

3rd Quarter
March 31, 2017



| The Crescent Textile Mills Limited



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COMPANY INFORMATION

Board of Directors		Bankers
Mr. Muhammad Rafi	Chairman	Al Baraka Bank (Pakistan) Limited
Mr. Muhammad Anwar	Chief Executive Officer	Allied Bank Limited
Mr. Ahmad Shafi	Director	Burj Bank Limited
Mr. Amjad Mehmood	Director	Habib Bank Limited
Mr. Anjum Muhammad Saleem	Director	MCB Bank Limited
Mr. Khalid Bashir	Director	National Bank of Pakistan
Mr. Khurram Mazhar Karim	Director	NIB Bank Limited
Mr. Muhammad Asif (Nominee NIT)	Director	Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited
Audit Committee		Mills & Head Office
Mr. Khalid Bashir	Chairman	Sargodha Road,
Mr. Anjum Muhammad Saleem	Member	Faisalabad, Pakistan
Mr. Khurram Mazhar Karim	Member	T: + 92-41-111-105-105
		F: + 92-41-8786525
		E: crestex@ctm.com.pk
HR & R Committee		
Mr. Khalid Bashir	Chairman	
Mr. Ahmad Shafi	Member	
Mr. Anjum Muhammad Saleem	Member	
Chief Financial Officer		
Mr. Sadiq Saleem		
Corporate Secretary		Registered Office
Mr. Naseer Ahmad Chaudhary		45-A, Off: Zafar Ali Road, Gulberg-V, Lahore, Pakistan
		T: + 92-42-111-245-245
Head of Internal Audit		F: + 92-42-111-222-245
Mr. Muhammad Waqar Iqbal		E: crestex@ctm.com.pk
Auditors		
Riaz Ahmed & Company		
Chartered Accountants		
Legal Advisor		Share Registrar
Syed Masroor Ahmad	Advocate	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, 2017

The Board of Directors presents an overview of the operational and financial performance of company for the nine months ended March 31, 2017.

Industry review:

Contrary to expectations the Zero Rated Regime and recently announced Textile Package had failed to generate positive trend in textile exports as it witnessed YoY 3% decline mostly due non value added segment. Factors which largely contributed to decline were (a) lack of industry's competitiveness in the region, (b) weak Chinese demand outlook and (c) economic slowdown in EU following Brexit. Continuous rise in cotton prices both locally and internationally along with slower growth in yarn prices also aggravated the industry's performance and squeezed gross margins of the spinning segment. Furthermore, inordinate delays in release of tax refunds adversely affected an overall growth of industry. Consequently ever rising input costs and demand side bottlenecks were major hindrances in giving boost to industry performance during the nine months of FY2017.

Performance review of the company:

Overall plant performance of the company during 9M FY17 remained satisfactory as increased gas supply boosted production of weaving, processing and home textiles YoY by 0.38%, 2.52% and 4.84% respectively. Spinning segment witnessed decline (YoY 4.54%) due installation of new machinery during 3rd Qtr of FY17. Except trading for exports the overall sales revenues remained depressed YoY by 5.98% majorly due lower off take during 1H FY17. Despite a comparatively lower up stick in average selling prices following trend of rise in raw materials prices the sale volumes were contracted due mostly sluggish market conditions which prevailed during 9M FY17.

Gross margins of company were down YoY by 34.28% since most of cost elements trended higher as against SPLY due increase in material prices, packing cost, minimum wage rate and price of RLNG used for utilities. Net operating costs were down due reduced agent commission on lower export sales and no liability for WPPF due loss before tax. In admin expenses salaries and legal charges were up as compared to SPLY due annual increments and higher fees paid to the consultants against advisory services. Finance cost, taxation and other income were down YoY by 35.97%, 139.51% and 29.39% respectively due exchange gains and lower mark up rates, tax incentive on investment in machinery and lower gain on disposal of fixed assets.

Company thus managed to earn almost breakeven (NATP of Rs.3.748 million) during 9M FY17 despite sustaining net after tax loss of Rs.81.058 million till 1H FY2017. This was mainly due accrual of export incentive available under textile package effective mid January, 2017 and also on improved exports during 3rd Qtr FY17 as against SPLY.

