ANNUAL REPORT
2013

CCML
CRESCENT COTTON MILLS LIMITED

بسم الله الرحمن الرحيم

شروع اللہ کے نام سے

جو بڑا مہربان نہایت رحم والا ہے

In the Name of Allah,

the most merciful, the Compassionate

C O N T E N T S

CRESCENT COTTON MILLS LIMITED

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE

New Lahore Road,
Nishatabad,
Faisalabad.
Phones : (041) 8752111-4
Fax : (041) 8750366
E-mail : info@crescentcotton.com
URL : www.crescentcotton.com

KARACHI OFFICE

Office # 409, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

WORKS

Spinning Unit # 1& 2

Kotla Kahlon,
8/9 Kilometers from
Shahkot towards Sheikupura,
Shahkot Distt. Nankana.
Phones : (041) 2024350
Fax : (041) 2044590

Spinning Unit # 3

B-10, S.I.T.E., Kotri.
Phones : (022) 3870053 & 3871138
Fax : (022) 3870322

SUBSIDIARY

CRESCOT MILLS LIMITED

PRINCIPAL & REGISTERED OFFICE

Office # 409, Business Avenue,
Plot # 26-A, Block # 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - Pakistan.
Phones : (021) 34387315-7
Fax : (021) 34387318

Chief Executive Officer

Mr. Naveed Gulzar

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Muhammad Arshad (Chairman & Chief Executive Officer)
DIRECTORS (In alphabetical order)	Mr. Abid Mehmood Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Naveed Gulzar Mr. Salman Rafi Mr. Shahid Arshad
AUDIT COMMITTEE	Mr. Khalid Bashir (Chairman) Mr. Muhammad Anwar (Member) Mr. Naveed Gulzar (Member)
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Muhammad Anwar (Chairman) Mr. Khalid Bashir (Member) Mr. Shahid Arshad (Member)
COMPANY SECRETARY	Mr. Sami Ullah Chaudhry
BANKERS	National Bank of Pakistan Habib Metropolitan Bank Limited
AUDITORS	Riaz Ahmad & Compnay Chartered Accountants
COMPANY REGISTRAR	Yaqub Associates (Pvt) Ltd. 2-Asad Arcade, Circular Road Faisalabad Ph: 041-2634956,2610565
URL	www.crescentcotton.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of the shareholders of the Company will be held on Thursday the 31st October, 2013 at 10.30 a.m. at Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad to transact the following business:

1. To confirm the minutes of Annual General Meeting of the Company held on January 31, 2013.
2. To approve, as recommended by the Directors, the payment of Cash Dividend @20% i.e Rs. 2 per share for the period ended June 30, 2013.
3. To receive, consider and adopt Annual Audited Financial Statements and Consolidated Financial Statements of the Company for the period ended June 30, 2013 together with the Directors' and Auditors' Reports thereon.
4. To appoint External Auditors and fix their remuneration.
5. To transact any other business with the permission of the chair.

REGISTERED OFFICE:

Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Fax No. 8750366
Dated: October 09,2013

On Behalf Of The Board

(Sami Ullah Ch.)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 24, 2013 to October 31, 2013 (both days inclusive) and Cash Dividend if approved, will be issued to such members whose names appear in the Company's Register of Members by the close of business on October 23, 2013.Transfers received at the Registered Office, New Lahore Road, Nishatabad, Faisalabad at the close of business on October 23, 2013 will be treated in time for the entitlement of dividend.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

a. For attending the meeting:

i). In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their Participants I.D. numbers and account numbers in CDC.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For appointing proxies

i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account; and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii). The proxy form shall be witnessed by two persons whose names and NIC Nos. shall be mentioned on the form.

iii). Attested Copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv). The proxy shall produce his original NIC or original passport at the time of the meeting.

v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

PRODUCTION DATA
2004-2013

	SUGAR					MOLASSES	INDUSTRIAL ALCOHOL		COTTON YARN	
SEASON	DURATION OF SEASON (DAYS)	CANE CRUSHED (M. TONS)	SUGAR PRODUCED (M. TONS)	RECOVERY (PERCENT)	PROCESS LOSSES (PERCENT)	MOLASSES PRODUCED (M. TONS)	DAYS	INDUSTRIAL ALCOHOL PRODUCED (LITRES)	DAYS	COTTON YARN PRODUCED CONVERTED INTO 20/S (KGS.)
2012-2013	-	-	-	-	-	-	-	-	273	13,765,402
2011-2012	-	-	-	-	-	-	-	-	366	18,450,907
2010-2011	-	-	-	-	-	-	-	-	359	18,718,918
2009-2010	86	118,963	9,041	7.60	2.54	5,585	33	569,480	358	18,520,643
2008-2009	106	182,317	14,403	7.90	2.42	8,329	19	271,557	348	13,438,156
2007-2008	146	348,333	25,376	7.28	2.39	16,850	32	463,516	365	18,900,196
2006-2007	156	346,328	25,035	7.23	2.47	16,904	50	927,956	365	18,250,975
2005-2006	153	286,013	20,487	7.18	2.37	14,347	52	790,418	365	18,756,471
2004-2005	146	290,213	23,211	8.00	2.47	13,200	27	420,769	365	19,498,458
2003-2004	118	265,343	21,583	8.15	2.95	12,430	83	1,172,200	365	18,367,671

VISION

To continue to hold a highly prestigious profile amongst the national as well as international industry through producing international quality yarn, embroidered cloth, grey cloth and socks, while ever endeavoring for a sustainable growth of the Company.

MISSION

The company's primary mission is to be a profitable performance proven leader in quality yarn, embroidered cloth, grey cloth and socks manufacturing, with recognition coming from our customers, our equity holders, our employees and the public at large. The company seeks to accomplish this in a manner that contributes to the strengthening of the free enterprise system, to the development and growth of its employees, and to the goals of the country and the community towards fulfilling its social responsibilities /obligations in a befitting manner.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the period ended June 30, 2013 together with the auditors' report thereon.

Financial Results

The financial results of the Company are summarized below:

	(RUPEES IN THOUSAND)	
	2013	**2012**
Profit after taxation from Continuing Operations	**200,763**	80,793
Profit/(Loss) after taxation from Discontinued Operations	**55,216**	160,119
Profit/(Loss) after taxation	**255,979**	240,912

The board of directors in their meeting held on October 09, 2013 has proposed a cash dividend for the year ended June 30, 2013 of Rs. 2 per share (ie. 20%) amounting to Rs. 42.755 million. The approval of the members for the cash dividend shall be obtained at the Annual General Meeting to be held on October 31, 2013. These financial statements do not include the effect of this proposed cash dividend.

Statement On Corporate And Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly it's state of affairs, the result of it's operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvement in the system.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Details of significant deviations in the Company's operating results during the current year are stated in the Chief Executive Officer's Review.
- Summarized key operating and financial data for last six years is annexed.
- There have been three (3) Board Meetings during the year and attendance of each director is stated under :-

NAME OF DIRECTOR (In alphabetical order)	**MEETINGS ATTENDED**
Mr. Abid Mahmood	3
Mr. Khalid Bashir	3
Mr. Muhammad Anwar	3
Mr. Muhammad Arshad	3
Mr. Naveed Gulzar	3
Mr. Salman Rafi	Nil
Mr. Shahid Arshad	3

Leave of absence was granted to directors who could not attend board meetings.

- During the year four meetings of the Audit Committee were held and following were the attendance :-

NAME OF DIRECTOR (In alphabetical order)	**MEETINGS ATTENDED**
Mr. Khalid Bashir	4
Mr. Muhammad Anwar	4
Mr. Naveed Gulzar	4

Financial Statements

The Company has received approval from the relevant authorities to adopt the financial year starting from 01 July to 30 June in line with that of textile industry and also obtained approval from regulatory authorities to prepare financial statements for nine months, and accordingly these financial statements have been prepared for the period from 01 October 2012 to 30 June 2013. The corresponding figures shown in these financial statements pertain to the audited financial statements for the year ended 30 September 2012 and therefore are not comparable in respect of profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity and related notes.

Business Expansion

The board of directors' of the company has approved to acquire a spinning unit comprising of 20,160 spindles. As the management has vast experience as well as a team of professional personals in the field of textiles, this addition to the assets of the company will prove fruitful for the company and ultimately the shareholders. Management has signed an Asset Sale and Purchase Agreement for the purchase of the spinning unit.

Pattern of Shareholding

The pattern of shareholding as per section 236 of the Companies Ordinance, 1984 is attached.

To the best of our knowledge, Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, auditors, and their spouses and minor children have not undertaken any trading of company's shares.

Related parties

The transactions between the related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. The Company has fully complied with the best practices on Transfer Pricing as contained in the Listing Regulations of Stock Exchanges in Pakistan. The Statement of Compliance with the best practice on Transfer Pricing is enclosed.

Corporate Governance

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

Committees Of The Board

The board of directors in compliance with the Code of Corporate Governance has established an Audit Committee and Human Resources and Remuneration Committee. The names of its members are given in the company profile.

Corporate Social Responsibility

Your company understands its corporate responsibility towards the society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing best quality products and after-sales technical services to its valued customers.
Your company regularly donates generous amounts to various institutions constituted for dealing with natural calamities as part of its philanthropic activities. Your company is providing healthy, safe and learning work environment to its employees and sends them to attend training courses, seminars, workshops and conferences both within the country and abroad.

External Auditors

The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending June 30, 2014.

Statement Of Compliance With Best Practices On Transfer Pricing

The company has fully complied with best practices on Transfer Pricing as contained in Listing Regulation No. 38 of the Karachi Stock Exchange.

Consolidated financial statements

Consolidated financial statements with accompanying information have been annexed as required under section 237 of the Companies Ordinance, 1984.

Crescot Mills Limited

- The auditors have drawn attention that the company has ceased all production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the company is no more a going concern. The company has been de-listed from KSE with effect from 28 July 2005.

For and on behalf of the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
October 09, 2013

CHIEF EXECUTIVE OFFICER'S REVIEW

FINANCIAL PERFORMANCE

Since the company has ceased the sugar and distillery operations, from the year under review company's financial year will end on 30th June and this year our performance will be based on nine months working, but from the next financial year full twelve months working review will be undertaken.

Despite nine months operation the company has been able to post high net profit Rs. 200.763 million from its continuing operations which was Rs. 80.793 million last year.

After closure of loss sustaining sugar and distillery division the performance of company has been extraordinary. There is growth in the revenue of the company, increased gross profit and net profit which has ultimately increased the financial strength of the company. All indicators of the company are now in positive and we hope the company will have sustained growth in coming years.

Sales of continuing operation during the year under review has been recorded at Rs. 3,816.579 million which is less than last year's sales of Rs. 4,246.955 million due to nine months operation. Our gross profit ratio to sales this year is 12.64% (2012 : 9.56%) and net profit ratio to sales is 5.26% (2012 : 1.90%).

Summary of key financial results in comparison to last year are highlighted as below :-

PROFIT AND LOSS	FY-2013		FY-2012		INCREASE/(DECREASE)	
	RS IN "000"	%	RS IN "000"	%	RS IN "000"	%
Continuing Operations:	3,816,579	100.00	4,246,955	100.00	(430,376)	(10.13)
Sales revenue	3,334,328	87.36	3,840,872	90.44	(506,544)	(13.19)
Cost of sales	482,251	12.64	406,083	9.56	76,168	18.76
Gross profit	195,731	5.13	206,093	4.85	(10,362)	(5.03)
Operating expenses	16,706	0.44	11,781	0.28	4,925	41.80
Other income	303,226	7.94	211,771	4.99	91,455	43.19
Profit from operations	39,188	1.03	67,506	1.59	(28,318)	(41.95)
Finance cost	63,275	1.66	63,472	1.49	(197)	(0.31)
Taxation	200,763	5.26	80,793	1.90	119,970	148.49
Profit after taxation						
Discontinued Operations:	55,216	1.45	160,119	3.77	(104,903)	(65.52)
Profit after taxation						
Earnings per share (Rs.)	9.39	-	3.78	-	5.61	-
Continuing operations	2.58	-	7.49	-	(4.91)	-
Discontinued operations						

The company's main base of industrial activity is in the Province of Punjab which is subjected to frequent load shedding of gas and power which results in the curtailment of production and effects profitability of the company. Inflation in the cost of stores and spares, increase in tariff rates of power and fuel and hike in wages played their roll, however, the improved performance of the company is the result of better product development and penetration in the export market. For the tear under review company has sold 84% of its goods in export as compared 80% of goods last year.

We have managed to decrease our financial cost this year as profits were retained for the company's short term needs and it replaced the short term borrowing. It was decided to halt further capital expenditure unless company's financial position improves.

Financial Strength

The company has been able to improve its financial strength, the long term debts have reduced to Rs. 7.493 milllion from Rs. 22.479 million last year. The current ratio of the company is now 1.37 which is significant improvement from the year 2012 when it was 0.99.

Earning Per Share

The earnings per share for continuing operations stood at Rs. 9.39 per share (2012 : Rs. 3.78 per share) and for discontinued operations at Rs. 2.58 per share (2012 : Rs. 7.49 per share).

Major Business Risks

The management of the company is well aware to the risks of business which it will confront. We are adding financial/marketing strength to the company and are confident that company will be able to show goods performance even in adverse years as company is now equipped to confront challenges.

Raw Materials

For our continuing operations cotton and polyester are main raw materials. The management is following a policy to arrange these raw materials at reasonable level to accelerate growth of the company. The management realizes that cotton especially is a highly volatile commodity and it has to be procured by prudent policies.

International Market

A significant portion of the company's revenue comprises of export proceeds. We face the risk of decreased demand and increased competition in the international market. We cover the risk by making strong and long standing business relationships with our foreign customers and constantly strive to expand our customer base as well.

Currency Risk

Exchange rate fluctuations may have an impact on financial results due to reliance on foreign remittances against export sale proceeds.

Credit Risk

Company's credit risk relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial footing as well as long business association with our company. We doubt any non-performance by our customers, hence the credit risk is minimal.

Power And Gas Outage

Power and gas shortage adversely impact on the continuity of operations as in order to meet our power needs we rely primarily on gas generators. Company has arranged alternative power sources to ensure smooth and uninterrupted operations as planned.

Employee Recruitment And Retention

Failure to attract and retain the right people may adversely affect the achievement of company's growth plan. Strong emphasis is placed on the company's human resource and its skill set. We operate the best talent management and human resource instruments to attract, retain and motivate personnel and staff.

Product Development

The management of the company is focused on the product development for the export market and later on development of our own brand of high international value products, which should create its own demand in the international market. More than 90% production of the company can be classified to the basic commodity items and to develop niche market for a commodity item is a big task for which the management is constantly striving.

Way Forward

The year under review has been very good for the company but coming years possess more challenges than opportunities. The increase in gas and power tariff, increase in minimum wages, un-predictable inflation and high cotton prices will not only increase the cost of production but will squeeze the margins.

The factors as stated above are external factors over which the management has no control but the management is doing its best to mitigate the effect with better policies and prudent decisions. We hope that growth of the company will be slow but it will not be halted.

After the improvement in financial strength of the company it has been decided now to increase the production of existing machinery and add another spinning unit to the company for which final arrangements are underway and the unit will be added very soon. Management has signed an Asset Sale and Purchase Agreement for the purchase of a spinning unit.

Disposal Of Assets Of Discontinued Operations

During the year under review major portion of the assets of sugar unit have been disposed off, whereas the assets of distillery unit have been completely disposed off.

SUBSIDIARIES

CRESCOT MILLS LIMITED

As already reported, the company has ceased all its production activities and during the year ended June 30, 2012, the company incurred a loss of Rs. 1.492 million as compared to profit of Rs. 2.818 million of last year. The company has been de-listed from the Karachi Stock Exchange with effect from July 28, 2005.

