the revision of assessment order issued under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2008. In case of adverse decision, the Company may face tax liability of Rupees 40.691 million (June 30, 2015: Rupees 40.691 million). The Company's management is confident that appeal is likely to succeed.
- v) Commissioner Inland Revenue has filed appeals with Honorable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 16.673 million (June 30, 2015: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.
- vi) EOBI has issued notices for payment of contribution according to minimum rate applicable under Minimum Wage for unskilled workers Ordinance, 1969 along with arrears effective from July 2013. Company has not accrued this liability of Rs 31.959 million till date in respect of arrears as it has obtained stay from Lahore High Court against such demand as it considers that demand is not likely to be paid.

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

b) Commitments

- i) Contracts for capital expenditure are of Rupees 806.122 million (June 30, 2015: Rupees 104.951 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 219.156 million (June 30, 2015: Rupees 144.275 million).
- iii) Ijarah (operating lease) commitments are of Rupees 0.779 million (June 30, 2015: Rupees 1.433 million).

(Rupees in thousand)	Un-Audited March 31, 2016	Audited June 30, 2015
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets		
- Owned (Note 7.1)	4,237,760	3,926,969
- Leased (Note 7.2)	94,330	114,027
Capital work-in-progress (Note 7.3)	66,138	98,634
	4,398,228	4,139,630
<b>7.1 Operating fixed assets - Owned</b>		
Opening book value	3,926,969	4,027,320
Add: Cost of additions during the period / year (Note 7.1.1)	450,552	170,409
Add: Transfer from leased assets during the period / year	11,547	-
	4,389,068	4,197,729
Less: Book value of deletions during the period / year (Note 7.1.2)	5,175	6,291
Classified as non-current asset held for sale during the period / year	-	84,318
	5,175	90,609
	4,383,893	4,107,120
Less: Depreciation charged during the period / year	146,133	180,151
Book value at the end of the period / year	4,237,760	3,926,969
<b>7.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	59,482	12,637
Buildings on leasehold land	1,406	28,936
Plant and machinery	353,698	104,763
Factory tools and equipment	2,583	500
Gas and electric installations	25,607	5,777
Vehicles	4,803	15,121
Office equipment	2,973	2,675
	450,552	170,409
<b>7.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	4,002	2,825
Vehicles	1,173	3,464
Office equipment	-	2
	5,175	6,291



Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Un-Audited March 31, 2016	Audited June 30, 2015
7.2 Operating fixed assets - Leased		
Opening book value	114,027	126,697
Less: Transferred to owned assets during the period / year	11,547	-
	102,480	126,697
Less: Depreciation charged during the period / year	8,150	12,670
Book value at the end of the period / year	94,330	114,027
7.3 Capital work-in-progress		
Advance for purchase of land	46,038	-
Buildings on freehold land	-	55,190
Buildings on leasehold land	18,889	1,461
Plant and machinery	1,211	20,286
Gas and electric installations	-	21,697
	66,138	98,634

(Rupees in thousand)	Un-Audited March 31, 2016	Audited June 30, 2015 Restated
8. INVESTMENT IN ASSOCIATE		
Crescent Bahuman Limited - unquoted		
26 926 433 (June 30, 2015: 26 926 433) ordinary shares of Rupees 10 each	269,264	269,264
Share of post acquisition reserve:		
As at the beginning of the period / year	66,980	41,459
Share of post acquisition profit (Note 8.2)	49,862	25,521
	116,842	66,980
	386,106	336,244

8.1 The Company has restated the post acquisition reserve as at June 30, 2015 in respect of its investment in CBL by revising the share of post acquisition profit from the associate. Previously, share of post acquisition profit of associate was recognized on the basis of un-audited financial statements of the associate for the year ended June 30, 2015. Now, the share of profit from associate is restated on the basis of audited financial statements of associate for the year ended June 30, 2015. This prior period error has been corrected retrospectively in these financial statements in accordance with International Accounting Standard IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Consequently, as at June 30, 2015, investment in associate, unappropriated profit and deferred income tax liability have been decreased by Rupees 1.549 million, Rupees 1.394 million and Rupees 0.155 million respectively.