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

Million Rs.	9M FY17	9M FY16	Var (%)
Net sales	7,917	7,866	0.65
Gross profit	662	1,007	(34.26)
Operating expenses	684	704	(2.84)
Other income	185	262	(29.39)
Finance cost	191	298	(35.91)
(Loss) / profit before tax	(28)	267	(110.49)
Share of profit from associate	-	50	(100.00)
Taxation	(32)	81	(139.51)
Net after tax profit	4	236	(98.31)

DIRECTORS' REPORT TO THE SHAREHOLDERS

for the Nine Months Ended March 31, 2017

Future prospects:

Exports trend remained depressed in 9M FY17 except in March, 2017 and it was yet to witness if implementation of the Textile Package announced in January, 2017 could be a factor to boost it in 4th Qtr of FY17. Cost of doing business was a major challenge for the industry to cope with for its growth and survival. Moreover, besides demand side pressures the export industry was facing liquidity crunch due blockade of huge tax refunds. Till such factors were persistent it was highly unlikely that exports would pick up permanently as industry was not priority for GoP despite main stay for earning of foreign exchange and employing most of labour force of the country.

All these challenges in front we remained focused for improving financial health of the company through strengthening assets base for higher volumes and improved quality products along with cost cutting efforts for better performance in ensuing periods. With most of the LTFF of Rs. 1,250 million was utilized and shifting process to 50 acres industrial plot in FIEDMC is likely to start soon, we could foresee an improved prospectus for our company ahead.

for and on behalf of the Board.



Muhammad Anwar
Chief Executive Officer

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ عرصہ نو ماہی ختمہ 31 مارچ 2017ء

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2017ء کو ختمہ نو ماہی کے لیے مالی اور عملی کارکردگی پر اپنا جائزہ آپ کی خدمت میں پیش کرتے ہیں۔
صنعتی جائزہ:

توقعات کے برعکس زبردست حکومتی اقدامات اور عالیہ اعلان کردہ بیکسٹائل پیکیج ٹیکسٹائل برآمدات میں مثبت رجحان پیدا کرنے میں ناکام ہو گئے ہیں اور سالانہ 3 فیصد کمی کا زیادہ تر حصہ ٹرانزیشن اور پیلو ایڈڈ شعبہ میں دیکھا گیا ہے۔ عوامل جنہوں نے کمی میں بڑے پیمانے پر حصہ لیا (الف) مقامی صنعت کا بمقابلہ بین الاقوامی صنعت سے پیچھے رہنا (ب) چین کی کمزور طلب کا منظر نامہ اور (ج) برطانیہ کے یورپی یونین سے نکلنے کے بعد معاشی سست روی۔ مقامی اور بین الاقوامی منڈی میں روٹی کی قیمتوں میں مسلسل اضافے کے ساتھ ساتھ دھماکے کی قیمتوں میں سست برصورتی نے بھی صنعتی کارکردگی کو شدید متاثر کیا اور سپلائی کے شعبہ کے خام منافع کو بھی انتہائی کم کیا۔ مزید برآں محصولات کی ادائیگی کے اجراء میں غیر ضروری تاخیر نے صنعت کی مجموعی برصورتی کو بری طرح متاثر کیا۔ لہذا برصورتی ہوئی لاگت اور طلب کا فقدان مالی سال 2017ء کی نو ماہی کے دوران صنعتی کارکردگی کو فروغ دینے میں بڑی رکاوٹیں ثابت ہوئیں۔
کمپنی کی کارکردگی کا جائزہ:

مالی سال 2017ء کی نو ماہی میں کمپنی کی مجموعی پلانٹ کی کارکردگی اطمینان بخش رہی کیونکہ گیس کی فراہمی میں اضافہ کی وجہ سے یوگ، پراسیسنگ اور ہوم ٹیکسٹائل کی پیداوار میں بالترتیب سالانہ 0.38، 2.52، 4.84 فیصد اضافہ ہوا۔ سپلائی کے شعبہ میں مالی سال 2017ء کی تیسری سہ ماہی کے دوران نئی مشینری کی تنصیب کی وجہ سے سالانہ 4.54 فیصد کمی دیکھنے میں آئی۔ برآمدات کی تجارت کے علاوہ مجموعی فروخت آمدنی مالی سال 2017ء کی پہلی ششماہی کے دوران خزل کی وجہ سے سالانہ 5.98 فیصد کے حساب سے دباؤ کا شکار رہی۔ خام مال کی قیمتوں میں اضافہ کے رجحان کے نتیجے میں اوسط قیمت خرید میں نسبتاً کم اضافہ کے باوجود فروخت کا حجم کم رہا جس کی وجہ منڈی کی سست کیفیت تھی جو مالی سال 2017ء کی نو ماہی کے دوران غالب رہی۔

پچھلے سال کے اسی دورانیہ کے مقابلہ میں کمپنی کا خام منافع سالانہ 28.28 فیصد کم رہا کیونکہ لائق عناصر جیسے خام مال کی قیمت، پیکنگ کی لاگت، کم از کم شرح مزدوری اور RLNG کے استعمال میں اضافہ کا رجحان رہا۔ ایکسپورٹ سیلز اینڈ سٹوریج کے کم کمیشن اور قبل از محصولات نقصان کی وجہ سے ورکرز پرفارمنس پارٹیشن فنڈ کی ذمہ داری نہ ہونے سے خالص جاری اخراجات کم رہے۔ سالانہ ترقیوں اور مشاورتی خدمات کیلئے مشیروں کو دی گئی فیسوں کی وجہ سے پچھلے سال کے اسی دورانیہ کے مقابلہ میں انتظامی اخراجات میں تخواہوں اور قانونی اخراجات میں اضافہ ہوا۔ اکیچینج لیگن، کم شرح سود، مشینری برسر مایہ کاری پر ٹیکس ترغیبات اور اخراجات کی فروخت پر کم نفع کی وجہ سے مالیاتی لاگت محصولات اور دیگر آمدنی کم ہوئی جو کہ بالترتیب سالانہ 7.97، 51.139 فیصد اور 29.39 فیصد رہی۔

اسی طرح کمپنی نے مالی سال 2017ء کی پہلی ششماہی تک 81.058 ملین روپے بعد از محصولات خالص نقصان برقرار رکھنے کے باوجود مالی سال 2017ء کی نو ماہی میں تقریباً برابر یا (3.748 ملین روپے کا بعد از محصولات خالص نفع)۔

حصص یا فینگان کے لیے ڈائریکٹرز کا جائزہ
عرصہ نو ماہی تختہ 31 مارچ 2017ء

مالی سال 2017ء کی نو ماہی اور اسی عرصہ کے گزشتہ سال کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

ملین روپے	نو ماہی 2017ء	نو ماہی 2016ء	فرق فیصد
خالص فروخت	7,917	7,866	0.65
مجموعی نفع	662	1,007	(34.26)
عملی اخراجات	684	704	(2.84)
دیگر آمدنی	185	262	(29.39)
مالیاتی اخراجات	191	298	(35.91)
(نقصان) / نفع قبل از محصولات	(28)	267	(110.49)
ایسوسی ایٹ کی طرف سے نفع کا شیئر	-	50	(100.00)
محصولات	(32)	81	(139.51)
خالص نفع بعد از محصولات	4	236	(98.31)

مستقبل کے امکانات:

مارچ 2017ء کے علاوہ مالی سال 2017ء کی نو ماہی میں برآمدی رجحان دباؤ کا شکار رہا تاہم ہو سکتا ہے کہ جنوری 2017ء میں اعلان کردہ ٹیکسٹائل ایکٹیو کا نفاذ چوتھی سہ ماہی میں اس کے فروغ کا باعث بن جائے۔ صنعت کی نمو اور بقا کے لیے کاروبار کرنے کی لاگت سے نمٹنا ایک بڑا چیلنج تھا۔ مزید برآں طلب کے دباؤ کے علاوہ بڑے محصولات کی ادائیگی کی بندش کی وجہ سے برآمداتی صنعت لیکویڈٹی کی کمی کا سامنا کر رہی تھی۔ ایسے عوامل کے تسلسل میں ہرگز اس بات کا امکان نہ تھا کہ مستقل طور پر برآمدات میں تیزی آتی کیونکہ صنعت، فارن ایکسچینج آمدنی اور ملک کی مزدور قوت کے روزگار کے باوجود حکومت پاکستان کی ترجیح نہیں تھی۔ ان تمام تر درپیش چیلنجز کے باوجود ہم بڑے حجم کے اثاثہ جات کی بنیاد مضبوط کرنے، بہتر معیاری مصنوعات کے ساتھ ساتھ بعد کے دورانے میں بہتر کارکردگی کے لیے لاگت میں کمی کی کوششوں کے ذریعے کمپنی کی مالیاتی صحت بہتر بنانے پر مرکوز رہے۔ LTFE کے 1,250 ملین روپے میں سے زیادہ تر استعمال ہو چکے ہیں اور FIEDMC میں پچاس ایکڑ کے صنعتی پلاٹ پر منتقلی کا عمل شروع ہوا ہی جا رہا ہے، ایسے میں ہم اپنی کمپنی کے بہتر مستقبل کی اُمید کر سکتے ہیں۔

مناجب: بورڈ آف ڈائریکٹرز



محمد انور
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM BALANCE SHEET

as at March 31, 2017

(Rupees in '000)	Note	Un-Audited March 31, 2017	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (June 30, 2016: 100 000 000)			
ordinary shares of Rupees 10 each			
		1,000,000	1,000,000
Issued, subscribed and paid up share capital			
		800,000	800,000
Reserves			
		5,342,901	3,751,934
TOTAL EQUITY			
		6,142,901	4,551,934
Surplus on revaluation of operating fixed assets- net of deferred income tax			
		2,214,021	2,214,012
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	1,105,127	445,371
Deferred income tax liability		5,952	58,026
		1,111,079	503,397
CURRENT LIABILITIES			
Trade and other payables		1,261,031	925,013
Accrued mark-up		59,037	59,941
Short term borrowings		5,845,777	5,484,784
Current portion of non-current liabilities		169,622	65,745
Provision for taxation		25,719	70,227
		7,361,186	6,605,710
TOTAL LIABILITIES			
		8,472,265	7,109,107
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		16,829,187	13,875,053
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,185,446	4,494,639
Long term investments	8	5,132,441	3,449,038
Long term loans and advances		2,447	2,867
Long term deposits		5,149	5,288
		10,325,483	7,951,832
CURRENT ASSETS			
Stores, spare parts and loose tools		180,082	185,062
Stock-in-trade		2,136,969	1,635,911
Trade debts		2,417,260	2,365,485
Loans and advances		524,939	469,018
Short term deposits and prepayments		43,072	29,450
Accrued interest		4,013	4,109
Other receivables		1,093,409	1,130,440
Short term investments		98,646	94,449
Cash and bank balances		5,314	9,297
		6,503,704	5,923,221
TOTAL ASSETS			
		16,829,187	13,875,053

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, 2017

(Rupees in '000)	Note	Nine months ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Sales		7,917,397	7,865,794	2,696,038	2,542,955
Cost of sales	9	7,255,660	6,858,945	2,345,513	2,223,746
Gross profit		661,737	1,006,849	350,525	319,209
Distribution cost		448,754	477,329	180,243	153,094
Administrative expenses		227,642	209,032	74,810	70,487
Other expenses		8,197	17,411	2,225	3,708
		684,593	703,772	257,278	227,289
		(22,856)	303,077	93,247	91,920
Other income		185,508	262,377	56,456	57,218
Profit from operations		162,652	565,454	149,703	149,138
Finance cost		190,832	298,027	67,321	88,558
Share of profit from associate		-	49,862	-	8,533
(Loss) / profit before taxation		(28,180)	317,289	82,382	69,113
Taxation		31,928	(81,224)	2,244	(19,577)
Profit after taxation		3,748	236,065	84,626	49,536
Earnings per share - basic and diluted (Rupees)		0.05	3.52	1.06	0.65