ACKNOWLEDGEMENT

The Board of Directors of the Company, wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution towards the operations of the company. The Directors are thankful to the bankers and financial institutions for their continued support to the company. The Directors also place on record sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
October 09, 2013

KEY OPERATING AND FINANCIAL DATA

(RUPEES IN MILLION)

	2013	2012	2011	2010	2009	2008
Summary of Profit and Loss Account						
Sales	3,817	4,260	4,583	3,285	2,072	2,433
Gross profit	482	401	264	172	33	115
Loss/(Profit) from operations	358	160	140	204	163	155
Finance cost	39	69	76	70	90	87
(Loss)/profit before taxation	319	172	48	(32)	(130)	(40)
Taxation	63	14	-	24	11	4
(Loss)/profit after taxation	256	158	48	(56)	(141)	(44)
Summary of Balance Sheet						
Property, plant and equipment	2,812	2,819	2,807	2,877	398	428
Other non-current assets	27	95	89	40	60	65
Stock in trade	389	496	246	164	170	310
Trade debts	96	90	70	58	65	75
Other current assets	614	536	305	362	306	422
Current assets	1,099	1,122	621	584	541	807
Total assets	3,938	4,036	3,517	3,501	999	1,300
Shareholders equity	577	226	34	26	111	358
Surplus on revaluation of operating fixed assets	2,523	2,523	2,523	2,513	-	-
Long term financing	-	-	15	30	45	49
Other non-current liabilities	34	21	14	9	9	8
Trade and other payables	334	589	285	283	230	249
Short trem borrowings	329	560	554	571	537	546
Other current liabilities	141	117	92	69	67	90
Current liabilities	804	1,266	931	923	834	885
Total equity and liabilities	3,938	4,036	3,517	3,501	999	1,300
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	178	8	27	3	12	13
Net cash (used in) / generated from operating activities	136	166	(36)	(16)	29	24
Net cash used in investing activities	95	21	20	22	(5)	5
Net cash from / (used in) financing activities	(273)	(17)	(3)	18	(33)	(30)
Net increase / (decrease) in cash and cash equivalents	(42)	170	(19)	24	(9)	(1)
Cash and cash equivalents at the end of the year	136	178	8	27	3	12

PERFORMANCE INDICATORS

		2013	2012	2011	2010	2009	2008
Profitability Ratios							
Gross profit ratio	%	12.63	9.41	5.76	5.24	1.59	4.73
Net profit to sales	%	6.71	5.66	1.05	(1.70)	(6.81)	(1.81)
Return on equity	%	44.37	77.74	141.18	(215.38)	(127.03)	(12.29)
Return on capital employed	%	50.68	48.30	7.63	(5.08)	(20.65)	(6.36)
Liquidity Ratios							
Current ratio	Times	1.37	0.99	0.67	0.63	0.65	0.91
Quick ratio	Times	0.88	0.54	0.40	0.46	0.44	0.56
Cash to current liabilities	%	0.17	0.16	0.01	0.03	0.00	0.01
Activity / Turnover Ratios							
Inventory turnover	Times	8	10	21	19	8	9
Number of days in inventory	Days	48	35	17	20	43	43
Debtor turnover	Times	41	53	72	53	30	32
Number of days in receivables	Days	9	7	5	7	12	11
Creditors turnover	Times	9	11	15	12	9	10
Number of days in payables	Days	42	34	24	30	43	35
Total assets turnover	Times	0.97	1.14	1.31	1.46	1.80	1.77
Property, plant and equipment turnover	Times	1.36	1.51	1.61	2.01	5.02	5.49
Investment / Market Ratios							
Basic and diluted earning/(loss) per share	Rs.	11.97	11.27	2.22	(2.62)	(6.60)	(2.08)
Price earning ratio	Times	4.08	2.13	5.09	(2.52)	(0.87)	(3.63)
Market value per share							
- At the end of year	Rs.	48.82	24.00	11.30	6.59	5.75	7.55
- Highest during the year	Rs.	48.82	25.24	11.66	7.95	9.55	17.25
- Lowest during the year	Rs.	27.80	10.50	5.00	4.40	4.55	7.30
Break up value w/o surplus on revaluation	Rs.	26.99	14.50	1.59	1.22	5.19	16.75
Break up value with surplus on revaluation	Rs.	145.01	132.52	119.61	118.77	5.19	16.75
Capital Structure Ratios							
Financial leverage ratio	Times	1	2	17	23	5	2
Long term debt to equity ratio	%	-	-	44.12	115.38	40.54	13.69
Interest coverage ratio	Times	9.18	5.41	1.63	0.54	(0.44)	0.54

Form '34'

PATTERN OF HOLDING OF SHARES
HELD BY SHAREHOLDERS AS AT JUNE 30, 2013

Incorporation Number: 000984

Shareholders	From	To	Total Shares
550	1	100	16,845
437	101	500	108,703
157	501	1000	110,443
196	1001	5000	405,908
31	5001	10000	218,747
15	10001	15000	196,561
7	15001	20000	122,568
4	20001	25000	91,092
3	25001	30000	79,615
5	30001	35000	159,513
9	35001	40000	348,084
2	40001	45000	81,972
3	45001	50000	141,154
1	50001	55000	54,137
2	55001	60000	111,467
4	60001	65000	249,651
4	65001	70000	268,784
3	75001	80000	233,083
1	80001	85000	82,134
2	85001	90000	178,098
2	90001	95000	183,601
2	95001	105000	195,865
1	105001	110000	109,002
3	110001	115000	336,329
1	120001	125000	121,100
1	125001	130000	128,567
2	130001	135000	264,564
6	135001	140000	822,219
1	140001	145000	144,825
2	150001	155000	303,866
2	155001	160000	315,132
1	160001	165000	161,902
2	165001	170000	332,784
2	175001	180000	360,000
2	195001	200000	395,480
3	215001	220000	655,737
1	220001	225000	224,660
1	255001	260000	257,812
2	275001	280000	555,070
1	325001	330000	328,225
1	330001	335000	334,111
1	335001	340000	338,354
1	380001	385000	384,491
1	400001	405000	401,920
1	405001	410000	406,438
1	445001	450000	446,064
1	495001	500000	500,000
1	505001	510000	506,295
2	510001	515000	1,022,958
1	540001	545000	543,046
1	555001	560000	556,469
1	560001	565000	562,307
1	620001	625000	624,844
1	795001	800000	795,513
1	975001	980000	975,944
1	1045001	1050000	1,048,579
1	1210001	1215000	1,211,224
1	1260001	1265000	1,263,622
1,493			**21,377,478**

Categories of Shareholders	Numbers	Shares Held	Percentage
FINANCIAL INSTITUTIONS	8	450,040	2.105200
INDIVIDUALS	1,454	17,508,960	81.903800
INVESTMENT COMPANIES	4	5,175	0.024200
JOINT STOCK COMPANIES	19	1,969,092	9.211100
OTHERS	7	1,244,211	5.820200
INSURANCE COMPANIES	1	200,000	0.935600
TOTAL	**1,493**	**21,377,478**	**100.000100**

PATTERN OF HOLDING OF SHARES

Held By Shareholders as at June 30, 2013

Catagories of Shareholder	Physical	CDC	Total	%Age
1- Directors, Chief Executive Officer, Their Spouses and Minor Children				
Directors				
Mr. Abid Mehmood	-	158,365	158,365	0.74
Mr. Khalid Bashir	-	277,037	277,037	1.30
Mr. Muhammad Anwar	-	31,495	31,495	0.15
Mr. Muhammad Arshad	-	795,513	795,513	3.72
Mr. Naveed Gulzar	83	406,438	406,521	1.90
Mr. Salman Rafi	12,324	75,878	88,202	0.41
Mr. Shahid Arshad	-	401,920	401,920	1.88
Director's Spouses and Their Minor Children				
Mrs. Tanveer Khalid Bashir	-	153,341	153,341	0.72
Mst. Abida Anwar	-	39,510	39,510	0.18
Mst. Shireen Abid	-	218,624	218,624	1.02
	12,407	**2,558,121**	**2,570,528**	**12.02**
2- Executives				
Executives	-	1,526,948	1,526,948	7.14
	-	**1,526,948**	**1,526,948**	**7.14**
3- Associated Companies, Undertakings & Related Parties				
Crescent Powertec Limited	-	112,605	112,605	0.53
Jubilee Spinning & Weaving Mills Limited	-	510,600	510,600	2.39
Premier Insurance Limited	-	200,000	200,000	0.94
Shams Textile Mills Limited	-	166,784	166,784	0.78
The Crescent Textile Mills Limited	-	975,944	975,944	4.57
	-	**1,965,933**	**1,965,933**	**9.20**
4- NIT & ICP (Name Wise Detail)				
NBP - Trustee Department NI(U) T Fund	-	1,048,579	1,048,579	4.91
	-	**1,048,579**	**1,048,579**	**4.91**
5- Banks, NBFCs, DFIs, Takaful, Pension Funds				
Banks, NBFCs, DFIs, Takaful, Pension Funds	3,387	446,653	450,040	2.11
	3,387	**446,653**	**450,040**	**2.11**
6- Other Companies				
Other Companies, Corporate Bodies, Trust etc.	1,261,989	365,386	1,627,375	7.61
	1,261,989	**365,386**	**1,627,375**	**7.61**
7- General Public				
A. Local	1,659,733	10,528,342	12,188,075	57.01
B. Foreign	-	-	-	-
	1,659,733	**10,528,342**	**12,188,075**	**57.01**
	2,937,516	**18,439,962**	**21,377,478**	**100.00**

Shareholders More Than 5.00%

Nazish Arshad	1,263,622	5.91
Crescent Foundation	1,211,224	5.67

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE

This statement is being presented to comply with the Code of Corporate Governance as contained in the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner :

1. The company encourages representation of independent non-executive directors. At present the Board includes four executive directors and three non-executive directors.

2. The directors have confirmed that none of them is serving as a director in more than five listed companies, including this company.

3. All resident directors of the company are registered as taxpayers and none of them has personally defaulted in payment of any loan to a banking company, a DFI or NBFI. None of them is a member of stock exchange.

4. No casual vacancy occurred in the Board during the period ended June 30, 2013.

5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to communicate the code of conduct throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other Executive Directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors were apprised about the changes in the CCG, applicable laws and their duties and responsibilities to effectively manage the affairs of the company for and on behalf of the shareholders. The directors of the company having 15 years of experience on the board of listed company are exempted from the requirement of directors' training program. All the directors except three directors qualify for exemption under this provision of the CCG. The company has however, arranged for certification under the directors' training program for one director.

10. The Board has approved appointment of CFO/Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment, as recommended by CEO.

11. The Directors' Report for the period ended June 30, 2013 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by the CEO and CFO before approval by the Board.

13. The directors, CEO, and executives of the company do not hold any interest in the shares of the company, other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the code.

15. The Board has formed an audit committee. It comprises of three members, majority of them are non-executive directors.

16. The meetings of the audit committee were

held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resources and Remuneration Committee. It comprises of three members, of whom two are non-executive directors.

18. The Board has outsourced the internal audit function to Avais Hyder Liaquat Nauman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they (or their representatives) are involved in the internal audit function on a full time basis.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "closed period", prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's share, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated amongst all market participants at once through stock exchange(s).

23. We confirm that all other material principles contained in the code have been complied with.

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
October 09,2013

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **CRESCENT COTTON MILLS LIMITED** ("the Company") for the period ended 30 June 2013, to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the period ended 30 June 2013.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mahmood

Faisalabad
October 09,2013

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT COTTON MILLS LIMITED** as at 30 June 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the period then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion:

(i): the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii): the expenditure incurred during the period was for the purpose of the company's business; and

(iii): the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2013 and of the profit, its comprehensive income, its cash flows and changes in equity for the period then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner: **Faisalabad**
Mubashar Mahmood **October 09,2013**

BALANCE SHEET AS

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
			Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (30 September 2012: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**363,914**	96,044
Total equity		**577,689**	309,819
Surplus on revaluation of freehold land and investment properties	5	**2,522,524**	2,522,524
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**-**	-
Deferred income tax liability	7	**10,717**	-
Employees' retirement benefit	8	**23,572**	21,159
		34,289	21,159
CURRENT LIABILITIES			
Trade and other payables	9	**333,797**	425,774
Accrued mark-up	10	**7,867**	8,673
Short term borrowings	11	**328,765**	560,045
Current portion of long term financing	6	**7,493**	22,479
Provision for taxation		**125,896**	86,240
		803,818	1,103,211
TOTAL LIABILITIES		**838,107**	1,124,370
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**3,938,320**	3,956,713

The annexed notes form an integral part of these financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AT 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
			Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	**2,758,469**	2,765,530
Investment properties	14	**54,172**	54,172
Long term investments	15	**24,231**	20,044
Long term deposits		**2,612**	2,612
Deferred income tax asset	16	**-**	22,601
		2,839,484	2,864,959
CURRENT ASSETS			
Stores, spare parts and loose tools	17	**41,183**	57,781
Stock-in-trade	18	**389,160**	496,164
Trade debts	19	**96,234**	90,332
Loans and advances	20	**22,329**	16,169
Short term deposits, prepayments and balances with statutory authorities	21	**179,114**	116,707
Other receivables	22	**110,250**	36,786
Short term investments	23	**123,490**	89,064
Cash and bank balances	24	**136,163**	177,868
		1,097,923	1,080,871
Non-current assets held for sale	25	**913**	10,883
		1,098,836	1,091,754
TOTAL ASSETS		**3,938,320**	3,956,713

ABID MEHMOOD
DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
			Restated
CONTINUING OPERATIONS:			
SALES	26	**3,816,579**	4,246,955
COST OF SALES	27	**(3,334,328)**	(3,840,872)
GROSS PROFIT		**482,251**	406,083
DISTRIBUTION COST	28	**(94,482)**	(102,810)
ADMINISTRATIVE EXPENSES	29	**(83,669)**	(78,732)
OTHER EXPENSES	30	**(17,580)**	(24,551)
		(195,731)	(206,093)
		286,520	199,990
OTHER INCOME	31	**16,706**	11,781
PROFIT FROM OPERATIONS		**303,226**	211,771
FINANCE COST	32	**(39,188)**	(67,506)
PROFIT BEFORE TAXATION		**264,038**	144,265
TAXATION	33	**(63,275)**	(63,472)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		**200,763**	80,793
DISCONTINUED OPERATIONS:			
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	25	**55,216**	160,119
PROFIT AFTER TAXATION		**255,979**	240,912
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	34	**9.39**	3.78
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	34	**2.58**	7.49

The annexed notes form an integral part of these financial statements.

MUHAMMAD ARSHAD	**ABID MEHMOOD**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2013

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
		Restated
PROFIT AFTER TAXATION	**255,979**	240,912
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently 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	**38,613**	35,126
Other comprehensive income for the period / year	**38,613**	35,126
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	**294,592**	276,038

The annexed notes form an integral part of these financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
			Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	**225,155**	114,988
Finance cost paid		**(39,624)**	(73,641)
Income tax paid		**(31,423)**	(37,630)
Staff retirement gratuity paid		**(8,867)**	(7,574)
Workers' profit participation fund paid		**(9,554)**	(2,579)
Net decrease in long term deposits		**-**	424
Net cash generated from / (used in) operating activities		**135,687**	(6,012)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(15,653)**	(42,605)
Proceeds from sale of property, plant and equipment		**1,020**	1,655
Proceeds from non-current assets held for sale		**98,266**	226,269
Profit on deposits with banks received		**11,583**	8,393
Net cash from investing activities		**95,216**	193,712
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(14,986)**	(23,970)
Dividend paid		**(26,342)**	-
Short term borrowings - net		**(231,280)**	5,988
Net cash used in financing activities		**(272,608)**	(17,982)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(41,705)**	169,718
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		**177,868**	8,150
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR (NOTE 24)		**136,163**	177,868

The annexed notes form an integral part of these financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2013

(RUPEES IN THOUSAND)

	SHARE	CAPITAL RESERVES				REVENUE RESERVES				
	CAPITAL	Premium on issue of shares	Plant modern-isation	Fair Value reserve	Sub Total	General reserve	Dividend equali-zation	(Accumulated loss)/ unappropriated Profit	Sub-Total	TOTAL EQUITY
Balance as at 30 September 2011	213,775	5,496	12,000	19,379	36,875	96,988	4,000	(317,857)	(216,869)	33,781
Profit for the year - restated	-	-	-	-	-	-	-	240,912	240,912	240,912
Other comprehensive income for the year	-	-	-	35,126	35,126	-	-	-	-	35,126
Total comprehensive income for the year	-	-	-	35,126	35,126	-	-	240,912	240,912	276,038
Balance as at 30 September 2012 - Restated	213,775	5,496	12,000	54,505	72,001	96,988	4,000	(76,945)	24,043	309,819
Transaction with owners - Final dividend for the year ended 30 September 2012 at the rate of Rupee 1.25 per share	-	-	-	-	-	-	-	(26,722)	(26,722)	(26,722)
Profit for the period	-	-	-	-	-	-	-	255,979	255,979	255,979
Other comprehensive income for the period	-	-	-	38,613	38,613	-	-	-	-	38,613
Total comprehensive income for the period	-	-	-	38,613	38,613	-	-	255,979	255,979	294,592
Balance as at 30 June 2013	213,775	5,496	12,000	93,118	110,614	96,988	4,000	152,312	253,300	577,689

The annexed notes form an integral part of these financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all the stock exchanges in Pakistan. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit.

