



1st QUARTER
SEPTEMBER 30,
2017



| The Crescent Textile Mills Limited



CONTENTS

Company Information	3
Directors' Report to the Shareholders	4
Directors' Report to the Shareholders (Urdu)	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit & Loss Account	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	10
Selected Notes to the Condensed Interim Financial Information	11

COMPANY INFORMATION

Board of Directors		Bankers
Mr. Shaukat Shafi	Chairman	Al Baraka Bank (Pakistan) Limited
Mr. Muhammad Anwar	Chief Executive Officer	Allied Bank Limited
Mr. Ahmad Shafi	Director	Habib Bank Limited
Mr. Amjad Mehmood	Director	MCB Bank Limited
Mr. Anjum Muhammad Saleem	Director	National Bank of Pakistan
Mr. Khalid Bashir	Director	Standard Chartered Bank (Pakistan) Limited
Mr. Khurram Mazhar Karim	Director	The Bank of Punjab
Mr. Muhammad Asif (Nominee NIT)	Director	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
HR & R Committee		E: crestex@ctm.com.pk
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		CorpTec Associates (Pvt) Ltd.,
		503 - E, Johar Town,
Stock Exchange Listing		Lahore, Pakistan
The Crescent Textile Mills Limited is a listed Company		T: +92-42-35170336-37
and its shares are traded on Pakistan Stock Exchange.		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 1st Quarter Ended September 30, 2017

The Board of Directors is pleased to present an overview on performance of the company for the 1st Quarter ended September 30, 2017.

Business review

Factors limiting growth of industry were not much changed during 1st Quarter of FY2018 as overall growth in exports was witnessed due mostly to bed wear, knitting and garments. Performance of other categories remained depressed mainly due to demand side headwinds. Cognizant of dwindling exports, the Government of Pakistan hasn't been able to find a quick fix for its revival. In the wake of problems confronted by industry efforts remained afloat to find a way for reducing cost of doing business. But stable cotton prices, increase in minimum wage rate, withdrawal of General Sales Tax refund on packing materials, higher energy cost, non release of tax refunds and drawbacks under textile package continued to drift the input costs higher.

Operational performance of the company was satisfactory but suppressed demand affected its off take and production levels of value added segments went down during the 1st Quarter FY2018 as compared to same period of last year. Financial results of the company showed slight improvement in gross margins year-on-year basis and similar trend was witnessed in operating costs. But subdued gross margins with lower other income and increased finance cost resulted into net after tax loss for the quarter; which was 16.61% higher than the same period of last year.

Summarized financial results of the company during 1st Quarter FY2018 in comparison to same period of last year are as below:

1st Qtr	2018		2017		Variance	
	Million Rs.	%	Million Rs.	%		%
Profit and loss						
Sales revenue	2,409.98	100.0	2,498.71	100.0		(3.6)
Gross profit	191.94	8.0	163.84	6.8		17.2
Operating costs	196.43	8.2	206.32	8.6		(4.8)
Finance cost	89.10	3.7	57.48	2.4		55.0
Other income	61.57	2.6	77.21	3.2		(20.3)
Loss before tax	(32.02)	(1.3)	(22.75)	(0.9)		40.7
Taxation	12.31	0.5	15.26	0.6		(19.3)
Net loss after taxation	(44.33)	(1.8)	(38.01)	(1.6)		16.6
Loss per share (Rupees)	(0.55)	-	(0.48)	-		14.6

Future outlook:

Outlook for local cotton crop is better for the season 2018 and is expected to reach 13 million bales. Currently prices are showing stable trend due to regular buying of mills and on slower supply by growers to ginners. On improving supply the prices may correct from current level but it is feared that production estimate might fall short of target due water shortage and late sowing of crop. So it is expected that season is likely to end earlier and prices might not go down as envisaged. Ultimately improved cotton supply will have positive impact on performance of industry during FY2018 both in terms of price and quality. Government of Pakistan has issued a new textile package with revised modalities; which offers some respite to the industry. It might counter attritions in margins and help in improving top line growth; which is stagnant due subdued global demand.

Amid challenges surrounded to the business we are focused to improve assets base of company, relocation of some of its operations to FIEDMC, controlling and cutting of our costs. We are optimistic that our efforts will bring positive results and going forward production and sales levels will improve and InshaAllah, we will achieve better results in future for our stakeholders.

for and on behalf of the Board.