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

3rd Quarter
March 31, 2017

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Profit after taxation	3,748	236,065	84,626	49,536
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	1,687,600	570,989	1,183,360	(36,738)
Other comprehensive income / (loss) for the period	1,687,600	570,989	1,183,360	(36,738)
Total comprehensive income for the period	1,691,348	807,054	1,267,986	12,798

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, 2017

(Rupees in '000)	Note	Nine months ended	
		March 31, 2017	March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	10	139,531	(81,040)
Finance cost paid		(190,901)	(323,877)
Income tax paid		(126,812)	(108,539)
Dividend paid		(99,394)	(89,717)
Workers' profit participation fund paid		(13,380)	(12,125)
Net decrease in long term loans and advances		420	1,619
Net decrease in long term deposits		139	-
Net cash used in operating activities		(290,397)	(613,679)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(906,916)	(418,056)
Proceeds from sale of property, plant and equipment		38,469	173,257
Long term investment made		-	(130,643)
Dividend received		30,235	5,309
Net cash used in investing activities		(838,212)	(370,133)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of right shares		-	323,533
Proceeds from long term financing		808,258	303,699
Repayment of long term financing		(33,613)	(60,430)
Liabilities against assets subject to finance lease - net		(11,012)	(25,261)
Short term borrowings - net		360,993	447,266
Net cash generated from financing activities		1,124,626	988,807
Net (decrease) / increase in cash and cash equivalents		(3,983)	4,995
Cash and cash equivalents at the beginning of the period		9,297	5,195
Cash and cash equivalents at the end of the period		5,314	10,190

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

3rd Quarter
March 31, 2017


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Share Capital	Reserves							Total	Total Equity
		Capital Reserves			Revenue Reserves					
		Premium on issue of right shares	Fair Value	Sub total	General	Dividend Equalization	Unappropriated profit	Sub total		
Balance as at June 30, 2015 - Audited	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 the 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
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	8	8	8	8
Profit for the quarter ended June 30, 2016	-	-	-	-	-	-	14,478	14,478	14,478	14,478
Other comprehensive loss for the quarter ended June 30, 2016	-	-	(28,918)	(28,918)	-	-	-	-	(28,918)	(28,918)
Total comprehensive loss for the quarter ended June 30, 2016	-	-	(28,918)	(28,918)	-	-	14,478	14,478	(14,440)	(14,440)
Balance as at June 30, 2016 - Audited	800,000	200,169	1,004,101	1,204,270	1,773,643	30,000	744,021	2,547,664	3,751,934	4,551,934
Transaction with owners - Final dividend for the year ended June 30, 2016 at the rate of Rs. 1.255 per share	-	-	-	-	-	-	(100,400)	(100,400)	(100,400)	(100,400)
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, 2017	-	-	-	-	-	-	3,748	3,748	3,748	3,748
Other comprehensive income for the nine months ended March 31, 2017	-	-	1,687,600	1,687,600	-	-	-	-	1,687,600	1,687,600
Total comprehensive income for the nine months ended March 31, 2017	-	-	1,687,600	1,687,600	-	-	3,748	3,748	1,691,348	1,691,348
Balance as at March 31, 2017 - Un-audited	800,000	200,169	2,691,701	2,891,870	1,773,643	30,000	647,388	2,451,031	5,342,901	6,142,901

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

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, 2017 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, 2016.

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, 2016.

