



**Crescent
Fibres**



**Quarterly Report
March 31, 2017**



COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson, Non-Executive Director)
	Imran Maqbool	(Chief Executive, Executive Director)
	Humayun Maqbool	(Executive Director)
	Jahanzeb Saeed Khan	(Independent, Non-Executive Director)
	Nadeem Maqbool	(Non-Executive Director)
	Naila Humayun Maqbool	(Non-Executive Director)
	Mansoor Riaz	(Non-Executive Director)

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

Audit Committee

Jahanzeb Saeed Khan	(Chairman)
Nadeem Maqbool	(Member)
Naila Humayun Maqbool	(Member)

Human Resources & Remuneration Committee

Naila Humayun Maqbool	(Chairperson)
Jahanzeb Saeed Khan	(Member)
Nadeem Maqbool	(Member)

Auditors BDO Ebrahim & Company
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Share Registrar Vision Consulting Limited
1st Floor, 3-C, LDA Flats,
Lawrence Road, Lahore.

Registered Office 104 Shadman 1,
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Tel : (042) 35960871-4 Lines
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DIRECTORS' REPORT

The Company reported after-tax net profit of Rs. 0.98 million in the third quarter of the financial year, which when combined with a net loss of 0.15 million for the first half of the year, resulted in a net profit of Rs. 0.83 million for the nine months ended March 31, 2017. The earnings per share for the period under review was Rs. 0.07.

The textile industry continues to face extreme recessionary conditions with weak demand and falling margins. This is due to global growth slow down, a marked slow down in the Chinese growth rate, devaluation of regional currencies, and rising cost of doing business which has rendered Pakistani textile products uncompetitive in the export market.

For the period under review, the company reported sales of Rs. 2.9 billion which was a increase of 15% over the corresponding period. This was due to an increase in end product prices driven by higher raw material prices. The gross margin decreased to 4.1% as compared to 4.7% for the nine months ended March 31, 2016. Owing to strict cost controls and higher sales, selling and administrative expenses were marginally lower at 2.4% of sales as compared to 2.5% in the corresponding period. The operating margin for the period under review declined to 2.3% as compared to 2.7% for the period ended March 31, 2016. Financial charges increased from Rs. 56.7 million to Rs. 60.9 million owing to higher borrowing due to weak operational cash flows. Overall, the net margin decreased from 0.9% to near break-even level.

The outlook for textiles is likely to remain negative in the near term. Factors contributing to this include uncertain global economic situation, the slow down in Europe and China, strong government support for regional competitors, the valuation of the rupee, and the consistent shortfall in the size of the local cotton crop. The only bright spot is the provision of RLNG to the Punjab based industry. However, even here question marks remain over its long term reliability and pricing which must be resolved immediately to enable the industry to make critical decisions regarding its energy security.

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.



IMRAN MAQBOOL
Chief Executive Officer

Dated: April 28, 2017

کمپنی نظمہاء (ڈائریکٹران) کی رپورٹ:

کمپنی کو مالی سال کی تیسری سہ ماہی میں 0.98 ملین روپے کا منافع ہوا جو کہ پہلی ششماہی کے خالص نقصان 0.15 ملین روپے کے ساتھ شامل کرنے کے نتیجے میں 31 مارچ 2017 کو 9 ماہ کے لئے 0.83 ملین روپے کا خالص منافع ہوا۔ زیر جائزہ مدت کے لئے فی شیئر آمدنی 0.07 روپے تھی۔

ٹیکسٹائل کی صنعت کمزور طلب اور گرتے ہوئے منافع کے ساتھ مسلسل سُست روی کا شکار ہے، چین کی ترقی کی شرح میں سُست روی اور علاقائی ممالک کی کرنسیوں کے قیمت میں تخفیف اور کاروباری اخراجات میں اضافہ جس کی وجہ سے پاکستانی ٹیکسٹائل کی مصنوعات برآمدی منڈی میں مقابلہ نہ کر سکیں۔