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director

حصص یافتگان کیلئے ڈائریکٹرز رپورٹ

عرصہ پہلی سرمایہ بھرتی 30 ستمبر 2017ء

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر 2017ء کو ختم ہونے والی پہلی سرمایہ تک کی کارکردگی کا جائزہ پیش کر رہے ہیں۔

کاروبار کا جائزہ:

مالی سال 2018ء کی پہلی سرمایہ کے دوران صنعت کی ترقی کو محدود رکھنے والے عوامل میں کوئی خاص تبدیلی واقع نہیں ہوئی جبکہ بلیو ویڈویز، بنگلہ اور گارڈینس کے شیشے کی برآمدات میں مجموعی اضافہ دیکھا گیا۔ طلب میں سختی، رحمان کی وجہ سے دیگر کنگریز میں بھی کارکردگی مایوس کن رہی۔ برآمدات میں اتار چڑھاؤ سے آگاہ رہتے ہوئے حکومت پاکستان کے پاس اس صورتحال کی بحالی کیلئے کوئی فوری تدبیر نہیں۔ صنعت کو دو پیش مسائل کے باوجود اس بات کی کوششیں جاری رہیں کہ اخراجات کو کم کرنے سے کاروبار کو جاری رکھا جائے۔ لیکن، پیاس کے منظم نرخوں، کم از کم اجرت میں اضافہ، پیکنگ معیار میں سے پیکنگ ری فنڈ کا خاتمہ، بجلی کی اضافی قیمتوں، ٹیکس ری فنڈ کا عدم اجراء اور ٹیکسٹائل پیکنگ کے مسائل کی وجہ سے پیداواری اخراجات میں اضافے کا سلسلہ جاری رہا۔

کھپنی کی آپریشنل کارکردگی اطمینان بخش رہی لیکن طلب کی کمی کی وجہ سے کھپنی کی پروڈکشن ہوئی اور گزشتہ سال کے اسی عرصہ کے مقابلے میں 16.61 فیصد کم ہوئی۔ سرمایہ کے دوران زوال دیکھا گیا۔ کھپنی کے مجموعی مالیاتی نتائج میں سالانہ بنیادوں پر معمولی بہتری دیکھنے کو ملی اور پیداواری اخراجات میں بھی کمی رحمان دیکھنے کو ملا۔ لیکن ملغوبہ مجموعی اہداف اور دیگر آمدنی میں کمی اور اضافی مالی اخراجات کی وجہ سے سرمایہ کے دوران بعد از ٹیکس خسارہ ریکارڈ کیا گیا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 16.61 فیصد زیادہ رہا۔

مالی سال 2018ء کی پہلی سرمایہ کے دوران کھپنی کے مالیاتی نتائج کا اختصار ذیل میں گزشتہ سال کے اسی عرصہ کے مقابلے کے ساتھ پیش کیا جا رہا ہے:

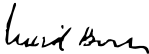
تبدیلی	2017ء		2018ء		پہلی سرمایہ
	فیصد	ملین روپے	فیصد	ملین روپے	
فروخت سے ہونے والی آمدنی (سیلز ریویو)	100.0	2,498.71	100.0	2,409.98	
مجموعی بیع (گراس پرائس)	6.8	163.84	8.0	191.94	
پیداواری اخراجات (آپریشنل کاسٹ)	8.6	206.32	8.2	196.43	
مالیاتی اخراجات (فنانس کاسٹ)	2.4	57.48	3.7	89.10	
دیگر آمدنی	3.2	77.21	2.6	61.57	
قبل از ٹیکس خسارہ	(0.9)	(22.75)	(1.3)	(32.02)	
ٹیکس	0.6	15.26	0.5	12.31	
بعد از ٹیکس خاص خسارہ	(1.6)	(38.01)	(1.8)	(44.33)	
نیٹ شیئر خسارہ (روپے)	-	(0.48)	-	(0.55)	


مستقبل کا منظر نامہ:

2018ء میں مقامی کٹائی کے خاتمے سے منظر نامہ بہتر ہے اور توقع ہے کہ پیداوار ایک کردہ تیس لاکھ ٹنوں تک پہنچے گی۔ ملوں کی معمول کے مطابق خریداری اور کھپانوں کی جانب سے تیز زکوٰۃ رقم فراہمی کی وجہ سے فی الوقت قیمتیں منظم رحمان پیش کری رہی ہیں۔ سپلائی میں بہتری کے نتیجے میں قیمتیں موجودہ سطح سے بہتری کی جانب جاسکتی ہیں لیکن حد سے کم آئی قیمت اور فسلوں کی تاخیر سے کاشت کی وجہ سے پیداواری حجمی حریف سے پیچھے جا سکتا ہے۔ اسلئے توقع ہے کہ سیزن قبل از وقت ختم ہو سکتا ہے اور قیمتیں توقع کے مطابق کم نہ ہوں۔ نتیجتاً، کٹائی کی بہتر سپلائی سے مالی سال 2018ء کے دوران نہ صرف قیمتوں کے لحاظ سے بلکہ معیار کے لحاظ سے بھی انڈسٹری کی کارکردگی میں بہتری آئے گی۔ حکومت پاکستان نے نظریاتی شدہ شرائط کے ساتھ نیا ٹیکسٹائل پیکنگ جاری کیا ہے؛ جس میں انڈسٹری کیلئے کچھ مراعات شامل ہیں۔ اس سے مارجن کی فرومگ سے نفع مند مل سکتی ہے اور پیداواری سطح میں بھی بہتری آسکتی ہے؛ جو فی الحال زوال کا دورانیہ الاقوامی طلب کی وجہ سے جوں کی توں ہے۔

کاروبار کو پیش پیشگیلٹرز کے ساتھ ہماری توجہ کھپنی کے اثاثوں کی بنیاد کو بہتر بنانے، اس کے کچھ پر پیکر کو FIEDMC منتقل کرنے اور اپنے اخراجات پر قابو پانے اور انہیں کم کرنے پر مرکوز ہے۔ ہمیں امید ہے کہ ہماری کوششوں سے مثبت نتائج آمد ہوں گے اور ہماری پیداواری صلاحیت بلندی کی طرف جائے گی اور اضافی مالدارانہ ہماری فروخت کی سطح (سیلز ریو) میں بھی بہتری آئے گی، ہم اپنے اسٹیبل ہولڈرز کیلئے مستقبل میں بہتر نتائج حاصل کریں گے۔

بورڈ کی جانب سے


خالد شیخ
ڈائریکٹر


محمد انور
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM BALANCE SHEET

as at September 30, 2017

(Rupees in '000)	Note	Un-Audited September 30, 2017	Audited June 30, 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100 000 000 (June 30, 2017: 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		4,704,017	5,480,186
TOTAL EQUITY		5,504,017	6,280,186
Surplus on revaluation of operating fixed assets- net of deferred income tax		3,575,101	3,575,108
NON-CURRENT LIABILITIES			
Long term financing	5	1,019,286	1,063,253
Deferred income tax liability		-	261
		1,019,286	1,063,514
CURRENT LIABILITIES			
Trade and other payables		1,172,641	1,118,304
Accrued markup		54,691	65,388
Short term borrowings		5,536,397	5,790,390
Current portion of non-current liabilities		246,171	190,376
Provision for taxation		63,370	31,291
		7,073,270	7,195,749
TOTAL LIABILITIES		8,092,556	8,259,263
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		17,171,674	18,114,557
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,458,289	6,478,358
Intangible asset		16,889	18,472
Long term investments	8	4,506,903	5,166,546
Long term loans and advances		701	1,924
Long term deposits		5,148	5,148
Deferred income tax asset		19,513	-
		11,007,443	11,670,448
CURRENT ASSETS			
Stores, spares and loose tools		227,020	191,530
Stock-in-trade		1,928,951	2,029,134
Trade debts		2,036,325	2,236,170
Loans and advances		603,503	576,628
Short term deposits and prepayments		64,940	62,086
Accrued interest		3,813	3,861
Other receivables		1,207,972	1,252,529
Short term investments		86,424	88,276
Cash and bank balances		5,283	3,895
		6,164,231	6,444,109
TOTAL ASSETS		17,171,674	18,114,557

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Sadiq Saleem
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