8.2 Share of profit of associate has been taken on the basis of un-audited accounts of the associate for the nine months ended March 31, 2016 (June 30, 2015: Audited accounts for the year ended June 30, 2015).

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

9. NON-CURRENT ASSET HELD FOR SALE

During the period, freehold land of the Company situated at Pindi Bhattian having revalued book value of Rupees 84.318 million has been sold at price of Rupees 144.129 million.

(Rupees in thousand)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>10. COST OF SALES</b>				
Raw material consumed	2,370,465	2,914,582	833,377	909,720
Cloth and yarn purchased	1,051,669	1,029,523	361,115	398,168
Stores, spare parts and loose tools consumed	461,447	398,463	169,048	154,624
Packing materials consumed	430,628	427,711	128,787	142,440
Processing and weaving charges	542,711	501,716	163,406	169,169
Salaries, wages and other benefits	690,266	657,324	223,563	220,262
Fuel and power	852,626	1,062,098	254,342	307,123
Repair and maintenance	51,597	40,810	19,064	14,901
Insurance	10,296	9,327	3,641	3,063
Depreciation	146,982	136,082	54,585	45,700
Other factory overheads	28,920	13,800	10,450	4,710
	6,637,607	7,191,436	2,221,378	2,369,880
Work-in-process:				
Opening stock	102,549	122,937	102,803	116,585
Closing stock	(92,053)	(110,086)	(92,053)	(110,086)
	10,496	12,851	10,750	6,499
Cost of goods manufactured	6,648,103	7,204,287	2,232,128	2,376,379
Finished goods:				
Opening stock	1,035,897	1,127,385	893,924	1,010,785
Closing stock	(943,371)	(1,119,728)	(943,371)	(1,119,728)
	92,526	7,657	(49,447)	(108,943)
Cost of sales - purchased for resale	118,316	469,243	41,065	113,640
	6,858,945	7,681,187	2,223,746	2,381,076

(Rupees in thousand)	Un-Audited	
	Nine months ended	
	March 31, 2016	March 31, 2015
<b>11. CASH UTILIZED IN OPERATIONS</b>		
Profit before taxation	317,289	285,960
Adjustments for non-cash charges and other items:		
Depreciation	154,283	142,217
Gain on sale of property, plant and equipment	(83,764)	(2,331)
Dividend income	(79,409)	(84,698)
Provision for workers' profit participation fund	7,412	14,705
Provision for doubtful loans and advances	1,724	-
Share of profit from associate	(49,862)	(5,031)
Finance cost	298,027	386,705
Working capital changes (Note 11.1)	(646,740)	(1,126,904)
	(81,040)	(389,377)

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Un-Audited Nine months ended	
	March 31, 2016	March 31, 2015
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(81,701)	(68,658)
Stock-in-trade	(190,720)	(445,427)
Trade debts	71,599	(531,253)
Loans and advances	13,722	(15,955)
Short term deposits and prepayments	(5,337)	(34,090)
Accrued interest	693	(799)
Other receivables	(206,693)	(16,641)
	(398,437)	(1,112,823)
Decrease in trade and other payables	(248,303)	(14,081)
	(646,740)	(1,126,904)

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement fund 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)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i) Transactions				
Associated companies				
Purchase of goods	8,682	57,503	-	-
Sale of goods and services	327,618	110,587	153,880	62,361
Insurance premium paid	17,322	14,926	8,434	5,514
Insurance claim received	300	40,832	-	4,636
Interest income	39,941	43,656	12,844	15,026
Dividend income	78,881	84,346	24,700	24,700
Dividend paid	6,137	4,245	-	-
Right shares issued (Number of Shares)	2 195 033	835 968	2 195 033	
Right shares subscribed (Number of shares)	4 867 500	-	3 159 840	835 968
				-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	16,335	14,056	5,455	5,019
Remuneration paid to Chief Executive Officer, Director and Executives	140,009	109,990	46,081	37,846
Dividend paid	16,470	11,508	-	-
Right shares issued (Number of Shares)	5 729 023	2 704 657	5 729 023	2 704 657