زیر جائزہ مدت کے لئے کمپنی کی مجموعی فروختی 2.9 ارب روپے تھی جو کہ پچھلے سال کے مقابلے میں 15 فیصد زیادہ تھی۔ خام مال کی قیمتوں میں اضافہ کے ساتھ اختتامی مصنوعات کی قیمتوں میں اضافہ رہا۔ مجموعی منافع میں 4.1 فیصد کمی ہوئی جو کہ پچھلے سال 9 ماہ کے اختتام پر 31 مارچ 2016 میں 4.7 فیصد تھا۔ لاگت کنٹرول اور زیادہ فروخت کی وجہ سے انتظامی اور دیگر اخراجات گزشتہ مدت میں 2.5 فیصد کے مقابلے میں 2.4 فیصد رہے۔ زیر جائزہ مدت کے لئے آپریٹنگ منافع 31 مارچ 2016 کی مدت کے لئے 2.7 فیصد کے مقابلے میں 2.3 فیصد کم تھا۔ مالیاتی اخراجات 56.7 ملین سے بڑھ کر 60.9 ملین روپے ہو گئے جو کہ نقد رقم کے بہاؤ میں کمی کی وجہ سے قرضہ جات لینے پڑے۔ مجموعی طور پر خالص منافع میں 0.9 فیصد کمی ہوئی جو کہ نہ منافع نہ نقصان کی سطح پر تھا۔

ٹیکسٹائل کی صنعت کے لئے مستقبل قریب میں منفی رجحان رہنے کا امکان ہے۔ اس کی وجوہات غیر یقینی عالمی اقتصادی صورتحال، یورپ اور چین میں سُست روی، علاقائی حریف کے لئے ان کی حکومتوں کی مضبوط حمایت، ملکی کرنسی کی قیمت میں کمی اور مقامی کپاس کی فصل کی پیداوار میں مسلسل کمی شامل ہے۔ صرف خوش آئند بات یہ ہے کہ پنجاب کی صنعت کو (RLNG) گیس کی فراہمی ہے۔ تاہم طویل مدتی قابل اعتبار اور قیمتوں کا تعین فوری طور پر حل کیا جانا چاہیے۔ جس سے توانائی کے تحفظ کے حوالے سے اہم فیصلے کریں۔

کمپنی کی انتظامی عملے کی مسلسل محنت اور جذبے پر اچھے تعلقات کا اعتراف کرتی ہے اور کمپنی ڈائریکٹرز، بینکرز اور حصہ داران کا بھی مسلسل حمایت پر شکر یہ ادا کرتی ہے۔

Imra Maqsood

عمران مقبول

چیف ایگزیکٹو

تاریخ: 28 اپریل 2017ء

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017 (UN-AUDITED)**

	Note	March 31, 2017 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,225,595,254	1,245,262,713
Long term investments		1,029,357	1,987,549
Long term advances		1,672,500	-
Long term deposits		13,364,868	18,715,498
		<u>1,241,661,979</u>	<u>1,265,965,760</u>
CURRENT ASSETS			
Stores, spares and loose tools		67,299,283	56,971,130
Stock in trade	6	829,999,398	239,201,212
Trade debts		477,923,157	489,355,247
Loans and advances		10,122,362	5,523,812
Trade deposits and short term prepayments		11,950,937	14,691,542
Other receivables		2,915,950	627,319
Short term investments		260,000,744	53,605,220
Tax refunds due from Government		47,015,694	21,406,016
Taxation - net		32,275,056	14,261,317
Cash and bank balances		89,416,698	183,988,955
		<u>1,828,919,279</u>	<u>1,079,631,770</u>
		<u>3,070,581,258</u>	<u>2,345,597,530</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Reserves			
Capital		123,616,065	22,626,535
Revenue		776,820,092	788,404,080
		<u>900,436,156</u>	<u>811,030,615</u>
		<u>1,024,614,916</u>	<u>935,209,375</u>
NON CURRENT LIABILITIES			
Long term financing	7	406,773,857	409,598,099
Liabilities against assets subject to finance leases		2,876,771	2,585,326
Deferred taxation		150,946,718	159,623,311
		<u>560,597,346</u>	<u>571,806,736</u>
CURRENT LIABILITIES			
Trade and other payables		629,136,635	476,174,429
Financial charges payable		42,713,449	36,508,278
Short term borrowings	8	702,106,441	235,915,022
Current portion of long term liabilities		111,412,471	89,983,690
		<u>1,485,368,995</u>	<u>838,581,419</u>
CONTINGENCIES AND COMMITMENTS			
	9		
		<u>3,070,581,258</u>	<u>2,345,597,530</u>
TOTAL EQUITY AND LIABILITIES			