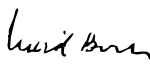
for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	Note	September 30, 2017	September 30, 2016
Revenue		2,409,977	2,498,711
Cost of sales	9	2,218,033	2,334,870
Gross profit		191,944	163,841
Distribution cost		122,253	124,410
Administrative expenses		69,053	77,164
Other expenses		5,120	4,747
		196,426	206,321
		(4,482)	(42,480)
Other income		61,566	77,211
Profit from operations		57,084	34,731
Finance cost		89,105	57,483
Loss before taxation		(32,021)	(22,752)
Taxation		12,305	15,262
Loss after taxation		(44,326)	(38,014)
Loss per share - basic and diluted (Rupees)		(0.55)	(0.48)

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Sadiq Saleem
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

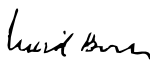
for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	September 30, 2017	September 30, 2016
Loss after taxation	(44,326)	(38,014)
Other comprehensive (loss) / income		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
(Deficit) / surplus arising on remeasurement of available for sale investments to fair value	(731,849)	196,452
Other comprehensive (loss) / income for the period	(731,849)	196,452
Total comprehensive (loss) / income for the period	(776,175)	158,438

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Sadiq Saleem
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	Note	September 30, 2017	September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	481,149	748,499
Finance cost paid		(99,802)	(73,576)
Income tax paid		(26,688)	(35,398)
Dividend paid		(8)	(16)
Workers' profit participation fund paid		(379)	(1,030)
Net decrease in long term loans and advances		1,223	186
Increase in long term deposits		-	(178)
Net cash from operating activities		355,495	638,487
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(63,370)	(110,259)
Proceeds from sale of property, plant and equipment		8,975	3,807
Long term investment made		(70,354)	-
Dividend received		12,807	12,807
Net cash used in investing activities		(111,942)	(93,645)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		39,856	95,872
Repayment of long term financing		(28,028)	(14,145)
Repayment of lease liabilities		-	(4,327)
Short term borrowings - net		(253,993)	(626,508)
Net cash used in financing activities		(242,165)	(549,108)
Net increase / (decrease) in cash and cash equivalents		1,388	(4,266)
Cash and cash equivalents at the beginning of the period		3,895	9,297
Cash and cash equivalents at the end of the period		5,283	5,031

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Sadiq Saleem
Chief Financial Officer

1st QUARTER
SEPTEMBER 30,
2017

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

for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	Share Capital	Reserves							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 July 01, 2016	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
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation	-	-	-	-	-	-	6	6	6	6
Total comprehensive income for the quarter	-	-	196,452	196,452	-	-	(38,014)	(38,014)	158,438	158,438
Balance as at September 30, 2016	800,000	200,169	1,200,553	1,400,722	1,773,643	30,000	706,013	2,509,656	3,910,378	4,710,378
Transaction with owners - Final dividend for the year ended June 30, 2016 at the rate of Rupees 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	-	-	-	-	-	-	19	19	19	19
Total comprehensive income for the period	-	-	1,518,836	1,518,836	-	-	151,353	151,353	1,670,189	1,670,189
Balance as at July 01, 2017	800,000	200,169	2,719,389	2,919,558	1,773,643	30,000	756,985	2,560,628	5,480,186	6,280,186
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation	-	-	-	-	-	-	6	6	6	6
Total comprehensive loss for the quarter	-	-	(731,849)	(731,849)	-	-	(44,326)	(44,326)	(776,175)	(776,175)
Balance as at September 30, 2017	800,000	200,169	1,987,540	2,187,709	1,773,643	30,000	712,665	2,516,308	4,704,017	5,504,017

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Sadiq Saleem
Chief Financial Officer

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

for the 1st Quarter Ended September 30, 2017

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). 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 Limited. 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 1st quarter ended September 30, 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 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). 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 for the year ended June 30, 2017.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on May 30, 2017. Securities and Exchange Commission of Pakistan (SECP) vide its Circular 23 of 2017 dated October 04, 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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, 2017.

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.

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

for the 1st Quarter Ended September 30, 2017

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, 2017.

(Rupees in '000)	Un-Audited September 30, 2017	Audited June 30, 2017
5. LONG TERM FINANCING		
Financing from banking companies		
Opening balance	1,253,629	500,105
Add: Obtained during the period / year	39,856	808,257
Less: Repaid during the period / year	(28,028)	(54,733)
	1,265,457	1,253,629
Less: Current portion shown under current liabilities	(246,171)	(190,376)
	1,019,286	1,063,253

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 199.764 million (June 30, 2017: Rupees 199.764 million) are given by the banks of the Company to SNGPL and FESCO against gas and electricity connections.
- ii) Post dated cheques of Rupees 216.935 million (June 30, 2017: Rupees 195.266 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, 2017: Rupees 21.886 million) favoring 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 and the legal counsel of the company are 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, 2017: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

b) Commitments

- i) Contracts for capital expenditure amounting to Rupees 326.892 million (June 30, 2017: Rupees 377.285 million).