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

(Rupees in thousand)	Un-Audited March 31, 2016	Audited June 30, 2015
ii) Period end balances		
Trade and other payables	11,358	4,846
Trade debts	691,315	639,797
Accrued interest	4,375	5,068
Other receivables	543,609	470,423

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

13. SEGMENT INFORMATION

13.1  (Rupees in thousand)	Spinning		Weaving	
	(Un-audited)		(Un-audited)	
	Nine months ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sales				
External	2,670,009	3,446,321	397,461	332,843
Intersegment	1,138,754	1,320,265	2,852,823	2,914,872
	3,808,763	4,766,586	3,250,284	3,247,715
Cost of sales	3,755,396	4,435,036	3,160,461	3,176,745
Gross profit	53,367	331,550	89,823	70,970
Distribution cost	41,200	46,700	20,772	16,488
Administrative expenses	62,909	67,054	17,572	10,710
	104,109	113,754	38,344	27,198
(Loss) / profit before taxation and unallocated income and expenses	(50,742)	217,796	51,479	43,772
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Share of profit from associate				
Taxation				
Profit after taxation				

13.2 Reconciliation of reportable segment assets and liabilities:

(Rupees in thousand)	Spinning		Weaving	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	March 31, 2016	June 30, 2015	March 31, 2016	June 30,2015
Total assets for reportable segments	2,187,429	1,661,815	1,068,646	1,002,525
Unallocated assets				
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.				
Total liabilities for reportable segments	3,093,374	2,630,185	731,185	558,023
Unallocated liabilities				

All segment liabilities are allocated to reportable segments other than major portion of trade and other payables,

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Nine Months Ended March 31, 2016

Processing & Home Textile		Power Generation		Cold Storage		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Nine months ended		Nine months ended		Nine months ended		Nine months ended		Nine months ended	
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4,832,864	5,078,865	-	-	8,524	8,361	-	-	7,908,858	8,866,390
-	-	683,791	900,852	-	-	(4,675,368)	(5,135,989)	-	-
4,832,864	5,078,865	683,791	900,852	8,524	8,361	(4,675,368)	(5,135,989)	7,908,858	8,866,390
3,943,293	4,308,891	668,290	889,570	6,873	6,934	(4,675,368)	(5,135,989)	6,858,945	7,681,187
889,571	769,974	15,501	11,282	1,651	1,427	-	-	1,049,913	1,185,203
413,119	403,884	2,238	1,597	-	-	-	-	477,329	468,669
118,086	82,315	9,880	7,218	585	554	-	-	209,032	167,851
531,205	486,199	12,118	8,815	585	554	-	-	686,361	636,520
358,366	283,775	3,383	2,467	1,066	873	-	-	363,552	548,683
								(17,411)	(23,834)
								219,313	142,785
								(298,027)	(386,705)
								49,862	5,031
								(81,224)	(115,763)
								236,065	170,197

Processing & Home Textile		Power Generation		Cold Storage		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015
2,226,107	2,654,001	358,963	332,699	19,667	20,238	5,860,812	5,671,278
						7,996,759	6,782,031
						13,857,571	12,453,309
2,068,050	2,082,500	132,734	116,074	1,390	1,998	6,026,733	5,388,780
						1,050,463	1,325,557
						7,077,196	6,714,337

current and deferred tax liabilities.

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## Selected Notes to the Condensed Interim Financial Information (Un-Audited) for the Nine Months Ended March 31, 2016

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13.3 Trading segment of the Company was merged into Processing and Home Textile segment because the Trading segment was not meeting any of the requirement of the quantitative thresholds as mentioned in IFRS 8.

### 14. FINANCIAL RISK MANAGEMENT

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

### 15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on April 25, 2016 by the Board of Directors of the Company.

### 16. CORRESPONDING FIGURES

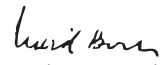
In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial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

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

### 17. GENERAL

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

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