



**Crescent
Fibres**



**Quarterly Report
September 30, 2016**

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

Registered Office 104 Shadman 1,
Lahore - 54000
Tel : (042) 35960871-4 Lines
Fax : (042) 35960004

E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

MANAGEMENT REVIEW

The Company reported a net profit of Rs. 0.90 million for the quarter ended September 30, 2016 as compared to a profit of Rs. 11.5 million for the quarter ended September 30, 2015. The earnings per share for the period under review was Rs.0.07.

The textile industry in Pakistan has been going through a prolonged recessionary period characterized by weak demand, low end product prices and eroding margins. Factors contributing to this include high cost of doing business, a global growth slow down, devaluation of regional currencies, increased financial and commodity market volatility and a significant economic slowdown in China.

Sales for the period under review were 33% higher than the corresponding period, primarily due to the capacity expansion at the Company's Nooriabad unit. Gross margin for the first quarter ended September 30, 2016 was 4.7% as compared to 5.1% for the quarter ended September 30, 2015. Administrative, general and other expenses, as a percentage of sales, were lower due to higher sales. The operating margin for the period under review was 2.48% as compared to 2.27% for the quarter ended September 30, 2015. Financial charges, as a percentage of sales, were lower again due to higher sales. Overall, the net margin decreased to 0.1% as compared to 1.6% in the previous period.

The outlook for textiles is likely to remain negative in the near term. The uncertain global economic situation, particularly the slowdown and currency devaluation in China, is likely to keep demand for end products weak and end prices low. Apart from market dynamics, the Pakistani textile industry faces several other challenges. These include continued shortfalls in cotton production, high cost of doing business, uncertainty relating to energy supply and pricing, unrealistic currency valuation and high local taxes and surcharges. The situation is further exacerbated by the strong government support being offered to our regional competitors in the form of subsidies and export incentives.

The Management will continue to strive to maintain profitability through improved efficiency and productivity and sound, low risk decision-making. However, we expect that margins will turn negative over the course of the financial year.

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.

Quarterly Report



IMRAN MAQBOOL
Chief Executive Officer
October 28, 2016

کمپنی نفعیاء (ڈائریکٹران) کی رپورٹ :

کمپنی نے 30 ستمبر 2016ء کو ختم ہونے والے سہ ماہی کے لیے 0.90 ملین روپے خالص منافع حاصل کیا جس کے مقابلے میں 30 ستمبر 2015ء کو ختم ہونے والے سہ ماہی کا منافع 11.5 ملین روپے تھا۔ کمپنی کی آمدنی اس مدت میں 7 پیسے فی حصہ رہی۔

پاکستان میں ٹیکسٹائل کی صنعت طویل عرصہ سے ابتری کا شکار رہی۔ چیدہ چیدہ محرکات میں ٹیکسٹائل مصنوعات کی طلب میں کمی ہونا، مصنوعات کی قیمت فروخت میں کمی، صنعت کو متعلقہ فوائد کے حصول میں رکاوٹ، کاروباری اخراجات میں اضافہ، اسکے علاوہ عالمی کساد بازاری، علاقائی ممالک کی کرنسیوں کی قیمت میں تخفیف، مالیاتی اور مصنوعات کی مارکیٹ میں بلا وجہ تھپتھپ، ہمسایہ بڑے ملک چین میں اقتصادی سرگرمیوں کی کمی کی مجموعی مال کی مالیت فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 33 فیصد اضافہ رہا۔ جس کی وجہ کمپنی کے ٹوری آباد پونٹ میں پیداواری صلاحیت میں وسعت ہے۔ 30 ستمبر 2016ء کو ختم ہونے والے سہ ماہی کا کل منافع گزشتہ سال 30 ستمبر 2015ء کو ختم ہونے والے سہ ماہی کے مقابلے میں 5.1 فیصد سے کم ہو کر 4.7 فیصد رہا۔ انتظامی، جزل اور دیگر اخراجات فروخت میں اضافے کی وجہ سے گزشتہ سال کے مقابلے میں کم تھے۔ آپریٹنگ مارجن گزشتہ سہ ماہی کے مقابلے میں 2.27 فیصد سے 2.48 فیصد رہا۔ مالیاتی اخراجات فروخت میں اضافے کی وجہ سے گزشتہ سال کے مقابلے میں پھر کم تھے۔ مجموعی طور پر اس مدت میں خالص منافع گزشتہ سہ ماہی کے مقابلے میں 1.6 فیصد سے کم ہو کر 0.1 فیصد ہو گیا۔