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

for the 1st Quarter Ended September 30, 2017

- ii) Letters of credit other than for capital expenditure amounting to Rupees 88.144 million (June 30, 2017: Rupees 54.201 million).
- iii) Ijarah (operating lease) commitments amounting to Rupees Nil (June 30, 2017: Rupees 0.060 million).

(Rupees in '000)	Un-Audited September 30, 2017	Audited June 30, 2017
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	6,324,212	6,396,065
Capital work in progress (Note 7.2)	134,077	82,293
	6,458,289	6,478,358
7.1 Operating fixed assets		
Opening book value	6,396,065	4,319,844
Add: Additions during the period / year (Note 7.1.1)	11,586	964,746
Add: Effect of surplus on revaluation of land	-	1,361,245
Add: Assets transferred from leased assets to owned assets	-	44,785
	6,407,651	6,690,620
Less: Deletions during the period/year (Note 7.1.2)	11,628	32,141
Less: Depreciation charged for the period / year	71,811	262,414
Book value at the end of the period/year	6,324,212	6,396,065
7.1.1 Additions during the period / year		
Buildings on leasehold land	735	7,005
Plant and machinery	4,108	942,318
Factory tools and equipment	4,164	2,142
Gas and electric installations	44	1,081
Vehicles	2,513	7,775
Furniture and fixtures	-	1,102
Office equipment	22	3,323
	11,586	964,746
7.1.2 Book value of deletions during the period / year		
Buildings on freehold land	-	43
Plant and machinery	11,628	29,890
Vehicles	-	2,208
	11,628	32,141

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

for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	Un-Audited September 30, 2017	Audited June 30, 2017
7.2 Capital work in progress		
Buildings on freehold land	7,968	5,715
Buildings on leasehold land	17,843	11,930
Plant and machinery	52,407	10,361
Office equipment	145	101
Advance against purchase of vehicle	5,803	4,275
Advance against purchase of land	49,911	49,911
	134,077	82,293
8. LONG TERM INVESTMENTS		
Available for sale		
Quoted - Related parties	124,411	54,057
Quoted - Others	198,168	198,168
Unquoted - Others	2,245,764	2,245,764
	2,568,343	2,497,989
Fair value adjustment	1,938,560	2,668,557
	4,506,903	5,166,546

(Rupees in '000)	Un-Audited Quarter ended September 30, 2017	September 30, 2016
9. COST OF SALES		
Raw materials consumed	916,309	892,895
Cloth and yarn purchased	204,598	383,800
Stores, spare parts and loose tools consumed	123,952	153,038
Packing material consumed	122,283	156,798
Processing and weaving charges	98,739	161,076
Salaries, wages and other benefits	238,004	249,775
Fuel and power	289,684	308,281
Repair and maintenance	6,337	14,644
Insurance	3,308	3,350
Depreciation	69,440	53,707
Other factory overheads	8,186	7,228
	2,080,840	2,384,592
Work-in-process:		
Opening stock	131,695	107,784
Closing stock	(136,013)	(123,818)
	(4,318)	(16,034)
Cost of goods manufactured	2,076,522	2,368,558

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

for the 1st Quarter Ended September 30, 2017

(Rupees in '000)	Un-Audited Quarter ended	
	September 30, 2017	September 30, 2016
Finished goods:		
Opening stock	1,417,844	943,426
Closing stock	(1,276,333)	(1,105,157)
	141,511	(161,731)
Cost of sales - purchased for resale	-	128,043
	2,218,033	2,334,870
10. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(32,021)	(22,752)
Adjustments for non-cash charges and other items:		
Depreciation	71,811	56,063
Amortization	1,583	-
Loss / (gain) on disposal of operating fixed assets	2,653	(2,335)
Dividend income	(37,507)	(41,777)
Finance cost	89,105	57,483
Working capital changes (Note 10.1)	385,525	701,817
	481,149	748,499
10.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	(35,490)	(19,563)
Stock-in-trade	100,183	86,798
Trade debts	199,845	250,591
Loans and advances	(188)	4,685
Short term deposits and prepayments	(2,854)	(4,973)
Interest accrued	48	(77)
Other receivables	69,257	229,416
	330,801	546,877
Increase in trade and other payables	54,724	154,940
	385,525	701,817