The Company has received approval from the relevant authorities to adopt the financial year starting from 01 July to 30 June in line with that of textile industry and also obtained approval from regulatory authorities to prepare financial statements for nine months, and accordingly these financial statements have been prepared for the period from 01 October 2012 to 30 June 2013. The corresponding figures shown in these financial statements pertain to the audited financial statements for the year ended 30 September 2012 and therefore are not comparable in respect of profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity and related notes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as modified by recognition of certain employees retirement benefits at present value and investment properties and freehold land which are carried at their fair value

c) Critical accounting estimates and judgments

The preparation of financial statements 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Employees retirement benefit

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Changes in these assumptions in future years may effect the liability / asset under these plans in those years.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

d) Amendments to published approved standards that are effective in current period and are relevant to the Company

Following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 October 2012:

IAS 1 (Amendments), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 October 2012). The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments does not address which items are presented in OCI. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Amendments to published approved standards that are effective in current period but not relevant to the Company

There are other amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2012 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2013 or later periods:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 January 2013). The International Accounting Standards Board (IASB) has amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 'Financial Instruments: Presentation' and IFRS 7. These amendments are the result of IASB and US Financial Accounting Board undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The clarifying amendments to IAS 32 are effective for annual periods beginning on or after 01 January 2014. However, these amendments are not expected to have a material impact on the Company's financial statements.

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2015). It addresses the classification, measurement and recognition of financial assets and financial liabilities. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that shall replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change shall mainly affect financial institutions. There shall be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Company does not have any such liabilities.

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2013). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Consolidated and Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 'Consolidated and Separate Financial Statements' that addresses when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation Special Purpose Entities' in its entirety. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 10 and IFRS 12 (effective for annual periods beginning on or after 01 January 2013) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2014) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2013). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

IAS 19 (Amendments) 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2013). The amendments have eliminated the corridor approach which permitted to recognize actuarial gains / losses in profit and loss account using the corridor method, whereby actuarial gains / losses are recognized when the cumulative unrecognized amount thereof at the beginning of the year exceeds the corridor limit, where corridor limit has been prescribed as 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. Pursuant to this change, effective from the next accounting year, the Company will be required to recognize immediately all actuarial gains or losses in other comprehensive income and past service cost in profit and loss account.

The adoption of the aforesaid amendment in IAS 19 'Employee Benefits' will result in change in the Company's accounting policy related to recognition of actuarial gains and losses and past service cost pertaining to employees retirement gratuity. As at 30 June 2013, the unrecognized actuarial loss is Rupees 6.685 million.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 17 May 2012, IASB issued Annual Improvements to IFRSs: 2009 2011 Cycle, incorporating amendments to five IFRSs more specifically in IAS 1 'Presentation of Financial Statements' and IAS 32 'Financial Instruments: Presentation', that are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2013. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

g) Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2013 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.3 Staff retirement benefits

The main features of the funds operated by the Company for its employees are as follows:

a) Defined benefit plan Gratuity

The Company operates defined benefit plan - unfunded gratuity scheme for its employees, who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Actuarial Cost Method.

The amount recognized in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

The Company's policy with regard to actuarial gains / (losses) is to follow the minimum recommended approach under IAS-19 "Employee Benefits".

Details of the scheme is given in Note 8 to these financial statements.

b) Defined contribution plan - Provident fund

The Company operated a funded provident fund scheme for its employees of Sugar and Distillery divisions by the name of Crescent Sugar Mills and Distillery Limited - Employees' Provident Fund Trust. Equal monthly contributions were made to the fund by the Company and employees at the rate of 10% of basic salary. However since May 2013, the Employees' Provident Fund Trust has been closed due to the closure of the operations of the Sugar and Distillery divisions as all of the employees of these divisions have either left the employment or shifted to gratuity scheme.

2.4 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors

2.5 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable cost of bringing the assets to working condition.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to unappropriated profit / (accumulated loss) is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. All transfers from surplus on revaluation of operating fixed assets are net of applicable deferred taxation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.7 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is included in the profit and loss account for the year in which it arises.

2.8 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “Investment at fair value through profit or loss” which is measured initially at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in subsidiary company, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

2.8.1 Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

2.8.2 Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

2.8.3 Available for sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

"The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to after initial recognition are carried at cost less any identified impairment loss."

2.8.4 Investment in subsidiary company

Investment in subsidiary company are stated at cost less any identified impairment loss, in accordance with the provisions of IAS 27 ' Consolidated and Separate Financial Statements'.

2.9 Inventories

Inventories, except for stock in transit and waste are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make such sale. Cost is determined as follows:

a) Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued at moving average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at invoice amount plus other charges paid thereon.

b) Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

i)	For raw materials	-	Weighted average basis
ii)	For work-in-process and finished goods	-	Average material cost, proportionate finished goods direct labour and factory overheads
iii)	Waste	-	Net realizable value

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.11 Non-current assets held for sale

Non-current assets classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Following specific recognition criteria must also be met before revenue is recognized:

- Revenue from local sales is recognized on delivery of goods to customers
- Revenue from export sales is recognized when goods are shipped on board.
- Dividend on equity investments is recognized when right to receive the dividend is established.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.
- Rental income is recognized when rent is accrued.

2.13 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized at the time the Company becomes a party to contractual provisions of the instruments. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights.

Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.14 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

2.15 Trade and other receivables

"Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified."

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.17 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.18 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

B) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.19 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.20 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has previously four reportable business segments: Sugar, Distillery, Textiles and Trading. However the Company has disposed of the plant and machinery and related fixed assets of Distillery segment. While the plant and machinery and related fixed assets of Sugar segment are in the process of disposal.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

30 JUNE 2013	30 SEPTEMBER 2012		30 JUNE 2013	30 SEPTEMBER 2012
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

3.1 Ordinary shares of the Company held by related parties are as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Jubilee Spinning & Weaving Mills Limited	**510 600**	510 600
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**112 605**	36 105
	1 965 933	1 889 433

4. RESERVES

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
		Restated
Composition of reserves is as follows:		
Capital reserves		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**93,118**	54,505
	110,614	72,001
Revenue reserves		
General	**96,988**	96,988
Dividend equalization	**4,000**	4,000
Unappropriated profit / (accumulated loss)	**152,312**	(76,945)
	253,300	24,043
	363,914	96,044

4.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

4.2 This represents the unrealized gain on re-measurement of available for sale investments at fair value and is not available for distribution. This will be transferred to profit and loss account on realization. Reconciliation of fair value reserve is as under:

Opening balance	**54,505**	19,379
Fair value adjustment during the period / year	**38,613**	35,126
Closing balance	**93,118**	54,505

5. SURPLUS ON REVALUATION OF FREEHOLD LAND AND INVESTMENT PROPERTIES

Investment properties	**52,665**	52,665
Freehold land (Note 5.1)	**2,469,859**	2,469,859
	2,522,524	2,522,524

5.1 This represents surplus on revaluation of freehold land. Freehold land of the Company was revalued in March 2010 by an independent valuer, Messrs Saleem Engineers using market value method.

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
6. LONG TERM FINANCING		
Financing from banking companies - secured:		
National Bank of Pakistan (Note 6.1)	**7,493**	22,479
Less: Current portion shown under current liabilities	**7,493**	22,479
	-	-

6.1 This loan is obtained from National Bank of Pakistan payable in 10 equal half yearly installments started from 22 February 2008 with mark up at the rate of 6 months KIBOR plus 3% with floor of 7% and no cap (30 September 2012: 6 months KIBOR plus 3% with floor of 7% and no cap). Mark up is payable on quarterly basis. This facility is secured against charge over imported machinery and gas generators and first charge over fixed assets amounting to Rupees 316 million and personal guarantee of directors.

7. DEFERRED INCOME TAX LIABILITY

Taxable temporary difference		
Tax depreciation allowance	**22,125**	-
Deductible temporary differences		
Unused tax losses	**(4,338)**	-
Provision for gratuity	**(3,072)**	-
Provision for doubtful debts	**(3,998)**	-
	(11,408)	-
	10,717	-

8. EMPLOYEES' RETIREMENT BENEFITS

8.1 General Description

The Company operates staff retirement gratuity scheme for its permanent employees who attains the minimum qualifying period. Annual charge is based on actuarial valuation, carried out as at 30 September 2012 using Projected Unit Credit Actuarial Cost Method.

8.2 The amount included in the balance sheet is as follows:

Present value of defined benefit obligations	**30,257**	28,159
Unrecognized actuarial loss	**(6,685)**	(7,000)
Recognized liability	**23,572**	21,159

8.3 Movement in present value of defined benefit obligation:

Opening balance	**28,159**	20,441
Current service cost	**8,537**	11,834
Interest cost	**2,428**	2,556
Retirement benefits paid	**(8,867)**	(7,574)
Actuarial loss on present value	**-**	902
Closing balances	**30,257**	28,159

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
8.4	**Movement in the net liability recognized:**		
	Opening balance	**21,159**	13,938
	Add: Provision for the period/year (Note 8.5)	**11,280**	14,795
		32,439	28,733
	Less: Paid during the period/year	**(8,867)**	(7,574)
		23,572	21,159
8.5	**Provision for the period/ year**		
	Current service cost	**8,537**	11,834
	Interest cost	**2,428**	2,556
	Actuarial loss recognized	**315**	405
		11,280	14,795
8.6	**Principal actuarial assumptions used:**		
	Discount rate used (% per annum)	**11.50 %**	11.50 %
	Expected rate of increase in salaries (% per annum)	**10.50 %**	10.50 %
	Expected remaining working life time of employees (years)	**10**	10

8.7 Trend Information:

	2013	2012	2011	2010	2009
	(RUPEES IN THOUSAND)				
Present value of defined benefit obligation	30,257	28,159	20,441	12,302	11,850
Experience adjustment on obligation	-	(902)	(3,787)	-	(1,065)

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
9.	**TRADE AND OTHER PAYABLES**		Restated
	Creditors (Note 9.1)	**146,080**	220,476
	Accrued liabilities (Note 9.2 and 9.3)	**143,570**	107,327
	Advances from customers	**13,882**	73,565
	Security deposits – interest free	**-**	322
	Income tax deducted at source	**2,180**	3,768
	Payable to Employees' Provident Fund Trust	**-**	255
	Unclaimed dividend	**1,945**	1,565
	Workers' profit participation fund (Note 9.4)	**26,140**	18,496
		333,797	425,774

9.1 These include balance of Rupees 0.097 million (30 September 2012: Rupees 0.097 million) due to a related party.

9.2 These include insurance premium of Rupees 6.852 million (30 September 2012: Rupees: Nil) due to a related party.

9.3 This includes rental for leasehold premises of Rupees 5.571 million (30 September 2012: Rupees 4.813 million) due to Crescot Mills Limited, the subsidiary company.

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
9.4	**Workers' profit participation fund**		Restated
	Opening balance	**18,496**	2,579
	Add: Provision for the period / year (Note 30)	**16,823**	18,357
	Interest for the period / year (Note 32)	**375**	139
		35,694	21,075
	Less: Payments during the period / year	**9,554**	2,579
	Closing balance	**26,140**	18,496

9.4.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

		30 JUNE 2013	30 SEPTEMBER 2012
10.	**ACCRUED MARK-UP**	(RUPEES IN THOUSAND)	
	Long term financing	**326**	851
	Short term borrowings	**7,541**	7,822
		7,867	8,673
11.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Cash finances and export finances (Note 11.1)	**96,983**	329,967
	Others - unsecured		
	Associated company (Note 11.2)	**8,390**	7,566
	Other related parties (Note 11.3)	**124,423**	118,307
	Temporary bank overdraft	**98,969**	104,205
		231,782	230,078
		328,765	560,045

11.1 These form part of total credit facility of Rupees 1,500 million (30 September 2012: Rupees 1,325 million) and carries mark-up at the rate of 3 months KIBOR plus 2.50 percent per annum (30 September 2012: 3 months KIBOR plus 2.50 percent). These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of directors. The rate of mark up ranges from 11.81 percent to 12.70 percent per annum (30 September 2012: 14.41 percent to 16.78 percent per annum).

11.2 This represents loan obtained from Riaz and Company (1962-Private) Limited, an associated company which is repayable on demand. It carries mark-up at the rate of 10 percent per annum (30 September 2012: 10 percent per annum)

11.3 These represent interest free loans from Chief Executive Officer, Directors, Executives and other related parties which are repayable on demand.

12. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 September 2012: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable High Court, Lahore, which are still pending. No provision has been made in the financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in these financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) Guarantees of Rupees 35.993 million (30 September 2012: Rupees 35.993 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

b) Commitments:

i) Contract for capital expenditure as at 30 June 2013 is of Rupees 10.972 million (30 September 2012: Rupees Nil).

ii) Letter of credit other than for capital expenditure as at 30 June 2013 is Nil (30 September 2012: Rupees 1.183 million).

13. PROPERTY, PLANT AND EQUIPMENT

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 13.1)	**2,758,469**	2,761,525
Capital work-in-progress (Note 13.2)	**-**	4,005
	2,758,469	2,765,530

13.1 PROPERTY, PLANT AND EQUIPMENT

	Land-Freehold	Buildings and roads on freehold land	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 September 2011											
Cost / revalued amount	2,475,264	127,760	607,132	90,969	23,722	14,786	9,046	15,146	7,433	486	3,371,744
Accumulated depreciation	-	(96,367)	(436,352)	(34,683)	(17,528)	(10,251)	(6,205)	(9,671)	(7,074)	(478)	(618,609)
Net book value	2,475,264	31,393	170,780	56,286	6,194	4,535	2,841	5,475	359	8	2,753,135
Year ended 30 September 2012											
Opening net book value	2,475,264	31,393	170,780	56,286	6,194	4,535	2,841	5,475	359	8	2,753,135
Additions	-	604	27,162	7,011	-	17	612	2,531	663	-	38,600
Disposals:											
Cost	-	-	-	-	-	-	-	(2,512)	-	-	(2,512)
Accumulated depreciation	-	-	-	-	-	-	-	1,984	-	-	1,984
	-	-	-	-	-	-	-	(528)	-	-	(528)
Depreciation charge	-	(2,761)	(18,028)	(6,000)	(620)	(483)	(306)	(1,190)	(293)	(1)	(29,682)
Closing net book value	2,475,264	29,236	179,914	57,297	5,574	4,069	3,147	6,288	729	7	2,761,525
At 30 September 2012											
Cost / revalued amount	2,475,264	128,364	634,294	97,980	23,722	14,803	9,658	15,165	8,096	486	3,407,832
Accumulated depreciation	-	(99,128)	(454,380)	(40,683)	(18,148)	(10,734)	(6,511)	(8,877)	(7,367)	(479)	(646,307)
Net book value	2,475,264	29,236	179,914	57,297	5,574	4,069	3,147	6,288	729	7	2,761,525
Period ended 30 June 2013											
Opening net book value	2,475,264	29,236	179,914	57,297	5,574	4,069	3,147	6,288	729	7	2,761,525
Additions	-	-	14,567		1,391	178	1,056	1,089	1,377	-	19,658
Transferred to non-current assets held for sale:											
Cost	-	-	-	-	-	-	(25)	-	(28)	-	(53)
Accumulated depreciation	-	-	-	-	-	-	19	-	27	-	46
	-	-	-	-	-	-	(6)	-	(1)	-	(7)
Transferred from non-current assets held for sale:											
Cost	-	-	-	-	-	1,215	-	-	-	-	1,215
Accumulated depreciation	-	-	-	-	-	(905)	-	-	-	-	(905)
	-	-	-	-	-	310	-	-	-	-	310
Disposals:											
Cost	-	-	(1,145)	-	-	-	-	(1,736)	-	-	(2,881)
Accumulated depreciation	-	-	1,096	-	-	-	-	1,352	-	-	2,448
	-	-	(49)	-	-	-	-	(384)	-	-	(433)
Depreciation charge	-	(1,904)	(13,885)	(4,285)	(450)	(398)	(263)	(924)	(474)	(1)	(22,584)
Closing net book value	2,475,264	27,332	180,547	53,012	6,515	4,159	3,934	6,069	1,631	6	2,758,469
At 30 June 2013											
Cost / revalued amount	2,475,264	128,364	647,716	97,980	25,113	16,196	10,689	14,518	9,445	486	3,425,771
Accumulated depreciation	-	(101,032)	(467,169)	(44,968)	(18,598)	(12,037)	(6,755)	(8,449)	(7,814)	(480)	(667,302)
Net book value	2,475,264	27,332	180,547	53,012	6,515	4,159	3,934	6,069	1,631	6	2,758,469
Annual rate of depreciation (%)	-	5, 10	10	10	10	10,12	10	20	15,50	10,25	

13.1.1 If the freehold land was measured using the cost model, carrying amount would be Rupees 5.405 million (30 September 2012: Rupees 5.405 million) as at the reporting date.