اس وقت عالمی غیر یقینی اقتصادی حالات کے بعد قابل ذکر عوامل مثلاً چین کی کرنسی کا گرنا ہماری بیل پر منفی اثر ڈالے گا۔ اس کے علاوہ پاکستانی ٹیکسٹائل صنعت کو کئی دیگر چیلنج درپیش ہیں جس میں کپاس کی پیداوار میں افسوس ناک حد تک کمی، کاروباری معاملات کے اخراجات میں اضافے کا زحمان، بجلی کی کم اور بے قاعدہ سپلائی اور گراماں قیمت کے نقصانات، ملکی کرنسی کی ناہمواری اور غیر مناسب ٹیکسوں اور سرچارج کا بوجھ۔ اس پر ختم یہ کہ حکومت ٹیکسٹائل سے مقابلہ کرنے والی صنعتوں کو رعایت اور ایکسپورٹ سہولیات فراہم کر رہی ہے۔

غیر موافق حالات کے باوجود کمپنی انتظامیہ (منجمنٹ) پوری تہدیی، محنت، ہنرمندی اور تعمیری وژن سے ناساز حالات کا سامنا کر کے پیداواری کمپنیز کو ایڈجسٹ اور لاگت میں کمی کے لئے ٹھوس اقدام، جدید منظم اور محفوظ طریقوں پر کاربند ہے اور بہتر مستقبل کے لئے پُر امید ہے۔ تاہم ہمیں توقع ہے کہ سال کے دوران منافع منفی ہو جائے گا۔

کمپنی کی انتظامیہ عملی مسلسل محنت اور جذبے پر اچھے تعلقات کا اعتراف کرتی ہے اور کمپنی ڈائریکٹرز، مینکریز اور حصہ داران کا بھی مسلسل حمایت پر شکریہ ادا کرتی ہے۔

Imran Maqsood

عمران مقبول


چیف ایگزیکٹو


تاریخ : 28 اکتوبر 2016ء

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016 (UN-AUDITED)

		September 30, 2016 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
ASSETS	Note		
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	1,216,323,553	1,245,262,713
Long term investments		4,196,547	1,987,549
Long term deposits		19,004,498	18,715,498
		<u>1,239,524,598</u>	<u>1,265,965,760</u>
CURRENT ASSETS			
Stores, spares and loose tools		60,561,413	56,971,130
Stock in trade	6	170,840,579	239,201,212
Trade debts		446,766,062	489,355,247
Loans and advances		11,155,976	5,523,812
Trade deposits and short term prepayments		11,692,542	14,691,542
Other receivables		614,351	627,319
Short term investments		214,725,624	53,605,220
Tax refunds due from Government		29,651,905	21,406,016
Taxation - net		11,696,171	14,261,317
Cash and bank balances		136,092,525	183,988,955
		<u>1,093,797,148</u>	<u>1,079,631,770</u>
TOTAL ASSETS		<u>2,333,321,746</u>	<u>2,345,597,530</u>
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		41,884,659	22,626,535
Revenue		789,308,953	788,404,080
		<u>831,193,612</u>	<u>811,030,615</u>
		<u>955,372,372</u>	<u>935,209,375</u>
NON CURRENT LIABILITIES			
Long term financing	7	403,674,399	409,598,099
Liabilities against assets subject to finance leases		2,585,326	2,585,326
Deferred taxation		156,624,539	159,623,311
		<u>562,884,264</u>	<u>571,806,736</u>
CURRENT LIABILITIES			
Trade and other payables		506,848,916	476,174,429
Financial charges payable		38,190,279	36,508,278
Short term borrowings	8	186,714,878	235,915,022
Current portion of long term liabilities		83,311,037	89,983,690
		<u>815,065,111</u>	<u>838,581,419</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>2,333,321,746</u>	<u>2,345,597,530</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