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, 2016.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Un-Audited March 31, 2017	Audited June 30, 2016
5. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	500,104	179,167
Add: Obtained during the period / year	808,258	400,111
Less: Repaid during the period / year	33,613	79,174
	1,274,749	500,104
Less: Current portion shown under current liabilities	169,622	54,733
	1,105,127	445,371

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 199.764 million (June 30, 2016: Rupees 157.232 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 190.067 million (June 30, 2016: Rupees 166.641 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 has issued post dated cheques of Rupees 21.886 million (June 30, 2016: Rupees Nil) favoring National Logistics Cell (NLC) against claim of demurrage under court orders due to detention of imported cotton by Custom Authorities at Wagha. The petition is currently pending before the Honorable Lahore High Court. Management of the company is confident that the ultimate outcome of this case will be in Company's favor.
- iv) 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, 2016: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

b) Commitments

- i) Contracts for capital expenditure are of Rupees 297.522 million (June 30, 2016: Rupees 920.181 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 156.811 million (June 30, 2016: Rupees 84.016 million).

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

- iii) Ijarah (operating lease) commitments are of Rupees 0.119 million (June 30, 2016: Rupees 0.562 million).

(Rupees in '000)	Un-Audited March 31, 2017	Audited June 30, 2016
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
-Owned (Note 7.1)	4,835,407	4,319,844
-Leased (Note 7.2)	26,630	47,983
Capital work-in-progress (Note 7.3)	323,409	126,812
	5,185,446	4,494,639
7.1 Operating fixed assets - Owned		
Opening book value	4,319,844	3,926,969
Add:		
Cost of additions during the period / year (Note 7.1.1)	710,319	553,066
Book value of assets transferred from leased assets to owned assets during the period / year (Note 7.2)	18,394	55,750
	5,048,557	4,535,785
Less: Book value of deletions during the period / year (Note 7.1.2)	28,297	12,388
	5,020,260	4,523,397
Less: Depreciation charged during the period / year	184,853	203,553
Book value at the end of the period / year	4,835,407	4,319,844
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	59,482
Buildings on leasehold land	5,640	26,659
Plant and machinery	695,102	427,992
Factory tools and equipment	1,317	3,028
Gas and electric installations	769	27,342
Vehicles	4,347	4,803
Furniture and fixture	541	-
Office equipment	2,603	3,760
	710,319	553,066
7.1.2 Book value of deletions during the period / year		
Buildings on freehold land	43	18
Plant and machinery	26,046	11,103
Vehicles	2,208	1,267
	28,297	12,388

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Un-Audited March 31, 2017	Audited June 30, 2016
7.2 Operating fixed assets - Leased		
Opening book value	47,983	114,027
Less: Transferred to owned assets during the period / year (Note 7.1)	18,394	55,750
	29,589	58,277
Less: Depreciation charged during the period / year	2,959	10,294
Book value at the end of the period / year	26,630	47,983
7.3 Capital work-in-progress		
Buildings on freehold land	413	141
Buildings on leasehold land	8,140	1,457
Plant and machinery	245,620	67,428
Advance against purchase of land	49,911	49,911
Advance against vehicles	4,275	-
Advance against Enterprise Resource Planning (ERP) implementation	15,050	7,875
	323,409	126,812
8. LONG TERM INVESTMENTS		
Available for sale		
Quoted - Related parties	58,010	58,010
Quoted - Others	198,168	198,168
Unquoted - Others	2,245,764	2,245,764
	2,501,942	2,501,942
Fair value adjustment	2,630,499	947,096
	5,132,441	3,449,038

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
9. COST OF SALES				
Raw materials consumed	2,595,775	2,370,465	822,082	833,377
Cloth and yarn purchased	1,348,216	1,051,669	512,181	361,115
Stores, spare parts and loose tools consumed	456,332	461,447	139,611	169,048
Packing materials consumed	503,475	430,628	171,165	128,787
Processing and weaving charges	602,943	542,711	253,462	163,406
Salaries, wages and other benefits	722,477	690,266	241,207	223,563
Fuel and power	928,673	852,626	336,456	254,342
Repair and maintenance	45,018	51,597	11,327	19,064
Insurance	9,968	10,296	2,474	3,641
Depreciation	180,339	146,982	66,834	54,585
Other factory overheads	29,179	28,920	11,458	10,450
	7,422,395	6,637,607	2,568,257	2,221,378
Work-in-process:				
Opening stock	107,784	102,549	130,868	102,803
Closing stock	(136,806)	(92,053)	(136,806)	(92,053)
	(29,022)	10,496	(5,938)	10,750
Cost of goods manufactured	7,393,373	6,648,103	2,562,319	2,232,128
Finished goods:				
Opening stock	943,246	1,035,897	1,145,656	893,924
Closing stock	(1,362,462)	(943,371)	(1,362,462)	(943,371)
	(419,216)	92,526	(216,806)	(49,447)
Cost of sales - purchased for resale	281,503	118,316	-	41,065
	7,255,660	6,858,945	2,345,513	2,223,746