13.1.2 Depreciation charge for the period/year has been allocated as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Cost of sales (Note 27)	**20,511**	27,414
Administrative expenses (Note 29)	**1,558**	1,469
Discontinued operations (Note 25.2)	**515**	799
	22,584	29,682

13.1.3 Detail of operating fixed assets, exceeding the book value of Rupees 50,000 disposed of during the period is as follows:

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Net Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Honda Civic LRF-678	1,214	1,086	128	306	178	Negotiation	Mr. Mujahid, Faisalabad
Honda City AKU-700	523	266	257	647	390	Negotiation	Mr. Ranjeet Kumar, Karachi
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	1,144	1,096	48	67	19		
	2,881	2,448	433	1,020	587		

13.1.4 The gain on disposal of operating fixed assets for the period/year has been allocated as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Other income (Note 31)	**409**	442
Discontinued operations (25.2)	**178**	685
	587	1,127

13.2 CAPITAL WORK IN PROGRESS

Plant and machinery	**-**	4005

14. INVESTMENT PROPERTIES

Period ended 30 June / Year ended 30 September

Opening net book value	**54,172**	54,381
Fair value loss	**-**	(209)
Closing net book value	**54,172**	54,172

14.1 The fair value of the investment properties has been determined by the Company on the basis of assessment of the current prices in an active market for similar properties in the same condition. No expenses directly related to investment properties were incurred during the period.

15. LONG TERM INVESTMENTS	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
SUBSIDIARY COMPANY - UNQUOTED		
Crescot Mills Limited 1 932 187 (30 September 2012: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held: 66.15% (30 September 2012: 66.15%)	**12,734**	12,734
AVAILABLE FOR SALE		
RELATED PARTIES:		
QUOTED		
Premier Insurance Limited 363 380 (30 September 2012: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (30 September 2012: 0.60%)	**75**	75
Jubilee Spinning and Weaving Mills Limited 474 323 (30 September 2012: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (30 September 2012: 1.46%)	**427**	1,181
OTHERS:		
QUOTED		
Crescent Jute Products Limited 201 933 (30 September 2012: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (30 September 2012: 0.85%)	**100**	100
Crescent Fibres Limited 71 820 (30 September 2012: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (30 September 2012: 0.58%)	**615**	615
Crescent Spinning Mills Limited 696 000 (30 September 2012: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (30 September 2012: 4.59%)	**-**	-
Security Papers Limited 364 (30 September 2012: 364) ordinary shares of Rupees 10 each fully paid.	**1**	1
UNQUOTED		
Crescent Modaraba Management Company Limited 119 480 (30 September 2012: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (30 September 2012: 6.52%)	**664**	664

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Premier Financial Services (Private) Limited 2 500 (30 September 2012: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held : 11.11% (30 September 2012: 11.11%)	**2,500**	2,500
Crescent Bahuman Limited 1 043 988 (30 September 2012: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (30 September 2012: 1.28%)	**-**	5,440
	17,116	23,310
Less: Impairment loss charged to profit and loss account (Note 30)	**-**	(6,194)
Add: Fair value adjustment	**7,115**	2,928
	24,231	20,044

16. DEFERRED INCOME TAX-ASSET

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
		Restated
Taxable temporary differences		
Tax depreciation allowance	**-**	(25,033)
Deductible temporary differences		
Unused tax losses	**-**	41,415
Provision for gratuity	**-**	2,103
Provision for doubtful debts	**-**	4,116
	-	47,634
	-	22,601

17. STORES, SPARE PARTS AND LOOSE TOOLS

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Stores	**31,600**	36,667
Spare parts (Note 17.1)	**27,307**	20,942
Loose tools	**49**	172
	58,956	57,781
Less: Provision for obsolete stores, spare parts and loose tools	**17,773**	-
	41,183	57,781

17.1 These include spare parts in transit of Rupees Nil (30 September 2012: Rupees 0.648 million).

18. STOCK-IN-TRADE

Raw materials	**206,781**	353,216
Work-in-process	**19,248**	16,336
Finished goods	**161,451**	125,475
Waste	**1,680**	1,137
	389,160	496,164

18.1 Stock-in-trade of Rupees 1.680 million (30 September 2012: Rupees 1.137 million) is being carried at net realizable value.

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
19.	**TRADE DEBTS - Considered good**		
	Secured against letters of credit	**89,183**	77,634
	Unsecured		
	- Related parties (Note 19.1)	**-**	99
	- Others (Note 19.2)	**7,051**	12,599
		96,234	90,332

19.1 'This represents amount due from Shakarganj Mills Limited. This amount was past due but not impaired. The ageing analysis is as follows:

More than 6 months	**-**	99

19.2 'As at 30 June 2013, trade debts due from other than related parties of Rupees 6.969 million (30 September 2012: Rupees 10.087 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Upto 1 month	**736**	29
1 to 6 months	**228**	2,883
More than 6 months	**6,005**	7,175
	6,969	10,087

20. LOANS AND ADVANCES

Considered good:		
Employees - Interest free	**824**	1,649
Against expenses	**8,964**	5,416
Against salary (Note 20.1)	**9,788**	7,065
Advances to suppliers / contractors	**12,452**	9,101
Letters of credit	**89**	3
	22,329	16,169

20.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefits. These are recoverable in equal monthly installments.

21. SHORT TERM DEPOSITS, PREPAYMENTS AND BALANCES WITH STATUTORY AUTHORITIES

Margin deposit	**3,675**	691
Prepayments	**1,885**	715
Balances with statutory authorities:		
Advance income tax	**144,589**	103,467
Sales tax and excise duty refundable	**28,965**	11,834
	173,554	115,301
	179,114	116,707

22. OTHER RECEIVABLES

Considered good:		
Profit on deposits with banks receivable	**205**	379
Others	**110,045**	36,407
	110,250	36,786
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	110,250	36,786

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
23.	**SHORT TERM INVESTMENTS - Available for sale**		
	RELATED PARTIES:		
	QUOTED		
	Shakarganj Mills Limited 2 865 830 (30 September 2012: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (30 September 2012: 4.12%)	**11,836**	11,836
	The Crescent Textile Mills Limited 2 681 875 (30 September 2012: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (30 September 2012: 5.45%)	**17,909**	17,909
	OTHERS:		
	QUOTED		
	Crescent Steel and Allied Products Limited 13 147 (30 September 2012 : 13 147) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (30 September 2012: 0.02%)	**33**	33
	Samba Bank Limited 4 973 666 (30 September 2012: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (30 September 2012: 0.35%)	**7,709**	7,709
		37,487	37,487
	Add: Fair value adjustment	**86,003**	51,577
		123,490	89,064
24.	**CASH AND BANK BALANCES**		
	With banks :		
	On current accounts	**4,798**	7,547
	Term deposit receipts (Note 24.1)	**130,534**	168,500
		135,332	176,047
	Cash in hand	**831**	1,821
		136,163	177,868

24.1 These represent deposits with banking companies having maturity period of one month and carry rate of profit ranges from 9.00% to 10.25% per annum (30 September 2012: 6% to 11.50%).

25. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' in their respective categories are summarized hereunder:

	30 JUNE 2013	30 SEPTEMBER 2012
25.1 Non-current assets classified as held for sale	(RUPEES IN THOUSAND)	
		Restated
Property, plant and equipment - Sugar Unit (Note 25.1.1)	**913**	10,289
Property, plant and equipment - Distillery Unit (Note 25.1.2)	**-**	594
	913	10,883

25.1.1 Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 January 2011 regarding the disposal of plant and machinery and related equipment of Sugar Unit of the Company. Major portion of the plant and machinery and related equipment has been disposed of by the Company. The remaining assets are expected to be disposed of during the next financial year.

Non-current assets classified as held for sale

The carrying amounts of non-current assets of the Sugar Unit classified as held for sale are as follows:

Book value of assets transferred from property, plant and equipment:

Plant and machinery	**8,533**	48,466
Electric installations	**234**	234
Tools and equipment	**1,513**	1,513
Service equipment	**9**	9
Less:	**10,289**	50,222
Book value of assets sold		
Plant and machinery	**7,781**	39,933
Electric installations	**234**	-
Tools and equipment	**1,045**	-
Service equipment	**6**	-
	9,066	39,933
Tools and equipment transferred to property, plant and equipment	**310**	-
	9,376	39,933
Closing carrying value of non-current assets held for sale	**913**	10,289

'The non-current assets held for sale were disposed of during the period / year to Messrs SAF and Company against sale consideration of Rupees 51.766 million (30 September 2012: Rupees 226.269 million) resulting in a net gain of Rupees 42.700 million (30 September 2012: Rupees 186.336 million). The cost of these assets at the time of their purchase was Rupees 46.852 million (30 September 2012: Rupees 212.443 million). The mode of disposal of these assets was through negotiation.

25.1.1.1 During the year ended 30 September 2012, the Company disposed of a portion of its plant and machinery related to the discontinued operation of Sugar Unit having book value of Rupees 30.180 million against the sale consideration of Rupees 172.334 million. However, the disposal of plant and machinery was not de-recognized during the year ended 30 September 2012 as the related sales invoice was issued during the current period. For compliance of de-recognition principles of IAS 16 ‘Property, Plant and Equipment’, this prior period error has been corrected retrospectively in these financial statements. Consequently, as at 30 September 2012, the carrying values of non-current assets held for sale, trade and other payables, deferred income tax asset and accumulated losses have been decreased by Rupees 30.180 million, Rupees 163.017 million, Rupees 49.500 million and Rupees 83.337 million respectively. Earnings per share from continued operations have been decreased by Rupees 2.75 per share and from discontinued operations have been increased by Rupees 6.65 per share respectively.

25.1.2 Property, plant and equipment - Distillery Unit

Property, plant and equipment related to Distillery Unit was presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Extraordinary General Meeting held on 14 May 2011 regarding the disposal of plant and machinery and related equipment of Distillery Unit of the Company. The Company has disposed of whole of the plant and machinery and related equipment during the period.

Non-current assets classified as held for sale

The carrying amounts of non-current assets of the Distillery Unit classified as held for sale are as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**590**	590
Tools and equipment	**4**	4
	594	594
Book value of assets transferred from property, plant and equipment:		
Furniture and fixtures	**6**	-
Office equipment	**1**	-
	7	-
Less: Book value of assets sold	**601**	594
Plant and machinery	**590**	-
Furniture and fixtures	**6**	-
Office equipment	**1**	-
Tools and equipment	**4**	-
	601	-
	-	594

The non-current assets held for sale were disposed of during the period to Mr. Muhammad Ibrahim against sale consideration of Rupees 46.500 million (30 September 2012: Rupees Nil) resulting in a net gain of Rupees 45.899 million (30 September 2012: Rupees Nil). The cost of these assets at the time of their purchase was Rupees 9.213 million (30 September 2012: Rupees Nil). The mode of disposal of these assets was through negotiation.

25.2 Analysis of the result of discontinued operations

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Profit / (loss) after taxation from discontinued operations		Restated
Sugar Unit (Note 25.2.1)	**9,450**	166,107
Distillery Unit (Note 25.2.2)	**45,766**	(5,988)
	55,216	160,119

Analysis of result of discontinued operation

	30 JUNE 2013	30 SEPTEMBER 2012
25.2.1 OTHER INCOME *	**46,596**	191,796
ADMINISTRATIVE EXPENSES	**(19,404)**	(23,474)
OTHER EXPENSES **	**(17,737)**	(234)
	(37,141)	(23,708)
PROFIT FROM DISCONTINUED OPERATION	**9,455**	168,088
FINANCE COST	**(5)**	(1,979)
PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	**9,450**	166,109
TAXATION	**-**	(2)
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	**9,450**	166,107

* It includes gain on disposal of non-current assets held for sale amounting to Rupees 42.700 million (30 September 2012: Rupees 186.336 million), gain on disposal of property, plant and equipment amounting to Rupees 0.178 million (30 September 2012: Rupees 0.685 million) and credit balances written back amounting to Rupees 3.521 million (30 September 2012: Rupees Nil).

** It represents provision for obsolete items of stores, spare parts and loose tools (30 September 2012 : Rupees Nil).

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
	Analysis of result of discontinued operation		
	SALES	**-**	13,431
	COST OF SALES	**-**	(17,980)
	GROSS LOSS	**-**	(4,549)
25.2.2	DISTRIBUTION COST	**-**	(1,434)
	ADMINISTRATIVE EXPENSES	**(97)**	(15)
	OTHER EXPENSES *	**(36)**	-
		(133)	(1,449)
		(133)	(5,998)
	OTHER INCOME **	**45,899**	77
	PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	**45,766**	(5,921)
	TAXATION	**-**	(67)
	PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	**45,766**	(5,988)

* It represents provision for obsolete items of stores, spare parts and loose tools (30 September 2012 : Rupees Nil).

** It represents gain on disposal of non-current assets held for sale amounting to Rupees 45.899 million (30 September 2012: Rupees Nil) and credit balances written back amounting to Rupees Nil (30 September 2012: Rupees 0.077 million).

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	Restated
25.3	**Cash flows of discontinued operations**		
	Sugar Unit (Note 25.3.1)	**17,857**	311,100
	Distillery Unit (Note 25.3.2)	**39,141**	-
		56,998	311,100
25.3.1	**Analysis of the cash flows of discontinued operation - Sugar Unit**		
	Operating cash flows	**(24,923)**	157,969
	Investing cash flows	**52,072**	227,159
	Financing cash flows	**(9,292)**	(74,028)
		17,857	311,100
25.3.2	**Analysis of the cash flows of discontinued operations - Distillery Unit**		
	Operating cash flows	**(459)**	-
	Investing cash flows	**39,600**	-
		39,141	-
26.	**SALES**		
	Local (Note 26.1)	**609,333**	829,210
	Export (Note 26.2 and 26.3)	**3,207,246**	3,417,745
		3,816,579	4,246,955
26.1	**Local**		
	Yarn	**560,198**	774,694
	Cotton / polyester	**32,071**	24,763
	Waste	**21,155**	29,753
		613,424	829,210
	Less: Sales tax	**4,091**	-
		609,333	829,210
26.2	**Export**		
	Yarn	**1,197,838**	1,634,566
	Cotton	**1,988,523**	1,783,179
	Socks	**20,885**	-
		3,207,246	3,417,745

26.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 36.564 million (30 September 2012: Rupees 13.631 million) has been included in export sales.

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
27. COST OF SALES		
Raw material consumed	**1,989,486**	2,360,172
Cost of raw materials sold	**28,294**	31,637
Salaries, wages and other benefits (Note 27.1)	**200,380**	213,365
Stores, spare parts and loose tools consumed	**87,755**	104,568
Fuel and power	**311,439**	363,340
Outside weaving charges	**342,756**	297,221
Other manufacturing overheads	**5,778**	4,642
Insurance	**4,476**	3,640
Repair and maintenance	**6,812**	4,018
Depreciation (Note 13.1.2)	**20,511**	27,414
	2,997,687	3,410,017
Work-in-process		
Opening stock	**16,336**	25,497
Closing stock	**(19,248)**	(16,336)
	(2,912)	9,161
Cost of goods manufactured	**2,994,775**	3,419,178
Finished goods		
Opening stock	**126,612**	101,357
Closing stock	**(163,131)**	(126,612)
	(36,519)	(25,255)
	2,958,256	3,393,923
Cost of goods purchased for resale	**376,072**	446,949
	3,334,328	3,840,872

27.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 11.280 million (30 September 2012: Rupees 13.351 million).