		September 30, 2016	September 30, 2015
	Note	Rupees	Rupees
Sales - net		935,772,885	702,477,683
Cost of sales	10	(891,636,659)	(666,677,526)
Gross profit		44,136,225	35,800,157
Selling and distribution expenses		(3,926,607)	(3,035,725)
Administrative and general expenses		(23,168,931)	(22,302,617)
Other operating expenses		(521,928)	(172,473)
Other operating income		6,721,310	5,708,579
Operating profit		23,240,069	15,997,921
Finance cost		(15,908,315)	(15,358,255)
Share of profit / (loss) from associate		(49,002)	41,352
Profit before taxation		7,282,752	681,018
Taxation	11	(6,377,879)	10,803,813
Profit for the period		904,873	11,484,831
Earnings per share - basic and diluted (Rupees)	12	0.07	0.92

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
 Chief Executive


NADEEM MAQBOOL
 Director

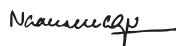
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	September 30, 2016 Rupees	September 30, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,282,752	681,018
Adjustment for non cash charges and other items:		
Depreciation	28,546,332	30,730,401
(Gain) / Loss on disposal of operating fixed assets	(707,172)	47,112
Unrealized gain on remeasurement of investments	(862,281)	(660,468)
Share of loss / (profit) from associate	49,002	(41,352)
Finance cost	15,908,315	15,358,255
	42,934,196	45,433,948
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,590,283)	2,381,737
Stock in trade	68,360,633	47,162,250
Trade debts	42,589,185	1,298,788
Loans and advances	(5,632,164)	(3,089,666)
Trade deposits and short term prepayments	2,999,000	92,401
Other receivables	12,968	290,734
Tax refund due from Government	(8,245,889)	9,311,704
	96,493,450	57,447,947
Increase in current liabilities		
Trade and other payables	30,674,487	(21,211,723)
Cash generated from operations	177,384,886	82,351,191
Income tax paid	(9,172,494)	(5,252,320)
Finance cost paid	(14,226,314)	(12,809,435)
Net cash generated from operating activities	153,986,078	64,289,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	-	(93,211,844)
Proceeds from disposal of operating fixed assets	1,100,000	97,500
Short term investment	(141,000,000)	(90,718,081)
Long term deposits	(289,000)	(915,350)
Net cash used in investing activities	(140,189,000)	(184,747,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(9,975,367)	70,766,252
Repayment of liabilities against asset subject to finance leases	(2,517,996)	(4,361,478)
Short term borrowings	(49,200,144)	(11,731,933)
Net cash generated from / (used in) financing activities	(61,693,507)	54,672,841
Net increase in cash and cash equivalents	(47,896,430)	(65,785,499)
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	136,092,525	86,567,512

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2016**

	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 period ended September 30, 2015	-	-	11,484,831	11,484,831
Other comprehensive income	-	2,265,536	-	2,265,536
	-	2,265,536	11,484,831	13,750,367
Profit for the period ended September 30, 2015	124,178,760	25,689,049	788,336,470	938,204,279
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 quarter ended September 30, 2016	-	-	904,873	904,873
Other comprehensive income	-	19,258,124	-	19,258,124
Profit for the period ended September 30, 2016	-	19,258,124	904,873	20,162,997
Balance as at September 30, 2016	124,178,760	41,884,659	789,308,953	955,372,372

The annexed notes from 1 to 16 form an integral part of these financial statements.


IMRAN MAQBOOL
Chief Executive

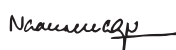

NADEEM MAQBOOL
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	September 30, 2016 Rupees	September 30, 2015 Rupees
Profit for the period	904,873	11,484,831
Unrealized gain on remeasurement of available for sale investments	19,258,124	2,265,536
Total comprehensive income for the period	<u>20,162,997</u>	<u>13,750,367</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
 Chief Executive


NADEEM MAQBOOL
 Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (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 all the stock exchanges in Pakistan. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited 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 first quarter ended September 30, 2016 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 quarter ended September 30, 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 Amendments and interpretations to published accounting standards effective for the financial year ending June 30, 2016 are not expected to have material impact on the Company's condensed interim financial information except for certain disclosure requirements as per IFRS 13 Fair Value Measurements.

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.