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool

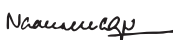
NADEEM MAQBOOL
Director

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

	Note	Nine months ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Rupees	Rupees	Rupees	Rupees
Sales - net		2,880,845,927	2,510,397,725	966,979,977	917,375,094
Cost of sales	10	(2,762,274,796)	(2,393,489,404)	(910,290,824)	(876,317,974)
Gross profit		118,571,131	116,908,321	56,689,153	41,057,120
Selling and distribution expenses		(12,582,020)	(11,931,758)	(3,511,722)	(4,415,870)
Administrative and general expenses		(68,952,480)	(61,775,177)	(23,329,595)	(18,508,940)
Other operating expenses		(1,196,853)	(1,269,378)	(275,000)	(374,830)
Other operating income	11	30,198,868	26,591,111	4,710,774	7,309,810
Operating profit		66,038,646	68,523,119	34,283,610	25,067,290
Finance cost		(60,352,123)	(56,899,062)	(25,895,089)	(22,033,703)
Share of (loss) / profit from associate		(586,340)	159,387	(195,447)	53,129
Profit before taxation		5,100,184	11,783,444	8,193,075	3,086,716
Taxation	12	(4,266,296)	11,041,801	(7,210,059)	3,456,389
Profit for the period		833,888	22,825,246	983,015	6,543,105
Earnings per share - basic and diluted (Rupees)	13	0.07	1.84	0.08	0.53

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report

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

	March 31, 2017 Rupees	March 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,100,184	11,783,444
Adjustment for non cash charges and other items:		
Depreciation	87,641,049	91,493,509
(Gain) /Loss on disposal of operating fixed assets	(2,824,418)	(1,529,176)
Unrealized gain on remeasurement of investments	4,034,142	(2,544,082)
Impairment on long Term Investment	371,853	-
Share of loss / (profit) from associate	586,340	(159,387)
Finance cost	60,352,123	56,899,062
	150,161,089	144,159,925
(Increase) / decrease in current assets		
Stores, spares and loose tools	(10,328,153)	(2,957,079)
Stock in trade	(590,798,186)	(317,033,792)
Trade debts	11,432,090	(119,401,484)
Loans and advances	(4,598,550)	(35,533,335)
Trade deposits and short term prepayments	2,740,605	476,357
Other receivables	(2,288,631)	(6,744,487)
Tax refund due from Government	(25,609,678)	10,501,054
	(619,450,503)	(470,692,765)
Increase in current liabilities		
Trade and other payables	152,541,023	76,597,812
Cash generated from operations	(311,648,208)	(238,151,584)
Income tax paid	(32,648,528)	(31,243,936)
Finance cost paid	(54,146,952)	(42,681,446)
Net cash used in operating activities	(398,443,688)	(312,076,966)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(73,909,169)	(120,056,948)
Proceeds from disposal of operating fixed assets	3,235,162	2,321,700
Short term investment	(101,000,000)	(58,204,723)
Long term advances	(1,672,500)	-
Long term deposits	5,350,630	(853,050)
Net cash used in investing activities	(167,995,877)	(176,793,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	25,391,826	24,361,410
Repayment of liabilities against asset subject to finance leases	(7,719,843)	(7,888,501)
Dividend paid	(11,996,093)	(18,100,803)
Short term borrowings	466,191,419	426,958,191
Net cash generated from / (used in) financing activities	471,867,309	425,330,297
Net decrease in cash and cash equivalents	(94,572,257)	(63,539,690)
Cash and cash equivalents at the beginning of the period	183,988,955	152,353,010
Cash and cash equivalents at the end of the period	89,416,698	88,813,320

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Quarterly Report



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

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

	Issued, subscribed and paid-up capital	Reserves		Total
		Unrealized gain / (loss) on available for sale investment	Unappropriated profit	
Balance as at July 1, 2015	124,178,760	23,423,513	776,851,639	924,453,912
Total comprehensive income for the year				
Profit for the nine months ended March 31, 2016	-	-	22,825,246	22,825,246
Other comprehensive Loss	-	(5,411,565)	-	(5,411,565)
Profit for the nine months ended March 31, 2016	-	(5,411,565)	22,825,246	17,413,681
Transactions with owners				
Dividend declared @ Rs. 1.5 per share			(18,626,814)	(18,626,814)
Balance as at March 31, 2016	<u>124,178,760</u>	<u>18,011,948</u>	<u>781,050,071</u>	<u>923,240,779</u>
Balance as at July 1, 2016	124,178,760	22,626,535	788,404,080	935,209,375
Total comprehensive income for the year				
Profit for the nine months ended March 31, 2017	-	-	833,888	833,888
Other comprehensive Profit	-	100,989,530	-	100,989,530
Profit for the nine months ended March 31, 2017	-	100,989,530	833,888	101,823,417
Transactions with owners				
Dividend declared @ Rs. 1 per share			(12,417,876)	(12,417,876)
Balance as at March 31, 2017	<u>124,178,760</u>	<u>123,616,065</u>	<u>776,820,092</u>	<u>1,024,614,916</u>


The annexed notes from 1 to 17 form an integral part of these financial statements.