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
28. DISTRIBUTION COST		
Freight and forwarding	**48,311**	53,105
Commission to selling agents	**35,684**	38,904
Insurance	**2,824**	2,835
Loading and handling	**4,837**	4,694
Others	**2,826**	3,272
	94,482	102,810

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
29. ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits (Note 29.1)	**39,059**	43,011
Workers' welfare	**2,173**	1,493
Traveling and conveyance	**3,704**	3,934
Insurance	**592**	814
Rent, rates and taxes	**3,242**	1,924
Entertainment	**2,165**	1,633
Subscription	**487**	282
Communication	**1,966**	2,144
Vehicles' running	**6,658**	5,630
Repair and maintenance	**12,208**	7,048
Utilities	**4,341**	5,333
Printing and stationery	**1,390**	1,231
Books and periodicals	**52**	25
Auditors' remuneration:		
Statutory audit	**500**	500
Other certifications including half yearly review	**50**	50
Out of pocket expenses	**20**	17
	570	567
Legal and professional	**1,141**	1,430
Miscellaneous	**1,848**	764
Depreciation (Note 13.1.2)	**2,073**	1,469
	83,669	78,732

29.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.290 million (30 September 2012: Rupees 1.444 million).

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
30. OTHER EXPENSES		
Workers' profit participation fund (Note 9.4)	**16,823**	18,357
Loans and advances written off	**757**	-
Impairment loss on long term investments (Note 15)	**-**	6,194
	17,580	24,551

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
31. OTHER INCOME		
Income from financial assets		
Profit on deposits with banks	**11,409**	8,772
Dividend income (Note 31.1)	**461**	376
	11,870	9,148
Income from non-financial assets		
Reversal of workers' welfare fund	**-**	1,269
Rental Income	**3,818**	-
Scrap sales	**609**	922
Gain on sale of property, plant and equipment (Note 13.1.4)	**409**	442
	4,836	2,633
	16,706	11,781
31.1 Dividend income:		
From related parties		
Premier Insurance Limited	**363**	363
Others		
Crescent Fibres Limited	**72**	-
Crescent Steel and Allied Products Limited	**26**	13
	98	13
	461	376
32. FINANCE COST		
Mark-up on:		
Long term financing	**1,469**	7,829
Short term borrowings (Note 32.1)	**29,367**	44,989
Interest on workers' profit participation fund (Note 9.4)	**375**	139
Bank charges and commission	**7,977**	14,549
	39,188	67,506

32.1 It includes Rupees 0.560 million (30 September 2012: Rupees 0.684 million) charged as mark-up by associated company.

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
33. TAXATION		
Current		
- For the period / year (Note 33.1)	**39,656**	38,324
- Prior year	**(9,699)**	(10,886)
	29,957	27,438
Deferred	**33,318**	36,034
	63,275	63,472

33.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other operating income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 June 2013 are Rupees 12.759 million (30 September 2012: Rupees 118.328 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of presumptive and minimum taxation.

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

		30 JUNE 2013	30 SEPTEMBER 2012 Restated
Continuing operation			
Profit for the period / year after taxation	(Rupees in thousand)	**200,763**	80,793
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**9.39**	3.78
Discontinued operations			
Profit for the period / year after taxation	(Rupees in thousand)	**55,216**	160,119
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**2.58**	7.49

35. CASH GENERATED FROM OPERATIONS

	30 JUNE 2013 (RUPEES IN THOUSAND)	30 SEPTEMBER 2012 Restated
Profit before taxation	**319,254**	304,453
Adjustments for non cash charges and other items:		
Depreciation	**22,584**	29,681
Provision for staff retirement gratuity	**11,280**	14,795
Gain on sale of property, plant and equipment	**(587)**	(1,127)
Gain on sale of non-current assets held for sale	**(88,599)**	(186,336)
Credit balances written back	**(3,521)**	(77)
Loans and advances written off	**757**	-
Impairment loss on investments	**-**	6,194
Loss on remeasurement of fair value of investment properties	**-**	209
Profit on deposits with banks	**(11,409)**	(8,772)
Provision for obsolete items of stores, spare parts and loose tools	**17,773**	-
Finance cost	**39,193**	69,485
Reversal of workers' welfare fund	**-**	(1,269)
Provision for workers' profit participation fund	**16,823**	18,357
Working capital changes (Note 35.1)	**(98,393)**	(130,605)
	225,155	114,988

35.1 Working capital changes

(Increase) / (decrease) in current assets		
Stores, spare parts and loose tools	**(1,175)**	737
Stock-in-trade	**107,004**	(250,272)
Trade debts	**(5,902)**	(20,387)
Loans and advances	**(6,917)**	18,866
Prepayments and balances with statutory authorities	**(21,285)**	2,302
Other receivables	**(73,638)**	(7,816)
	(96,480)	125,965
Increase / (decrease) in trade and other payables	**(98,393)**	(130,605)

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Subsidiary company		
Rental expense	**765**	968
Stores consumed by Company	**81**	31
Associated companies		
Dividend income	**363**	363
Service charges	**6,852**	5,150
Loan received	**-**	7,566
Mark-up expense	**560**	684
Other related parties		
Amount received from directors / executives	**15,013**	17,342
Amount paid to directors / executives	**8,897**	21,043
Company's contribution to Employees' Provident Fund Trust	**1,290**	1,521

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the period / year for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company are as follows:

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012
Managerial remuneration	**3,600**	4,800	**6,750**	7,200	**8,535**	8,810
Allowances:						
Housing	**1,620**	2,160	**3,037**	3,240	**3,978**	3,964
Utilities	**360**	480	**675**	720	**243**	252
Group Insurance	**-**	-	**9**	9	**3**	3
Reimbursable expenses	**137**	184	**548**	336	**343**	345
Contribution to Employees' Provident Fund Trust	**360**	480	**675**	720	**243**	252
	6,077	8,104	**11,694**	12,225	**13,345**	13,626
Number of persons	**1**	1	**3**	3	**6**	6

37.1 Aggregate amount charged in the financial statements for meeting fee to two directors (30 September 2012: two directors) was Rupees 180,000 (30 September 2012: Rupees 90,000).

37.2 The Chief Executive Officer, Directors and Executives of the Company have been provided with Company maintained vehicles.

37.3 No remuneration was paid to non-executive directors of the Company.

38. NUMBER OF EMPLOYEES

	30 JUNE 2013	30 SEPTEMBER 2012
	(Number of Persons)	
Number of employees at period / year end	**1,776**	1,729
Average number of employees	**1,754**	1,666

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Company's exposure to currency risk was as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
Trade debts - USD	**904,489**	821,516
Trade and other payables - USD	**(133)**	(47,595)
Short term borrowings - USD	**-**	(229,145)
Net exposure - USD	**904,356**	544,776

The following significant exchange rates were applied during the period / year:

Rupees per US Dollar		
Average rate	**96.14**	89.10
Reporting date rate	**98.60**	94.50

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the period / year would have been Rupees 4.236 million (30 September 2012: Rupees 2.445 million) higher / lower, mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the period end exposure does not reflect the exposure during the period.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the period / year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**-**	21	**6,591**	4,639
KSE 100 (5% decrease)	**-**	(21)	**(6,591)**	(4,639)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant interest bearing assets except for term deposit receipts. The Company's interest rate risk arises from long term financing, short term borrowings and term deposit receipts. Financial instruments obtained at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**130,534**	168,500
Financial liabilities		
Short term borrowings	**8,390**	7,566
Floating rate instruments		
Financial liabilities		
Long term financing	**7,493**	22,479
Short term borrowings	**96,983**	329,967

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the period / year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the period / year would have been Rupees 0.992 million (30 September 2012: Rupees 3.348 million) lower / higher, as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at balance sheet date were outstanding for the whole period / year.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Investments	**134,987**	96,374
Loans and advances	**8,964**	5,416
Deposits	**6,287**	3,303
Trade debts	**96,234**	90,332
Other receivables	**110,250**	36,786
Bank balances	**135,332**	176,047
	492,054	408,258

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			30 JUNE 2013	30 SEPTEMBER 2012
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**401**	73,179
Allied Bank Limited	A1+	AA+	PACRA	**21**	32
Bank Alfalah Limited	A1+	AA	PACRA	**130,547**	98,520
Faysal Bank Limited	A1+	AA	PACRA	**20**	20
Habib Bank Limited	A-1+	AA+	JCR-VIS	**-**	790
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**2,693**	427
MCB Bank Limited	A1+	AA+	PACRA	**630**	50
NIB Bank Limited	A1+	AA -	PACRA	**116**	78
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**24**	24
United Bank Limited	A-1+	AA+	JCR-VIS	**31**	1,596
Meezan Bank Limited	A-1+	AA	JCR-VIS	**24**	174
Askari Bank Limited	A1+	AA	PACRA	**91**	88
Bank Al-Habib Limited	A1+	AA+	PACRA	**734**	1,069
				135,332	176,047

The Company's exposure to credit risk related to trade debts is disclosed in Note 19.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2013, the Company had Rupees 1,403 million (30 September 2012: Rupees 995 million) available borrowing limits from financial institutions and Rupees 136.163 million (30 September 2012: 177.868 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2013:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Long term financing	7,493	7,625	7,625	-	-	-
Trade and other payables	291,595	291,595	291,595	-	-	-
Accrued mark-up	7,867	7,867	7,867	-	-	-
Short term borrowings	328,765	334,755	334,755	-	-	-
	635,720	641,842	641,842	-	-	-

Contractual maturities of financial liabilities as at 30 September 2012:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Long term financing	22,479	24,436	16,379	8,057	-	-
Trade and other payables	329,690	329,690	329,690	-	-	-
Accrued mark-up	8,673	8,673	8,673	-	-	-
Short term borrowings	560,045	585,548	466,863	118,685	-	-
	920,887	948,347	821,605	126,742	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective at the period / year end. The rates of interest / mark up have been disclosed in Note 6 and Note 11 to these financial statements.

Carrying amount of long term financing as at 30 June 2013 includes overdue installment of principal amounting to Rupees Nil (30 September 2012: Rupees 7.493 million).

39.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 June 2013				
Assets				
Available for sale financial assets	131,823	-	-	131,823
As at 30 September 2012				
Assets				
Available for sale financial assets	93,210	-	-	93,210

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments at the period / year end.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

39.3 Financial instruments by categories

	30 JUNE 2013			30 SEPTEMBER 2012		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
Assets as per balance sheet						
Investments	**-**	**134,987**	**134,987**	-	96,374	96,374
Loans and advances	**8,964**	**-**	**8,964**	5,416	-	5,416
Deposits	**6,287**	**-**	**6,287**	3,303	-	3,303
Trade debts	**96,234**	**-**	**96,234**	90,332	-	90,332
Other receivables	**110,250**	**-**	**110,250**	36,786	-	36,786
Cash and bank balances	**136,163**	**-**	**136,163**	177,868	-	177,868
	357,898	**134,987**	**492,885**	313,705	96,374	410,079

	30 JUNE 2013	30 SEPTEMBER 2012
	Financial Liabilities At Amortized Cost	
	(RUPEES IN THOUSAND)	
Liabilities as per balance sheet		
Long term financing	**7,493**	22,479
Accrued mark-up	**7,867**	8,673
Short term borrowings	**328,765**	560,045
Trade and other payables	**291,595**	329,690
	635,720	920,887

39.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in Note 6 and Note 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		30 JUNE 2013	30 SEPTEMBER 2012 Restated
Borrowings	Rupees in thousand	**336,258**	582,524
Total equity	Rupees in thousand	**577,689**	309,819
Total capital employed	Rupees in thousand	**913,947**	892,343
Gearing ratio	Percentage	**36.79**	65.28

40. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012 Restated
Sales	3,070,881	3,530,943	1,988,523	1,783,179	(1,242,825)	(1,067,167)	3,816,579	4,246,955
Cost of sales	(2,697,854)	(3,238,666)	(1,879,299)	(1,669,373)	1,242,825	1,067,167	(3,334,328)	(3,840,872)
Gross profit	373,027	292,277	109,224	113,806	-	-	482,251	406,083
Distribution cost	(37,062)	(50,608)	(57,420)	(52,202)	-	-	(94,482)	(102,810)
Administrative expenses	(78,211)	(74,229)	(5,458)	(4,503)	-	-	(83,669)	(78,732)
	(115,273)	(124,837)	(62,878)	(56,705)	-	-	(178,151)	(181,542)
	257,754	167,440	46,346	57,101	-	-	304,100	224,541
Other income	16,706	11,781	-	-	-	-	16,706	11,781
Finance cost	(28,194)	(64,595)	(10,994)	(2,911)	-	-	(39,188)	(67,506)
Profit before taxation and unallocated expenses	246,266	114,626	35,352	54,190	-	-	281,618	168,816
Other expenses							(17,580)	(24,551)
Taxation							(63,275)	(63,472)
Profit after taxation from continuing operations							200,763	80,793
Profit after taxation from discontinued operations							55,216	160,119
Profit after taxation							255,979	240,912

40.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		TEXTILES		TRADING		TOTAL-COMPANY	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012 Restated
Total assets for reportable segments	-	2,109,726	-	648	3,884,835	1,759,452	52,572	53,403	3,937,407	3,923,229
Unallocated assets:										
Non-current assets classified as held for sale									913	10,883
Deferred income tax asset									-	22,601
Total assets as per balance sheet									3,938,320	3,956,713
Total liabilities for reportable segments	-	350,732	-	495	656,581	657,076	44,913	29,827	701,494	1,038,130
Unallocated liabilities:										
Deferred income tax liability									10,717	-
Provision for taxation									125,896	86,240
Total liabilities as per balance sheet									838,107	1,124,370

* The Company has transferred its assets and liabilities related to Sugar segment which were not directly related to non-current assets held for sale to Textiles segment during the period. The assets and liabilities of the Distillery segment have been completely recovered, paid or adjusted.

40.2 Geographical Information

The Company's revenue from external customers by geographical location is detailed below:

	30 JUNE 2013	30 SEPTEMBER 2013
	(RUPEES IN THOUSAND)	
Asia	**3,186,362**	3,417,745
Europe	**20,884**	-
Pakistan	**609,333**	829,210
	3,816,579	4,246,955

40.3 All non-current assets of the Company as at reporting dates are located and operated in Pakistan.

40.4 Revenue from major customers

Revenue from major customers of Company's Trading segment represents Rupees 1,755.705 million (30 September 2012: Rupees 1,536.333 million). Textiles segment makes sales to a large number of customers.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

		30 JUNE 2013	30 SEPTEMBER 2012
Spinning:			
100% plant capacity converted to 20s count based on 3 shifts per day for 819 shifts (30 September 2012: 1098 shifts)	Kgs.	**15 247 451**	20 441 637
Actual production converted to 20s count based on 3 shifts per day for 819 shifts (30 September 2012: 1098 shifts)	Kgs.	**13 765 402**	18 450 907

Embroidery and Hosiery:

Capacity of such units cannot be determined due to nature of their operations.

41.1 Reason for low production

Under utilization of available capacity is due to gas load-shedding during the year.

42. NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the period ended 30 June 2013 amounting to Rupees 2.00 (30 September 2012: Rupees 1.25) per share at their meeting held on 09 October 2013. However, this event has been considered as non-adjusting event under IAS 10 and has not been recognized in these financial statements.

43. DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on October 09, 2013 by the Board of Directors of the Company.

44. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made except those required by revised Fourth Schedule to the Companies Ordinance, 1984.

45. GENERAL

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

CRESCENT COTTON MILLS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

PERIOD ENDED 30 JUNE 2013

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Crescent Cotton Mills Limited (the Holding Company) and its Subsidiary Company, Crescot Mills Limited as at 30 June 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the period then ended. We have also expressed separate opinions on the financial statements of Crescent Cotton Mills Limited and its Subsidiary Company, Crescot Mills Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Crescent Cotton Mills Limited and its Subsidiary Company, Crescot Mills Limited as at 30 June 2013 and the results of their operations for the period then ended.