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

for the 1st Quarter Ended September 30, 2017

11. SEGMENT INFORMATION

(Rupees in '000)	Spinning		Weaving	
	(Un-audited)		(Un-audited)	
	Quarter ended		Quarter ended	
	September 30,2017	September 30,2016	September 30,2017	September 30,2016
Revenue				
External	1,174,203	844,848	81,828	49,030
Intersegment	232,223	445,471	849,595	842,739
	1,406,426	1,290,319	931,423	891,769
Cost of sales	1,359,202	1,288,219	926,385	866,774
Gross profit	47,224	2,100	5,038	24,995
Distribution cost	9,830	9,283	3,235	2,088
Administrative expenses	20,100	23,218	6,271	6,513
	29,930	32,501	9,506	8,601
Profit / (loss) before taxation and unallocated income and expenses	17,294	(30,401)	(4,468)	16,394
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Provision for taxation				
Loss after taxation				

11.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning		Weaving	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	September 30,2017	June 30,2017	September 30,2017	June 30,2017
Total assets for reportable segments	2,707,565	2,754,165	1,493,660	1,598,009
Unallocated assets				
Total assets as per balance sheet				
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.				
Total liabilities for reportable segments	3,542,735	3,635,370	1,128,821	905,557
Unallocated liabilities				
Total liabilities as per balance sheet				

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 1st Quarter Ended September 30, 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)	
Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
September 30,2017	September 30,2016	September 30,2017	September 30,2016	September 30,2017	September 30,2016	September 30,2017	September 30,2016	September 30,2017	September 30,2016
1,148,348	1,598,809	-	-	5,598	6,024	-	-	2,409,977	2,498,711
-	-	243,040	256,249	-	-	(1,324,858)	(1,544,459)	-	-
1,148,348	1,598,809	243,040	256,249	5,598	6,024	(1,324,858)	(1,544,459)	2,409,977	2,498,711
1,015,198	1,468,851	238,165	251,111	3,941	4,374	(1,324,858)	(1,544,459)	2,218,033	2,334,870
133,150	129,958	4,875	5,138	1,657	1,650	-	-	191,944	163,841
108,493	112,377	695	662	-	-	-	-	122,253	124,410
38,935	43,583	3,531	3,647	216	203	-	-	69,053	77,164
147,428	155,960	4,226	4,309	216	203	-	-	191,306	201,574
(14,278)	(26,002)	649	829	1,441	1,447	-	-	638	(37,733)
								(5,120)	(4,747)
								61,566	77,211
								(89,105)	(57,483)
								(12,305)	(15,262)
								(44,326)	(38,014)

Processing & Home Textile		Power Generation		Cold Storage		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
September 30,2017	June 30,2017	September 30,2017	June 30,2017	September 30,2017	June 30,2017	September 30,2017	June 30,2017
2,187,512	2,326,793	279,744	287,142	21,616	20,216	6,690,097	6,986,325
						10,481,577	11,128,232
						17,171,674	18,114,557
2,117,510	2,445,231	67,479	123,249	783	812	6,857,328	7,110,219
						1,235,228	1,149,044
						8,092,556	8,259,263

current and deferred tax liabilities.

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

for the 1st Quarter Ended September 30, 2017

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement fund and key management personnel. Detail of transactions with related parties are as under:

(Rupees in '000)	Nature of Transaction	Un-Audited Quarter ended	
		September 30, 2017	September 30, 2016
Associated Companies	Sales	12,034	24,727
	Purchases	6,394	-
	Insurance charges	8,151	4,746
	Insurance claim received	39	4,525
Employees' Provident Fund Trust	Amount contributed	5,788	5,863
	Remuneration paid to chief executive, director and executives	50,524	54,740

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on October 26, 2017.

14. CORRESPONDING FIGURES

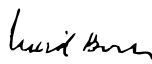
Comparative figures have been rearranged / reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Sadiq Saleem
Chief Financial Officer

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