5. OPERATING FIXED ASSETS

		September 30, 2016 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
	Note		
Opening net book value (NBV)		1,245,262,713	1,181,661,516
Additions (at cost) during the period / year	5.1	-	194,415,361
		<u>1,245,262,713</u>	<u>1,376,076,877</u>
Disposals (at NBV) during the period / year	5.2	392,828	7,690,728
Depreciation charged during the period / year		<u>28,546,332</u>	<u>123,123,436</u>
		28,939,160	130,814,164
Closing net book value (NBV)		<u>1,216,323,553</u>	<u>1,245,262,713</u>

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	September 30, 2016 (Un-audited) Rupees	June 30, 2016 (Audited) Rupees
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	-	109,334,915
Vehicles	-	8,390,500
Leased		
Vehicles	-	2,160,000
	<u>-</u>	<u>194,415,361</u>
5.2 Details of disposals (at NBV) during the period / year are as follows:		
Owned		
Plant and machinery	-	6,399,162
Vehicles	392,828	1,291,566
	<u>392,828</u>	<u>7,690,728</u>
6. STOCK IN TRADE		
Raw material		
in hand	53,045,982	147,082,605
Work-in-process	50,258,043	48,983,183
Finished goods	67,536,553	43,135,424
	<u>170,840,579</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	-	79,859,697
	<u>490,922,561</u>	<u>588,774,025</u>
Repayments made during the period / year	(9,975,367)	(97,851,464)
	<u>480,947,194</u>	<u>490,922,561</u>
Less: Current portion shown under current liabilities	(77,272,795)	(81,324,462)
	<u>403,674,399</u>	<u>409,598,099</u>
8. SHORT-TERM FINANCING		
From banking companies - secured		
Running / cash finance	174,714,878	223,915,022
Bill discounting	8.1 12,000,000	12,000,000
	<u>186,714,878</u>	<u>235,915,022</u>
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. 60.992 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 as follows:		
Letters of credit against import of plant and machinery amounting to Rs. 3.610 million (June 30, 2016: Rs.2.123 million).		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

	September 30, 2016	September 30, 2015
	----- Rupees -----	
10 COST OF SALES		
Materials consumed	633,186,089	422,177,814
Stores, spares and loose tools consumed	15,995,759	17,366,933
Packing material consumed	14,842,354	12,563,761
Salaries, wages and other benefits	88,655,709	75,985,410
Fuel and power	123,329,779	119,452,110
Insurance	3,195,000	2,075,698
Repairs and maintenance	1,032,153	2,256,177
Depreciation	27,192,197	28,964,169
Other manufacturing overheads	6,868,609	5,020,809
	914,297,649	685,862,881
Opening work in process	48,983,183	53,827,611
Closing work in process	(50,258,043)	(52,305,934)
	(1,274,860)	1,521,677
Cost of goods manufactured	913,022,789	687,384,558
Cost of goods purchased for trading	3,015,000	2,268,000
Opening stock of finished goods	43,135,424	18,126,660
Closing stock of finished goods	(67,536,553)	(41,101,692)
	(24,401,129)	(22,975,032)
	891,636,659	666,677,526

11 TAXATION

The provision for taxation for the quarter ended September 30, 2016 has been made using the estimated effective tax rate applicable to expected total annual earnings.

12 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)	904,873	11,484,831
Weighted average number of ordinary shares	12,417,876	12,417,876
Earning per share Basic and diluted (Rupees)	0.07	0.92

13. 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	Quarter ended	
		September 30, 2016	September 30, 2015
		----- Rupees -----	
Associated companies	Sales of goods and services	12,651,775	1,754,090
	Insurance premium	5,234	12,158,790
	Donation paid	20,000	30,000
	Rent received	110,094	-
	Rent paid	1,005,000	1,005,000
Retirement benefit plans	Contribution to staff retirement benefit plans	3,498,046	2,910,306
Key management	Remuneration and other benefits	6,627,702	6,635,778

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

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

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

14. 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 September 30, 2016, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
Available for sale	71,538,580	-	124,765	71,663,345
At fair value through profit or loss	214,725,624	-	-	214,725,624
	286,264,205	-	124,765	286,388,969

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	71,538,578	-	124,765	71,663,343

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 3 month period to September 30, 2016, there were no transfers into or out of Level 3 fair value measurements.


15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue on October 28, 2016 by the Board of Directors of the Company.

16. GENERAL

Amounts have been rounded off to the nearest of rupees.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

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