Crescot Mills Limited, Subsidiary Company has ceased its production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the Subsidiary Company is no more a going concern. Our report is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mahmood

Faisalabad
October 09,2013

CONSOLIDATED BALANCE SHEET

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			Restated
Authorized share capital			
30 000 000 (30 September 2012: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**435,062**	180,786
Total equity		**648,837**	394,561
Surplus on revaluation of property, plant and equipment and investment properties	5	**2,539,950**	2,541,309
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**-**	-
Deferred income tax liability	7	**19,029**	9,420
Employees' retirement benefit	8	**23,572**	21,159
		42,601	30,579
CURRENT LIABILITIES			
Trade and other payables	9	**337,072**	430,029
Accrued mark-up	10	**18,469**	18,675
Short term borrowings	11	**333,765**	565,045
Current portion of long term financing	6	**7,493**	22,479
Provision for taxation		**125,962**	86,301
		822,761	1,122,529
TOTAL LIABILITIES		**865,362**	1,153,108
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**4,054,149**	4,088,978

The annexed notes form an integral part of these consolidated financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AS AT 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			Restated
Property, plant and equipment	13	**2,785,896**	2,795,729
Investment properties	14	**54,172**	54,172
Long term investments - associates	15	**206,705**	184,549
Long term investments - available for sale	16	**5,745**	4,114
Long term deposits		**3,134**	3,134
Deferred income tax asset	17	**-**	22,601
		3,055,652	3,064,299
CURRENT ASSETS			
Stores, spare parts and loose tools	18	**45,500**	62,204
Stock-in-trade	19	**389,160**	496,164
Trade debts	20	**96,234**	90,332
Loans and advances	21	**22,329**	16,169
Short term deposits, prepayments and balances with statutory authorities	22	**179,190**	116,778
Other receivables	23	**112,559**	38,927
Short term investments	24	**13,374**	12,278
Cash and bank balances	25	**139,238**	180,944
		997,584	1,013,796
Non-current assets held for sale	26	**913**	10,883
		998,497	1,024,679
TOTAL ASSETS		**4,054,149**	4,088,978

ABID MEHMOOD
DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
			Restated
CONTINUING OPERATIONS:			
SALES	27	**3,816,579**	4,246,955
COST OF SALES	28	**(3,334,328)**	(3,840,872)
GROSS PROFIT		**482,251**	406,083
DISTRIBUTION COST	29	**(94,482)**	(102,810)
ADMINISTRATIVE EXPENSES	30	**(85,475)**	(80,899)
OTHER EXPENSES	31	**(17,605)**	(18,998)
		(197,562)	(202,707)
		284,689	203,376
OTHER INCOME	32	**16,511**	11,529
PROFIT FROM OPERATIONS		**301,200**	214,905
FINANCE COST	33	**(39,789)**	(68,107)
		261,411	146,798
SHARE OF PROFIT IN ASSOCIATED COMPANIES		**22,519**	5,551
PROFIT BEFORE TAXATION		**283,930**	152,349
TAXATION	34	**(62,502)**	(57,992)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		**221,428**	94,357
DISCONTINUED OPERATIONS:			
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	26	**55,216**	160,119
PROFIT AFTER TAXATION		**276,644**	254,476
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	35	**10.36**	4.41
EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	35	**2.58**	7.49

The annexed notes form an integral part of these consolidated financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2013

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
		Restated
PROFIT AFTER TAXATION	276,644	254,476
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently 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	2,726	4,193
Other comprehensive income for the period / year	2,726	4,193
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	279,370	258,669

The annexed notes form an integral part of these consolidated financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2013

	NOTE	30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			Restated
Cash generated from operations	36	**224,688**	114,718
Finance cost paid		**(39,624)**	(73,642)
Income tax paid		**(31,489)**	(37,723)
Staff retirement gratuity paid		**(8,867)**	(7,574)
Workers' profit participation fund paid		**(9,554)**	(2,579)
Net decrease in long term deposits		**-**	424
Net cash generated from / (used in) operating activities		**135,154**	(6,376)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(15,653)**	(42,605)
Proceeds from sale of property, plant and equipment		**1,020**	1,655
Proceeds from non-current assets held for sale		**98,266**	226,269
Profit on deposits with banks received		**11,752**	8,393
Dividend received from associated companies		**363**	363
Net cash from investing activities		**95,748**	194,075
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(14,986)**	(23,970)
Dividend paid		**(26,342)**	-
Short term borrowings - net		**(231,280)**	5,988
Net cash used in financing activities		**(272,608)**	(17,982)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(41,706)**	169,717
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		**180,944**	11,227
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR (NOTE 25)		**139,238**	180,944

The annexed notes form an integral part of these consolidated financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2013

(RUPEES IN THOUSAND)

	SHARE	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
	CAPITAL	Premium on issue of shares	Plant modern-isation	Fair Value reserve	Sub Total	General reserve	Dividend equali-zation	(Accumulated loss)/ unappr-opriated profit	Sub-Total	
Balance as at 30 September 2011	213,775	5,496	12,000	577	18,073	44,975	4,000	(146,709)	(97,734)	134,114
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	1,778	1,778	1,778
Profit for the year - restated	-	-	-	-	-	-	-	254,476	254,476	254,476
Other comprehensive income for the year	-	-	-	4,193	4,193	-	-	-	-	4,193
Total comprehensive income for the year	-	-	-	4,193	4,193	-	-	254,476	254,476	258,669
Balance as at 30 September 2012 - Restated	213,775	5,496	12,000	4,770	22,266	44,975	4,000	109,545	158,520	394,561
Transaction with owners - Final dividend for the year ended 30 September 2012 at the rate of Rupees 1.25 per share	-	-	-	-	-	-	-	(26,722)	(26,722)	(26,722)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	1,628	1,628	1,628
Profit for the period	-	-	-	-	-	-	-	276,644	276,644	276,644
Other comprehensive income for the period	-	-	-	2,726	2,726	-	-	-	-	2,726
Total comprehensive income for the period	-	-	-	2,726	2,726	-	-	276,644	276,644	279,370
Balance as at 30 June 2013	213,775	5,496	12,000	7,496	24,992	44,975	4,000	361,095	410,070	648,837

The annexed notes form an integral part of these consolidated financial statements.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 2013

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company
Crescent Cotton Mills Limited

Subsidiary Company
Crescot Mills

Crescent Cotton Mills

Crescent Cotton Mills Limited 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on all the stock exchanges in Pakistan. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit.

The Company has received approval from the relevant authorities to adopt the financial year starting from 01 July to 30 June in line with that of textile industry and also obtained approval from regulatory authorities to prepare financial statements for nine months, and accordingly these financial statements have been prepared for the period from 01 October 2012 to 30 June 2013. The corresponding figures shown in these financial statements pertain to the audited financial statements for the year ended 30 September 2012 and therefore are not comparable in respect of profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity and related notes.

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). CCML holds 66.15% equity of the CML. Principal business of CML was manufacturing and sale of yarn. The mills is located at Sindh Industrial and Trading Estate, Kotri in the Province of Sindh. A special resolution was passed in the general meeting of the members on 28 September 1998 authorizing the Board of Directors to dispose of the plant and machinery of CML.

CML has ceased all production activities since August 1998 and has disposed of major part of the plant and machinery. The Company has leased out its buildings and other facilities to the Holding Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as modified by recognition of certain employees retirement benefits at present value and investment properties and certain operating fixed assets which are carried at their fair value.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements 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 Group'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. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Group reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Employees retirement benefit

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Changes in these assumptions in future years may effect the liability / asset under these plans in those years.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

d) Amendments to published approved standards that are effective in current period and are relevant to the Group

Following amendments to published approved standards are mandatory for the Group's accounting periods beginning on or after 01 October 2012:
IAS 1 (Amendments), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 October 2012). The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments does not address which items are presented in OCI. The amendments have been applied retrospectively, and hence the

presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Amendments to published approved standards that are effective in current period but not relevant to the Group

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2012 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

f) Standards and amendments to published approved standards that are not yet effective but relevant to the Group

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2013:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 January 2013). The International Accounting Standards Board (IASB) has amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 'Financial Instruments: Presentation' and IFRS 7. These amendments are the result of IASB and US Financial Accounting Standard Board undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The clarifying amendments to IAS 32 are effective for annual periods beginning on or after 01 January 2014. However, these amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2015). It addresses the classification, measurement and recognition of financial assets and financial liabilities. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that shall replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change shall mainly affect financial institutions. There shall be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Group does not have any such liabilities.

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2013). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Consolidated and Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 'Consolidated and Separate Financial Statements' that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation Special Purpose Entities' in its entirety. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

Amendments to IFRS 10 and IFRS 12 (effective for annual periods beginning on or after 01 January 2013) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2014) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2013). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Group's consolidated financial statements.

IAS 19 (Amendments) 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2013). The amendments have eliminated the corridor approach which permitted to recognize actuarial gains / losses in profit and loss account using the corridor method, whereby actuarial gains / losses are recognized when the cumulative unrecognized amount thereof at the beginning of the year exceeds the corridor limit, where corridor limit has been prescribed as 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. Pursuant to this change, effective from the next accounting year, the Group will be required to recognize immediately all actuarial gains or losses in other comprehensive income and past service cost in profit and loss account.

The adoption of the aforesaid amendment in IAS 19 'Employee Benefits' will result in change in the Group's accounting policy related to recognition of actuarial gains and losses and past service cost pertaining to employees retirement gratuity. As at 30 June 2013, the unrecognized actuarial loss is Rupees 6.685 million.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. However, the amendments are not expected to have a material impact on the Group 's financial statements. On 17 May 2012, IASB issued Annual Improvements to IFRSs: 2009 2011 Cycle, incorporating amendments to five IFRSs more specifically in IAS 1 'Presentation of Financial Statements' and IAS 32 'Financial instruments: Presentation', that are considered relevant to the Group's consolidated financial statements. These amendments are effective for annual periods beginning on or after 01 January 2013. These amendments are unlikely to have a significant impact on the Group's consolidated financial statements and have therefore not been analyzed in detail.

g) Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Group

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2013 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Basis of consolidation

a) Subsidiary

Subsidiary Company is that entity in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the Subsidiary Company is included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances and transactions have been eliminated.

The financial statements of the Subsidiary Company have been audited uptill the financial year ended 30 June 2013 using consistent accounting policies except as specifically mentioned in these notes. Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

b) Associates

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or by way of common directorship. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of accumulated impairment loss, if any

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

Modifications in Auditors' Report of Subsidiary Company

Crescot Mills Limited Emphasis

Auditors' of the Company in their report have stated that the Company is not a going concern due to the factors described in Note 1.

2.3 Employees retirement benefits

In the Group, only Holding Company operates staff retirement benefits. The main features of the schemes operated by the Holding Company for its employees are as follows

a) Defined benefit plan Gratuity

The Holding Company operates defined benefit plan - unfunded gratuity scheme for all employees of Textile units, who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Actuarial Cost Method.

The amount recognized in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

The Holding Company's policy with regard to actuarial gains / (losses) is to follow the minimum recommended approach under IAS-19 "Employee Benefits".

Details of the scheme is given in Note 8 to these financial statements.

b) Defined contribution plan - Provident fund

The Holding Company operated a funded provident fund scheme for its employees of Sugar and Distillery divisions by the name of Crescent Sugar Mills and Distillery Limited - Employees' Provident Fund Trust. Equal monthly contributions were made to the fund by the Holding Company and employees at the rate of 10% of basic salary. However since May 2013, the Employees' Provident Fund Trust has been closed due to the closure of the operations of the Sugar and Distillery divisions as all of the employees of these divisions have either left the employment or shifted to gratuity scheme.

2.4 Dividend and other appropriations

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are declared and other appropriations are recognised in the period in which these are approved by the Board of Directors.

2.5 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land of the Holding Company and certain other operating fixed assets of the Subsidiary Company are stated is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. Cost of operating fixed assets consists of purchase cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable cost of bringing the assets to working condition.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to unappropriated profit / (accumulated loss) is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. All transfers from surplus on revaluation of operating fixed assets are net of applicable deferred taxation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit / (accumulated loss). All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. The Holding Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The Subsidiary Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in profit and loss account in the year the asset is de-recognized.

2.7 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is included in the profit and loss account for the year in which it arises.

2.8 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated profit and loss account.

2.9 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “Investment at fair value through profit or loss” which is measured initially at fair value.

The Group assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' are applicable to all investments.

a) Investments at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in consolidated profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when there is positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held-to-maturity are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method, of any difference between the initially recognised amount and the maturity amount. For investments carried at amortised cost, gains and losses are recognised in consolidated profit and loss account when the investments are derecognised or impaired, as well as through the amortisation process

c) Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available for sale. These are sub-categorized as under:

Quoted

After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in the consolidated statement of other comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in the consolidated statement of other comprehensive income is included in consolidated profit and loss account. Fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to after initial recognition are carried at cost less any identified impairment loss.

2.10 Inventories

Inventories, except for stock in transit, by products and waste are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make such sale. Cost is determined as follows:

a) Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at invoice amount plus other charges paid thereon.

b) Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

i)	For raw materials	-	Weighted average basis
ii)	For work-in-process and finished goods	-	Average material cost, proportionate direct labour and factory overheads
iii)	Waste	-	Net realizable value

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.12 Non-current assets held for sale

Non-current assets classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.13 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- Revenue from local sales is recognized on delivery of goods to customers
- Revenue from export sales is recognized when goods are shipped on board.
- Dividend from associated companies is recognized as reduction in cost of investments as prescribed by International Accounting Standard (IAS) 28, ' Investment in Associates'. While dividend on other equity investments is recognized when right to receive the dividend is established.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.
- Rental income is recognized when rent is accrued.

2.14 Financial instruments

Financial instruments carried on the consolidated balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Group becomes a party to contractual provisions of the instruments. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which is measured initially at fair value.

Financial assets are derecognized when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Group surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the consolidated profit and loss account currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.15 Borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognised in the consolidated profit and loss account over the period of the borrowings using the effective interest method.

2.16 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.18 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.19 Borrowing cost

Interest, mark-up and other charges on long term financing are capitalized upto the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark-up and other charges are recognised in consolidated profit and loss account.

2.20 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised wherever the carrying amount of the assets exceeds their recoverable amount. Impairment losses are recognised in consolidated profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that assets.

2.21 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off and the Group intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated

The Group has previously four reportable business segments: Sugar, Distillery, Textiles and Trading. However the Company has disposed of the plant and machinery and related fixed assets of Distillery segment. While the plant and machinery and related fixed assets of Sugar segment are in the process of disposal.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

30 JUNE 2013	30 SEPTEMBER 2012		30 JUNE 2013	30 SEPTEMBER 2012
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

3.1 Ordinary shares of the Company held by related parties are as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Jubilee Spinning & Weaving Mills Limited	**510 600**	510 600
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**112 605**	36 105
	1 965 933	1 889 433

4. RESERVES

Composition of reserves is as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Capital		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**7,496**	4,770
	24,992	22,266
Revenue		
General	**44,975**	44,975
Dividend equalization	**4,000**	4,000
Unappropriated profit	**361,095**	109,545
	410,070	158,520
	435,062	180,786

4.1 This reserve can be utilized by the Group only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

4.2 This represents the unrealized gain on remeasurement of investments at fair value and is not available for distribution. This will be transferred to consolidated profit and loss account on realization. Reconciliation of fair value reserve is as under:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Opening balance	**4,770**	577
Fair value adjustment during the period / year	**2,726**	4,193
Closing balance	**7,496**	4,770

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Investment properties:	**52,665**	52,665
Property, plant and equipment (Note 5.1)	**2,487,285**	2,488,644
	2,539,950	2,541,309

5.1 Freehold land of the Holding Company was revalued in March 2010 by an independent valuer, Messrs Saleem Engineers using market value method. Building on leasehold land of mills and others of the Subsidiary Company were revalued by an independent valuer, Messrs Sadruddin Associates on 25 January 2010 on the basis of depreciated replacement values.