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

	Nine months ended		Quarter ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees	March 31, 2017 Rupees	March 31, 2016 Rupees
Profit for the period	833,888	22,825,246	983,015	6,543,105
Unrealized gain / (loss) on remeasurement of available for sale investments	100,989,530	(5,411,565)	101,942,328	(4,458,767)
Total comprehensive income for the period	<u>101,823,417</u>	<u>17,413,681</u>	<u>102,925,343</u>	<u>2,084,337</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing, sale and trading of yarn. The registered office of the Company is situated at 104- Shadman 1, Lahore. The principal business of the Company is manufacture and sale of yarn. The Company's manufacturing facilities are located at Nooriabad Industrial Estate, District Dadu, in the Province of Sindh, and at Bhikhi, District Sheikhpura in the Province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

This condensed interim financial information of the Company for the nine months period ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 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.

The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2016.

The comparative balance sheet presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2016, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine months ended March 31, 2016.

2.2 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention, except for available for sale investments which are carried at fair value.

This condensed interim financial information have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2016.

3.2 The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on 1, July, 2016. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

4. ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2016.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)**

	March 31, 2017 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
5. OPERATING FIXED ASSETS		
Opening net book value (NBV)	1,245,262,713	1,181,661,516
Additions (at cost) during the period / year	5.1 <u>75,133,169</u>	<u>194,415,361</u>
	1,320,395,882	1,376,076,877
Disposals (at NBV) during the period / year	5.2 <u>7,159,579</u>	<u>7,690,728</u>
Depreciation charged during the period / year	<u>87,641,049</u>	<u>123,123,436</u>
	94,800,628	130,814,164
Closing net book value (NBV)	<u>1,225,595,254</u>	<u>1,245,262,713</u>
5.1 Details of additions (at cost) during the period / year are as follows:		
Owned		
Land	-	43,358,000
Building	-	31,171,946
Plant and machinery	71,965,169	109,334,915
Vehicles	1,944,000	8,390,500
Leased		
Vehicles	1,224,000	2,160,000
	<u>75,133,169</u>	<u>194,415,361</u>
5.2 Details of disposals (at NBV) during the period / year are as follows:		
Owned		
Plant and machinery	6,744,991	6,399,162
Vehicles	414,588	1,291,566
	<u>7,159,579</u>	<u>7,690,728</u>
6. STOCK IN TRADE		
Raw material in hand	714,614,787	147,082,605
Work-in-process	62,433,652	48,983,183
Finished goods	52,950,959	43,135,424
	<u>829,999,398</u>	<u>239,201,212</u>
7. LONG TERM FINANCING		
From banking companies - secured		
Balance as at July 01	490,922,561	508,914,328
Obtained during the period	67,598,000	79,859,697
	558,520,561	588,774,025
Repayments made during the period / year	<u>(42,206,174)</u>	<u>(97,851,464)</u>
	516,314,387	490,922,561
Less: Current portion shown under current liabilities	<u>(109,540,530)</u>	<u>(81,324,462)</u>
	<u>406,773,857</u>	<u>409,598,099</u>
8. SHORT-TERM FINANCING		
From banking companies - secured		
Running / cash finance	690,106,441	223,915,022
Bill discounting	8.1 <u>12,000,000</u>	<u>12,000,000</u>
	<u>702,106,441</u>	<u>235,915,022</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)**

8.1 The balance represents short term borrowings and markup accrued thereon payable to a financial institution. No provision for markup has been recorded on this balance since June 30, 2012. The company has received a nil balance certificate from the Bank and no claim has been received in respect of the amount outstanding from this financial institution or third party. Management considers it necessary to retain the balance outstanding in the books as no settlement has taken place.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- a) There is a contingent liability in respect of bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 66.512 million (June 30, 2016 : Rs. 60.992 million).
- b) Crescent Cotton Mills Limited has filed a case against Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has a recorded liability of Rs. 17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company is confident that the balance amount shall not be payable.