(Rupees in '000)	Un-Audited	
	Nine months ended	
	March 31, 2017	March 31, 2016
10. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS		
(Loss) / profit before taxation	(28,180)	317,289
Adjustments for non-cash charges and other items:		
Depreciation	187,812	154,283
Gain on sale of property, plant and equipment	(10,172)	(83,764)
Dividend income	(91,528)	(79,409)
Provision for workers' profit participation fund	-	7,412
Provision for doubtful loans and advances	-	1,724
Share of profit from associate	-	(49,862)
Finance cost	190,832	298,027
Working capital changes (Note 10.1)	(109,233)	(646,740)
	139,531	(81,040)

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Un-Audited Nine months ended	
	March 31, 2017	March 31, 2016
10.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	4,980	(81,701)
Stock-in-trade	(501,058)	(190,720)
Trade debts	(51,775)	71,599
Loans and advances	6,265	13,722
Short term deposits and prepayments	(13,622)	(5,337)
Accrued interest	96	693
Other receivables	98,324	(206,693)
	(456,790)	(398,437)
Increase / (decrease) in trade and other payables	347,557	(248,303)
	(109,233)	(646,740)

11. 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 '000)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
i) Transactions				
Associated companies				
Purchase of goods	-	8,682	-	-
Sale of goods and services	86,619	327,618	27,928	153,880
Insurance premium charged	13,612	17,322	3,329	8,434
Insurance claim received	5,240	300	-	-
Interest income	-	39,941	-	12,844
Dividend income	-	78,881	-	24,700
Dividend paid	2,472	6,137	-	-
Right shares issued (Number of shares)	-	2 195 033	-	2 195 033
Right shares subscribed (Number of shares)	-	4 867 500	-	3 159 840
Other related parties				
Company's contribution to Employees' Provident Fund Trust	17,527	16,335	5,813	5,455
Remuneration paid to Chief Executive Officer, Director and Executives	161,368	140,009	52,377	46,081
Dividend paid	19,977	16,470	-	-
Right shares issued (Number of shares)	-	5 729 023	-	5 729 023

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

(Rupees in '000)	Un-Audited March 31, 2017	Audited June 30, 2016
ii) Period end balances		
Associated companies and other related parties		
Trade and other payables	4,429	3,378
Trade debts	8,812	5,649
Other receivables	-	525

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

12. SEGMENT INFORMATION

12.1 (Rupees in '000)	Spinning		Weaving	
	(Un-audited)		(Un-audited)	
	Nine months ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Sales				
External	2,739,734	2,668,754	147,491	395,850
Intersegment	1,217,104	1,138,754	3,246,714	2,852,823
	3,956,838	3,807,508	3,394,205	3,248,673
Cost of sales	3,940,732	3,755,396	3,324,964	3,160,461
Gross profit	16,106	52,112	69,241	88,212
Distribution cost	29,165	41,200	7,145	20,772
Administrative expenses	66,283	62,909	20,707	17,572
	95,448	104,109	27,852	38,344
(Loss) / profit before taxation and unallocated income and expenses	(79,342)	(51,997)	41,389	49,868
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Share of profit from associate				
Taxation				
Profit after taxation				

12.2 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning		Weaving	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016
Total assets for reportable segments	2,640,845	2,300,510	1,532,945	1,017,400
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	3,720,651	3,151,599	892,440	700,195
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, 2017