6. LONG TERM FINANCING

Financing from banking companies - secured:

Holding Company

National Bank of Pakistan (Note 6.1)	**7,493**	**22,479**
Less: Current portion shown under current liabilities	**7,493**	**22,479**
	-	**-**

6.1 This loan is obtained from National Bank of Pakistan payable in 10 equal half yearly installments started from 22 February 2008 with mark up at the rate of 6 months KIBOR plus 3% with floor of 7% and no cap (30 September 2012: 6 months KIBOR plus 3% with floor of 7% and no cap). Mark up is payable on quarterly basis. This facility is secured against charge over imported machinery and gas generators and first charge over fixed assets amounting to Rupees 316 million and personal guarantee of directors.

7. DEFERRED INCOME TAX LIABILITY

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Holding Company		
Taxable temporary difference		
Tax depreciation allowance	**22,125**	-
Deductible temporary differences		
Unused tax losses	**(4,338)**	-
Provision for gratuity	**(3,072)**	-
Provision for doubtful debts	**(3,998)**	-
	(11,408)	-
	10,717	-
Subsidiary Company		
Opening balance	**9,420**	10,480
Less:		
Adjustment of deferred income tax liability related to surplus on revaluation of plant and machinery	**-**	103
Adjustment of change in deferred tax rate	**269**	-
Deferred income tax liability on incremental depreciation charged during the period transferred to profit and loss account	**839**	957
	1,108	1,060
	8,312	9,420
Total deferred income tax liability	**19,029**	9,420

8. EMPLOYEES' RETIREMENT BENEFITS

8.1 General Description

The Holding Company operates staff retirement gratuity for all permanent employees of its Textile units, who attains the minimum qualifying period. Annual charge is based on actuarial valuation, carried out as at 30 September 2012 using Projected Unit Credit Actuarial Cost Method.

8.2 The amount included in the balance sheet is as follows:

Present value of defined benefit obligations	**30,257**	28,159
Unrecognized actuarial loss	**(6,685)**	(7,000)
Recognized liability	**23,572**	21,159

8.3 Movement in present value of defined benefit obligation:

Opening balance	**28,159**	20,441
Current service cost	**8,537**	11,834
Interest cost	**2,428**	2,556
Retirement benefit paid	**(8,867)**	(7,574)
Actuarial loss on present value	**-**	902
Closing balance	**30,257**	28,159

8.4 Movement in the net liability recognized:

Opening balance	**21,159**	13,938
Add: Provision for the prrio / year (Note 8.5)	**11,280**	14,795
	32,439	28,733
Less: Paid during the perio / year	**(8,867)**	(7,574)
	23,572	21,159

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
8.5	**Provision for the period / year**		
	Current service cost	**8,537**	11,834
	Interest cost	**2,428**	2,556
	Actuarial loss recognized	**315**	405
		11,280	14,795

8.6 Principal actuarial assumptions used:

	30 JUNE 2013	30 SEPTEMBER 2012
Discount rate used (% per annum)	**11.50 %**	11.50 %
Expected rate of increase in salaries (% per annum)	**10.50 %**	10.50 %
Average expected remaining working life time of employees (years)	**10**	10

8.7 Trend Information:

(RUPEES IN THOUSAND)

	2013	2012	2011	2010	2009
Present value of defined benefit obligation	30,257	28,159	20,441	12,302	11,850
Experience adjustment on obligation	-	(902)	(3,787)	-	(1,065)

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
9.	**TRADE AND OTHER PAYABLES**		Restated
	Creditors (Note 9.1)	**150,497**	224,893
	Accrued liabilities (Note 9.2)	**140,540**	105,277
	Advances from customers	**15,770**	75,453
	Security deposits – interest free	**-**	322
	Income tax deducted at source	**2,180**	3,768
	Payable to Employees' Provident Fund Trust	**-**	255
	Unclaimed dividend	**1,945**	1,565
	Workers' profit participation fund (Note 9.3)	**26,140**	18,496
		337,072	430,029

9.1 This includes aggregate balance of Rupees 0.097 million (2012: Rupees 0.097 million) due to a related party.

9.2 This includes insurance premium of Rupees 6.852 million (30 September 2012: Rupees: Nil) due to a related party.

9.3 Workers' profit participation fund

	30 JUNE 2013	30 SEPTEMBER 2012
Opening balance	**18,496**	2,579
Add: Provision for the period / year (Note 31)	**16,823**	18,357
Interest for the period / year (Note 33)	**375**	139
	35,694	21,075
Less: Payments during the period / year	**9,554**	2,579
Closing balance	**26,140**	18,496

9.3.1 The Holding Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

	30 JUNE 2013	30 SEPTEMBER 2012
10. ACCRUED MARK-UP	(RUPEES IN THOUSAND)	
Long term financing	**10,928**	10,853
Short term borrowings	**7,541**	7,822
	18,469	18,675

11. SHORT TERM BORROWINGS

Holding Company		
From banking companies - secured		
Cash finances and export finances (Note 11.1)	**96,983**	329,967
Others - unsecured		
Associated company (Note 11.2)	**8,390**	7,566
Other related parties (Note 11.3)	**124,423**	118,307
Temporary bank overdraft	**98,969**	104,205
	231,782	230,078
Subsidiary Company		
Samba Bank Limited (Note 11.4)	**5,000**	5,000
	333,765	565,045

11.1 These form part of total credit facility of Rupees 1,500 million (30 September 2012: Rupees 1,325 million) and carries mark-up at the rate of 3 months KIBOR plus 2.50 percent per annum (30 September 2012: 3 months KIBOR plus 2.50 percent per annum with a floor of 12 percent per annum). These are secured against charge, pledge and hypothecation over fixed and current assets of the Holding Company and personal guarantee of directors. The rates of mark up ranges from 11.81 percent to 12.70 percent per annum (30 September 2012: 14.41 percent to 16.78 percent per annum)

11.2 This represents loan obtained from Riaz and Company (1962-Private) Limited, an associated company which is repayable on demand. It carries mark-up at the rate of 10 percent per annum (30 September 2012: 10 percent per annum)

11.3 These represent interest free loans from Chief Executive Officer, Director, Executives and other related parties which are repayable on demand.

11.4 This represents over due balance of long term loan obtained from Samba Bank Limited and is secured against demand promissory note. It carries mark-up at the rate of 12 percent per annum (30 September 2012: 12 percent per annum).

12. CONTINGENCIES AND COMMITMENTS

Holding Company

a) **Contingencies:**

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 September 2012: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable High Court which are still pending. No provision has been made in the financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in these financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

ii) Guarantees of Rupees 35.993 million (30 September 2012: Rupees 35.993 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

b) Commitments:

i) Contract for capital expenditure as at 30 June 2013 is Rupees 10.972 million (30 September 2012: Rupees Nil).

ii) Letter of credit for other than capital expenditure as at 30 June 2013 is Rupees Nil (30 September 2012: Rupees 1.183 million).

Subsidiary Company

Contingencies:

The Company is contingently liable for a claim of Rupees 0.215 million (30 September 2012: Rupees 0.215 million) not acknowledged by the Company in respect of card clothing machine demanded by Customs Authorities in 1987 against which a letter of guarantee has been issued by bank in favour of Collector.

Commitments:

There was no capital and other commitment as at balance sheet date (30 September 2012: Rupees Nil).

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
13. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 13.1)	**2,785,896**	2,791,724
Capital work-in-progress (Note 13.2)	**-**	4,005
	2,785,896	2,795,729

13.1 PROPERTY, PLANT AND EQUIPMENT

(RUPEES IN THOUSAND)

	Land-Freehold	Buildings and roads on freehold land	Buildings and roads on leasehold land	Plant and machinery	Stand-by equipment	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 30 September 2011												
Cost / revalued amount	2,475,264	127,760	48,364	614,939	90,969	26,169	16,928	10,002	17,094	7,963	486	3,435,938
Accumulated depreciation	-	(96,367)	(17,115)	(442,324)	(34,683)	(19,774)	(12,327)	(7,078)	(11,557)	(7,540)	(478)	(649,243)
Net book value	2,475,264	31,393	31,249	172,615	56,286	6,395	4,601	2,924	5,537	423	8	2,786,695
Year ended 30 September 2012												
Opening net book value	2,475,264	31,393	31,249	172,615	56,286	6,395	4,601	2,924	5,537	423	8	2,786,695
Additions	-	604	-	27,162	7,011	-	17	612	2,531	663	-	38,600
Disposals:												
Cost	-	-	-	-	-	-	-	-	(2,512)	-	-	(2,512)
Accumulated depreciation	-	-	-	-	-	-	-	-	1,984	-	-	1,984
	-	-	-	-	-	-	-	-	(528)	-	-	(528)
Depreciation charge	-	(2,761)	(2,860)	(18,182)	(6,000)	(640)	(490)	(314)	(1,202)	(299)	(1)	(32,749)
Impairment loss	-	-	-	(294)	-	-	-	-	-	-	-	(294)
Closing net book value	2,475,264	29,236	28,389	181,301	57,297	5,755	4,128	3,222	6,338	787	7	2,791,724
At 30 September 2012												
Cost / revalued amount	2,475,264	128,364	48,364	642,101	97,980	26,169	16,945	10,614	17,113	8,626	486	3,472,026
Accumulated depreciation	-	(99,128)	(19,975)	(460,506)	(40,683)	(20,414)	(12,817)	(7,392)	(10,775)	(7,839)	(479)	(680,008)
Impairment loss	-	-	-	(294)	-	-	-	-	-	-	-	(294)
Net book value	2,475,264	29,236	28,389	181,301	57,297	5,755	4,128	3,222	6,338	787	7	2,791,724
Period ended 30 June 2013												
Opening net book value	2,475,264	29,236	28,389	181,301	57,297	5,755	4,128	3,222	6,338	787	7	2,791,724
Additions	-	-	-	14,567	-	1,391	178	1,056	1,089	1,377	-	19,658
Transferred to non-current assets held for sale:												
Cost	-	-	-	-	-	-	-	(25)	-	(28)	-	(53)
Accumulated depreciation	-	-	-	-	-	-	-	19	-	27	-	46
	-	-	-	-	-	-	-	(6)	-	(1)	-	(7)
Transfer from non-current assets held for sale												
Cost	-	-	-	-	-	-	1,215	-	-	-	-	1,215
Accumulated depreciation	-	-	-	-	-	-	(905)	-	-	-	-	(905)
	-	-	-	-	-	-	310	-	-	-	-	310
Disposals:												
Cost	-	-	-	(1,145)	-	-	-	-	(1,736)	-	-	(2,881)
Accumulated depreciation	-	-	-	1,096	-	-	-	-	1,352	-	-	2,448
	-	-	-	(49)	-	-	-	-	(384)	-	-	(433)
Depreciation charge	-	(1,904)	(2,587)	(14,024)	(4,285)	(468)	(404)	(271)	(934)	(480)	1	(25,356)
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	2,475,264	27,332	25,802	181,795	53,012	6,678	4,212	4,001	6,109	1,683	8	2,785,896
At 30 June 2013												
Cost / revalued amount	2,475,264	128,364	48,364	655,229	97,980	27,560	18,338	11,670	16,466	10,003	486	3,490,018
Accumulated depreciation	-	(101,032)	(22,562)	(473,434)	(44,968)	(20,882)	(14,126)	(7,669)	(10,357)	(8,320)	(480)	(704,122)
Net book value	2,475,264	27,332	25,802	181,795	53,012	6,678	4,212	4,001	6,109	1,683	7	2,785,896
Annual rate of depreciation (%)												
Holding company	-	5, 10	-	10	10	10	10,12	10	20	15,50	10,25	
Subsidiary company	-	-	5, 10	10	-	10	10	10	20	10	-	

13.1.1 Had there been no revaluation, the cost, accumulated depreciation and book value of the revalued assets as at reporting date would be as follows:

(RUPEES IN THOUSAND)

	Cost	Accumulated Depreciation	Book Value
Holding Company			
Freehold land	5,405	-	5,405
Subsidiary Company			
Building on leasehold land			
- Mills	11,504	10,661	843
- Others	2,633	2,119	514
30 June 2013	19,542	12,780	6,762
30 September 2012	19,542	12,660	6,882

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
13.1.2 Depreciation charge for the period / year has been allocated as follows:		
Cost of sales (Note 28)	**20,511**	27,414
Administrative expenses (Note 30)	**4,330**	4,536
Discontinued operations (Note 26.1 and 26.2)	**515**	798
	25,356	32,748

13.1.3 Detail of operating fixed assets disposed of during the period / year is as follows:

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Net Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Honda Civic LRF-678	1,214	1,086	128	306	178	Negotiation	Mr. Mujahid, Faisalabad
Honda City AKU-700	523	266	257	647	390	Negotiation	Mr. Ranjeet Kumar, Karachi
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	1,144	1,096	48	67	19		
	2,881	**2,448**	**433**	**1,020**	**587**		

13.1.4 The gain on disposal of operating fixed assets for the period / year has been allocated as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Other operating income (Note 32)	**409**	442
Discontinued operations (Note26.1 and 26.2)	**178**	685
	587	1,127
13.2 CAPITAL WORK IN PROGRESS		
Plant and machinery	**-**	4,005
14. INVESTMENT PROPERTIES		
Period ended 30 Jun / Year ended 30 September		
Opening net book value	**54,172**	54,381
Fair value (loss) / gain	**-**	(209)
Closing net book value	**54,172**	54,172

14.1 The fair value of the investment properties has been determined by the Holding Company on the basis of assessment of the current prices in an active market for similar properties in the same condition. No expenses directly related to investment properties were incurred during the period.

15. LONG TERM INVESTMENTS-ASSOCIATES

(RUPEES IN THOUSAND)

	30 JUNE 2013			30 SEPTEMBER 2012		
	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET
QUOTED						
Shakarganj Mills Limited 2 865 830 (30 September 2012: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (30 September 2012: 4.12%)	**24,395**	**87,266**	**111,661**	24,395	69,441	93,836
The Crescent Textile Mills Limited 2 681 875 (30 September 2012: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (30 September 2012: 5.45%)	**17,909**	**73,479**	**91,388**	17,909	68,946	86,855
Premier Insurance Limited 363 380 (30 September 2012: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (30 September 2012: 0.60%)	**75**	**3,529**	**3,604**	75	3,783	3,858
Jubilee Spinning and Weaving Mills Limited 474 323 (30 September 2012: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (30 September 2012: 1.46%)	**1,229**	**(1,177)**	**52**	1,229	(1,229)	-
	43,608	**163,097**	**206,705**	43,608	140,941	184,549

15.1 The management intends to dispose of the investments in Shakarganj Mills Limited and The Crescent Textile Mills Limited in next twelve months from the balance sheet date. However, these investments have been classified as long term pursuant to IAS 28, 'Investment in Associates' which requires that investment in associates should be accounted for in consolidated financial statements under equity method except when the investment is acquired and held exclusively with a view to its subsequent disposal in the near future. As these investments were not acquired for disposal purposes, equity method of accounting has been applied and as per the requirement of IAS 28 the same have been shown under long term investments. In addition paragraph 2 (B)(d) of Part II of the Fourth Schedule to the Companies Ordinance, 1984 requires that the investments accounted for under equity method should be classified as long term investments.