9.2 Commitments

The Company is committed as at the balance sheet date in respect of Letters of credit against import of raw material amounting to Rs. 2.500 million (June 30, 2016: Rs.2.123 million).

10. COST OF SALES

	Nine Months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Un-audited)			
	Rupees			
Materials consumed	1,919,693,444	1,576,561,353	633,285,161	596,421,352
Stores, spares and loose tools consumed	62,011,087	55,982,462	24,337,975	18,262,751
Packing material consumed	48,071,769	43,102,778	14,245,591	17,019,201
Salaries, wages and other benefits	262,201,560	243,129,576	84,728,563	80,880,233
Fuel and power	370,312,816	357,947,543	120,825,407	113,068,986
Insurance	9,915,000	6,656,844	3,305,000	2,156,215
Repairs and maintenance	3,751,575	4,715,334	1,378,620	1,177,695
Depreciation	83,242,286	87,568,234	28,575,982	29,616,929
Other manufacturing overheads	16,951,314	14,109,534	5,889,315	4,623,982
	2,776,150,851	2,389,773,658	916,571,614	863,227,344
Opening work in process	48,983,183	53,827,611	56,802,004	52,471,621
Closing work in process	(62,433,652)	(51,392,847)	(62,433,652)	(51,392,847)
	(13,450,469)	2,434,765	(5,631,648)	1,078,774
Cost of goods manufactured	2,762,700,382	2,392,208,423	910,939,966	864,306,118
Cost of goods purchased for trading	9,389,949	11,268,000	6,374,949	-
Opening stock of finished goods	43,135,424	18,126,660	45,926,868	40,125,535
Closing stock of finished goods	(52,950,959)	(28,113,679)	(52,950,959)	(28,113,679)
	(9,815,535)	(9,987,019)	(7,024,091)	12,011,856
	2,762,274,796	2,393,489,404	910,290,824	876,317,974

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)**

11. OTHER OPERATING INCOME

This includes liability no longer payable in respect of worker's welfare fund amounting to Rs.10,365 million, written back during the nine months ended March 31, 2017 as a result of order passed by the Honorable Supreme Court of Pakistan in respect of Civil Appeal No.1049/2011 etc. announced in open court on November 10, 2016.

12. TAXATION

The provision for taxation for the nine months and quarter ended March 31, 2017 has been made using the estimated effective tax rate applicable to expected total annual earnings.

13. EARNINGS PER SHARE -BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Profit for the period (Rupees)	833,888	22,825,246	983,015	6,543,105
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	0.07	1.84	0.08	0.53

14. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the Company	Nature of transaction	Nine Months ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		(Un-audited)			
Note		Rupees			
Associated companies	Sales of goods and services	69,929,050	28,597,435	57,277,275	14,314,425
	Insurance premium	8,562,869	13,913,362	280,167	209,977
	Donation paid	90,000	80,000	30,000	20,000
	Rent received	363,204	330,282	121,068	110,094
	Rent paid	3,015,000	3,015,000	1,005,000	1,005,000
Retirement benefit plans	Dividend Paid	6,584,105	7,093,289	666,526	-
	Contribution to staff retirement benefit plans	9,738,066	9,061,683	3,270,129	3,101,352
Key management	Remuneration and benefits	25,452,095	20,474,421	8,828,734	7,585,324

14.1 Period / Year end balances	March 31, 2017 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
Receivable from associated company	3,079,476	228,389
Payable to associated company	16,607,743	15,461,385
Payable to provident fund	2,039,096	1,732,055

14.2 There are no transactions with key management personnel other than under their terms of employment.

14.3 The above transactions with related parties are based at arm's length at normal commercial rates.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)**

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** quoted prices in active markets for identical assets or liabilities.
- Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2017, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Available for sale	153,270,000	-	124,750	153,394,750
At fair value through profit or loss	105,405,995	-	-	105,405,995
	<u>258,675,995</u>	<u>-</u>	<u>124,750</u>	<u>258,800,745</u>

As at June 30, 2016, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Available for sale				
Shares	52,280,470	-	124,750	52,405,220

Valuation techniques

For Level 3 available-for-sale investments the Company values the investment at carrying value which approximates the fair value of the investment.

Transfers during the period

During the 9 months period to March 31, 2017, there were no transfers into or out of Level 3 fair value measurements.

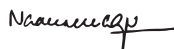
16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue on April 28, 2017 by the Board of Directors of the Company.

17. GENERAL

Amounts have been rounded off to the nearest of rupees.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

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