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, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
5,021,149	4,792,666	-	-	9,023	8,524	-	-	7,917,397	7,865,794
-	-	773,239	683,791	-	-	(5,237,057)	(4,675,368)	-	-
5,021,149	4,792,666	773,239	683,791	9,023	8,524	(5,237,057)	(4,675,368)	7,917,397	7,865,794
4,462,800	3,943,293	757,415	668,290	6,806	6,873	(5,237,057)	(4,675,368)	7,255,660	6,858,945
558,349	849,373	15,824	15,501	2,217	1,651	-	-	661,737	1,006,849
410,054	413,119	2,390	2,238	-	-	-	-	448,754	477,329
128,388	118,086	11,645	9,880	619	585	-	-	227,642	209,032
538,442	531,205	14,035	12,118	619	585	-	-	676,396	686,361
19,907	318,168	1,789	3,383	1,598	1,066	-	-	(14,659)	320,488
								(8,197)	(17,411)
								185,508	262,377
								(190,832)	(298,027)
								-	49,862
								31,928	(81,224)
								3,748	236,065

Processing & Home Textile		Power Generation		Cold Storage		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016
2,829,996	2,436,194	271,720	305,997	20,001	22,779	7,295,507	6,082,880
						9,533,680	7,792,173
						16,829,187	13,875,053
2,432,764	2,057,772	133,708	146,275	1,329	1,800	7,180,892	6,057,641
						1,291,373	1,051,466
						8,472,265	7,109,107

current and deferred tax liabilities.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

13.3	Carrying Amount				Fair Value			
	Loans and receivables	Available for sale	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
March 31, 2017 (Un-audited)								
Financial assets								
Investments at fair value	-	2,985,323	-	2,985,323	2,985,323	-	-	2,985,323
Investments at cost	-	2,245,764	-	2,245,764	-	-	-	-
Loans and advances	5,984	-	-	5,984	-	-	-	-
Deposits	46,595	-	-	46,595	-	-	-	-
Trade debts	2,417,260	-	-	2,417,260	-	-	-	-
Accrued interest	4,013	-	-	4,013	-	-	-	-
Other receivables	643,788	-	-	643,788	-	-	-	-
Cash and bank balances	5,314	-	-	5,314	-	-	-	-
	3,122,954	5,231,087	-	8,354,041	2,985,323	-	-	2,985,323
Financial liabilities								
Long term financing	-	-	1,105,127	1,105,127	-	-	-	-
Trade and other payables	-	-	1,230,758	1,230,758	-	-	-	-
Accrued mark-up	-	-	59,037	59,037	-	-	-	-
Short term borrowings	-	-	5,845,777	5,845,777	-	-	-	-
	-	-	8,240,699	8,240,699	-	-	-	-
June 30, 2016 (Audited)								
Financial assets								
Investments at fair value	-	1,297,723	-	1,297,723	1,297,723	-	-	1,297,723
Investments at cost	-	2,245,764	-	2,245,764	-	-	-	-
Loans and advances	6,164	-	-	6,164	-	-	-	-
Deposits	32,817	-	-	32,817	-	-	-	-
Trade debts	2,365,485	-	-	2,365,485	-	-	-	-
Accrued interest	4,109	-	-	4,109	-	-	-	-
Other receivables	582,317	-	-	582,317	-	-	-	-
Cash and bank balances	9,297	-	-	9,297	-	-	-	-
	3,000,189	3,543,487	-	6,543,676	1,297,723	-	-	1,297,723
Financial liabilities								
Long term financing	-	-	500,104	500,104	-	-	-	-
Liabilities against assets subject to finance lease	-	-	11,012	11,012	-	-	-	-
Trade and other payables	-	-	886,904	886,904	-	-	-	-
Accrued mark-up	-	-	59,941	59,941	-	-	-	-
Short term borrowings	-	-	5,484,784	5,484,784	-	-	-	-
	-	-	6,942,745	6,942,745	-	-	-	-

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

for the Nine Months Ended March 31, 2017

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on April 27, 2017 by the Board of Directors of the Company.

15. 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 except for exchange gain amounting to Rupees 43.064 million reclassified from sales to other income.

16. 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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