15.2 INFORMATION ABOUT ASSOCIATES

RUPEES IN THOUSAND

	ASSETS		LIABILITIES		REVENUE		PROFIT/(LOSS)AFTER TAXATION	
	2013	2012	2013	2012	2013	2012	2013	2012
QUOTED								
Shakarganj Mills Limited Six months ended 31 March 2013 - Un-audited (Nine months ended 30 June 2012 - Un-audited)	**13,416,336**	10,937,940	**11,251,061**	10,339,997	**3,597,289**	10,972,552	**345,762**	296,731
The Crescent Textile Mills Limited Nine months ended 31 March 2013 Un-audited (Year ended 30 June 2012 - Audited)	**12,064,617**	13,212,985	**7,759,901**	9,130,925	**10,349,331**	12,728,719	**83,149**	(117,089)
Premier Insurance Limited Six months ended 30 June 2013 - Audited (Six months ended 30 June 2012 - Un-audited)	**3,367,596**	3,473,154	**1,627,984**	1,701,590	**158,816**	255,435	**18,238**	(5,881)
Jubilee Spinning and Weaving Mills Limited Nine months ended 31 March 2013 - Un-audited (Year ended 30 June 2012 - Audited)	**852,060**	796,491	**316,196**	273,986	**295,593**	217,253	**3,671**	(109,922)

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
16. LONG TERM INVESTMENTS - Available for sale		
QUOTED		
Crescent Jute Products Limited 201 933 (30 September 2012: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (30 September 2012: 0.85%)	**101**	100
Crescent Fibres Limited 71 820 (30 September 2012: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (30 September 2012: 0.58%)	**615**	615
Crescent Spinning Mills Limited 696 000 (30 September 2012: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (30 September 2012: 4.59%)	**-**	-
Security Papers Limited 364 (30 September 2012: 364) ordinary shares of Rupees 10 each fully paid.	**1**	1
UNQUOTED		
Crescent Modaraba Management Company Limited 119 480 (30 September 2012: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (30 September 2012: 6.52%)	**664**	664
Premier Financial Services (Pvt.) Limited 2 500 (30 September 2012: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held 11.11% (30 September 2012: 11.11%)	**2,500**	2,500
Crescent Bahuman Limited 1 043 988 (30 September 2012: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (30 September 2012: 1.28%)	**-**	636
	3,881	4,516
Less: Impairment loss charged to profit and loss account (Note 31)	**-**	(636)
Add: Fair value adjustment	**1,864**	234
	5,745	4,114

17. DEFERRED INCOME TAX ASSET	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
Taxable temporary difference		
Tax depreciation allowance	**-**	(25,033)
Deductible temporary differences		
Unused tax losses	**-**	41,415
Provision for gratuity	**-**	2,103
Provision for doubtful debts	**-**	4,116
	-	47,634
	-	22,601

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
18.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	**33,222**	38,326
	Spare parts (Note 18.1)	**29,906**	23,590
	Loose tools	**170**	293
		63,298	62,209
	Stores, spare parts and loose tools written off (Note 31)	**17,798**	5
		45,500	62,204

18.1 These include spare parts in transit of Rupees Nil (30 September 2012: Rupees 0.648 million).

19.	**STOCK-IN-TRADE**		
	Raw material	**206,781**	353,216
	Work-in-process	**19,248**	16,336
	Finished goods	**161,451**	125,475
	Waste	**1,680**	1,137
		389,160	496,164

19.1 Stock-in-trade of Rupees 1.680 million (30 September 2012: Rupees 1.137 million) is being carried at net realizable value.

20.	**TRADE DEBTS - Considered good**		
	Secured against letters of credit	**89,183**	77,634
	Unsecured :		
	Related Parties (Note 20.1)	**-**	99
	Others (20.2)	**7,051**	12,599
		96,234	90,332

20.1 'This represents amount due from Shakarganj Mills Limited. This amount was past due but not impaired. The ageing analysis is as follows:

More than 6 months	**-**	99

20.2 As at 30 June 2013, trade debts due from other than related parties of Rupees 6.969 million (30 September 2012: Rupees 10.087 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

Upto 1 month	**736**	29
1 to 6 months	**228**	2,883
More than 6 months	**6,005**	7,175
	6,969	10,087

21.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - Interest free		
	Against expenses	**824**	1,649
	Against salary (Note 21.1)	**8,964**	5,416
		9,788	7,065
	Advances to suppliers / contractors	**12,452**	9,101
	Letters of credit	**89**	3
		22,329	16,169

21.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the retirement benefits. These are recoverable in equal monthly installments.

22. SHORT TERM DEPOSITS, PREPAYMENTS AND BALANCES WITH STATUTORY AUTHORITIES

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Margin deposit	**3,675**	691
Prepayments	**1,885**	715
Balances with statutory authorities:		
Advance income tax	**144,589**	103,538
Sales tax and excise duty refundable	**29,041**	11,834
	173,630	115,372
	179,190	116,778

23. OTHER RECEIVABLES

	30 JUNE 2013	30 SEPTEMBER 2012
Considered good:		
Profit on deposits with banks receivable	**2,513**	2,520
Others	**110,046**	36,407
	112,559	38,927
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	112,559	38,927

24. SHORT TERM INVESTMENTS - Available for sale

QUOTED

	30 JUNE 2013	30 SEPTEMBER 2012
Crescent Steel and Allied Products Limited 13 147 (30 September 2012: 13 147) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (30 September 2012: 0.02%)	**33**	33
Samba Bank Limited 4 973 666 (30 September 2012: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (30 September 2012: 0.35%)	**7,709**	7,709
	7,742	7,742
Add: Fair value adjustment	**5,632**	4,536
	13,374	12,278

25. CASH AND BANK BALANCES

	30 JUNE 2013	30 SEPTEMBER 2012
With banks :		
On current accounts	**5,073**	7,823
Term deposit receipts (Note 25.1)	**130,534**	168,500
On deposit account (Note 25.2)	**2,800**	2800
	138,407	179,123
Cash in hand	**831**	1,821
	139.238	180,944

25.1 These represent deposits with banking companies having maturity period of one month and carry rate of profit ranges from 9.00% to 10.25% per annum (30 September 2012: 6.00% to 11.50% per annum).

25.2 The rate of profit is 6 percent per annum (30 September 2012: 4 percent per annum).

26. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under International Financial Reporting Standard (IFRS) 5 'Non-Current Assets Held for Sale and Discontinued Operations' in their respective categories are summarized hereunder:

26.1 Non-current assets classified as held for sale

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
Property, plant and equipment - Sugar Unit (Note 26.1.1)	**913**	10,289
Property, plant and equipment - Distillery Unit (Note 26.1.2)	**-**	594
	913	10,883

26.1.1 Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 January 2011 regarding the disposal of plant and machinery and related equipment of Sugar Unit of the Company. Major portion of the plant and machinery and related equipment has been disposed of by the Company. The remaining assets are expected to be disposed of during the next financial year.

Non-current assets classified as held for sale

The carrying amounts of non-current assets of the Sugar Unit classified as held for sale are as follows:

Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**8,533**	48,466
Electric installations	**234**	234
Tools and equipment	**1,513**	1,513
Service equipment	**9**	9
	10,289	50,222
Less: Book value of assets sold:		
Plant and machinery	**7,781**	39,933
Electric Installations	**234**	-
Tools and equipment	**1,045**	-
Service equipment	**6**	-
	9,066	39,933
Tools and equipment transferred to property, plant and equipment	**310**	-
	9,376	39,933
Closing Carrying value of non-current assets held for sale	**913**	10,289

The non-current assets held for sale were disposed of during the period / year to Messrs SAF and Company against sale consideration of Rupees 51.766 million (30 September 2012: Rupees 226.269 million) resulting in a net gain of Rupees 42.700 million (30 September 2012: Rupees 186.336 million). The cost of these assets at the time of their purchase was Rupees 46.852 million (30 September 2012: Rupees 212.443 million). The mode of disposal of these assets was through negotiation.

26.1.1.1 During the year ended 30 September 2012, the Company disposed of a portion of its plant and machinery related to the discontinued operation of Sugar Unit having book value of Rupees 30.180 million against the sale consideration of Rupees 172.334 million. However, the disposal of plant and machinery was not de-recognized during the year ended 30 September 2012 as the related sales invoice was issued during the current period. For compliance of de-recognition principles of IAS 16 'Property, Plant and Equipment', this prior period error has been corrected retrospectively in these financial statements. Consequently, as at 30 September 2012, the carrying values of non-current assets held for sale, trade and other payables, deferred income tax asset and accumulated losses have been decreased by Rupees 30.180 million, Rupees 163.017 million, Rupees 49.500 million and Rupees 83.337 million respectively. Earnings per share from continued operations have been decreased by Rupees 2.75 per share and from discontinued operations have been increased by Rupees 6.65 per share respectively.

26.1.2 Property, plant and equipment - Distillery Unit

Property, plant and equipment related to Distillery Unit was presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Extraordinary General Meeting held on 14 May 2011 regarding the disposal of plant and machinery and related equipment of Distillery Unit of the Company. The Company has disposed of whole of the plant and machinery and related equipment during the period.

Non-current assets classified as held for sale

The carrying amounts of non-current assets of the Distillery Unit classified as held for sale are as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**590**	590
Tools and equipment	**4**	4
	594	594
Book value of assets transferred from property, plant and equipment:		
Furniture and fixtures	**6**	-
Office equipment	**1**	-
	7	-
	601	594
Less: Book value of assets sold		
Plant and machinery	**590**	-
Furniture and fixtures	**6**	-
Office equipment	**1**	-
Tools and equipment	**4**	
	601	-
	-	594

The non-current assets held for sale were disposed of during the period to Mr. Muhammad Ibrahim against sale consideration of Rupees 46.500 million (30 September 2012: Rupees Nil) resulting in a net gain of Rupees 45.899 million (30 September 2012: Rupees Nil). The cost of these assets at the time of their purchase was Rupees 9.213 million (30 September 2012: Rupees Nil). The mode of disposal of these assets was through negotiation.

26.2 Analysis of the result of discontinued operations

Profit / (loss) after taxation from discontinued operations

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
Sugar Unit (Note 26.2.1)	**9,450**	166,107
Distillery Unit (Note 26.2.2)	**45,766**	(5,988)
	55,216	160,119

26.2.1 Analysis of result of discontinued operation

	30 JUNE 2013 (RUPEES IN THOUSAND)	30 SEPTEMBER 2012 (RUPEES IN THOUSAND) Restated
OTHER INCOME *	**46,596**	191,796
ADMINISTRATIVE EXPENSES	**(19,404)**	(23,474)
OTHER EXPENSES **	**(17,737)**	(234)
	(37,141)	(23,708)
PROFIT FROM DISCONTINUED OPERATION	**9,455**	168,088
FINANCE COST	**(5)**	(1,979)
PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	**9,450**	166,109
TAXATION	**-**	(2)
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	**9,450**	166,107

* It includes gain on disposal of non-current assets held for sale amounting to Rupees 42.700 million (30 September 2012: Rupees 186.336 million), gain on disposal of property, plant and equipment amounting to Rupees 0.178 million (30 September 2012: Rupees 0.685 million) and credit balances written back amounting to Rupees 3.521 million (30 September 2012: Rupees Nil).

** It represents provision for obsolete items of stores, spare parts and loose tools (30 September 2012 : Rupees Nil).

26.2.2 Analysis of result of discontinued operation

	30 JUNE 2013 (RUPEES IN THOUSAND)	30 SEPTEMBER 2012 (RUPEES IN THOUSAND)
SALES	**-**	13,431
COST OF SALES	**-**	(17,980)
GROSS LOSS	**-**	(4,549)
DISTRIBUTION COST	**-**	(1,434)
ADMINISTRATIVE EXPENSES	**(97)**	-
OTHER EXPENSES*	**(36)**	(15)
	(133)	(1,449)
	(133)	(5,998)
OTHER INCOME **	**45,899**	77
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	**45,766**	(5,921)
TAXATION	**-**	(67)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	**45,766**	(5,988)

* It represents provision for obsolete items of stores, spare parts and loose tools (30 September 2012 : Rupees Nil).

** It represents gain on disposal of non-current assets held for sale amounting to Rupees 45.899 million (30 September 2012: Rupees Nil) and credit balances written back amounting to Rupees Nil (30 September 2012: Rupees 0.077 million).

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	Restated
26.3	**Cash flows of discontinued operations**		
	Sugar Unit (Note 26.3.1)	**17,857**	311,100
	Distillery Unit (Note 26.3.2)	**39,141**	-
		56,998	311,100
26.3.1	**Analysis of the cash flows of discontinued operation-Sugar Unit**		
	Operating cash flows	**(24,923)**	157,969
	Investing cash flows	**52,072**	227,159
	Financing cash flows	**(9,292)**	(74.028)
		17,857	311,100
26.3.2	**Analysis of the cash flows of discontinued operations- Distillery Unit**		
	Operating Cash flows	**(459)**	-
	Investing Cash flows	**39600**	-
		39,141	-

		30 JUNE 2013	30 SEPTEMBER 2012
		(RUPEES IN THOUSAND)	
27.	**SALES**		
	Local (Note 27.1)	**609,333**	829,210
	Export (Note 27.2 and 27.3)	**3,207,246**	3,417,745
		3,816,579	4,246,955
27.1	**Local**		
	Yarn	**560,198**	774,694
	Cotton / polyester	**32,071**	24,763
	Waste	**21,155**	29,753
		613,424	829,210
	Less: Sales tax	**4,091**	-
		609,333	829,210
27.2	**Export**		
	Yarn	**1,197,838**	1,634,566
	Cloth	**1,988,523**	1,783,179
	Socks	**20,885**	-
		3,207,246	3,417,745

27.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 36.564 million (30 September 2012: Rupees 13.631 million) has been included in export sales.

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	

28. COST OF SALES

	30 JUNE 2013	30 SEPTEMBER 2012
Raw materials consumed	**1,989,486**	2,360,172
Cost of raw materials sold	**28,294**	31,637
Salaries, wages and other benefits (Note 28.1)	**200,380**	213,365
Stores, spare parts and loose tools consumed	**87,755**	104,568
Fuel and power	**311,439**	363,340
Outside weaving charges	**342,756**	297,221
Other manufacturing overheads	**5,778**	4,642
Insurance	**4,476**	3,640
Repair and maintenance	**6,812**	4,018
Depreciation (Note 13.1.2)	**20,511**	27,414
	2,997,687	3,410,017
Work-in-process		
Opening stock	**16,336**	25,497
Closing stock	**(19,248)**	(16,336)
	(2,912)	9,161
Cost of goods manufactured	**2,994,775**	3,419,178
Finished goods		
Opening stock	**126,612**	101,357
Closing stock	**(163,131)**	(126,612)
	(36,519)	(25,255)
	2,958,256	3,393,923
Cost of goods purchased for resale	**376,072**	446,949
	3,334,328	3,840,872

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 11.280 million (30 September 2012: Rupees 13.351 million).

29. DISTRIBUTION COST

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Insurance	**2,824**	2,835
Freight and forwarding	**48,311**	53,105
Commission to selling agents	**35,684**	38,904
Loading and handling	**4,837**	4,694
Others	**2,826**	3,272
	94,482	102,810

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	

30. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 30.1)	**39,059**	43,011
Workers' welfare	**2,173**	1,493
Traveling and conveyance	**3,707**	3,940
Insurance	**592**	814
Rent, rates and taxes	**2,232**	964
Entertainment	**2,165**	1,633
Subscription	**487**	282
Communication	**1,966**	2,144
Vehicles' running	**6,658**	5,630
Repair and maintenance	**12,208**	7,048
Utilities	**4,341**	5,333
Printing and stationery	**1,390**	1,231
Books and periodicals	**52**	25
Auditors' remuneration:		
Statutory audit	**530**	530
Other certifications including half yearly review	**50**	50
Out of pocket expenses	**20**	17
	600	597
Legal and professional	**1,152**	1,454
Miscellaneous	**1,848**	764
Depreciation (Note 13.1.2)	**4,845**	4,536
	85,475	80,899

30.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.290 million (30 September 2012: Rupees 1.444 million).

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated

31. OTHER EXPENSES

Stores, spare parts and loose tools written off (Note 18)	**25**	5
Workers' profit participation fund (Note 9.3)	**16,823**	18,357
Loans and advances written off	**757**	-
Impairment loss on long term investments (Note 16)	**-**	636
	17,605	18,998

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	

32. OTHER INCOME

	30 JUNE 2013	30 SEPTEMBER 2012
Income from financial assets		
Profit on deposits with banks	**11,577**	8,883
Dividend income from other investments (Note 32.1)	**98**	13
	11,675	8,896
Income from non-financial assets		
Reversal of workers' welfare fund	**-**	1,269
Rental Income	**3,818**	-
Scrap sales	**609**	922
Gain on sale of property, plant and equipment (Note 13.1.4)	**409**	442
	4,836	2,633
	16,511	11,529

32.1 Dividend income:

	30 JUNE 2013	30 SEPTEMBER 2012
Crescent Fibres Limited	**72**	-
Crescent Steel and Allied Products Limited	**26**	13
	98	13

33. FINANCE COST

	30 JUNE 2013	30 SEPTEMBER 2012
Mark-up on:		
Long term financing	**2,069**	8,429
Short term borrowings (Note 33.1)	**29,367**	44,989
Workers' profit participation fund (Note 9.3)	**375**	139
	31,811	53,557
Bank charges and commission	**7,978**	14,550
	39,789	68,107

33.1 It includes Rupees 0.560 million (30 September 2012: Rupees 0.684 million) charged as mark-up by associated company.

34. TAXATION

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	Restated
Current		
- For the period / year (Note 34.1)	**39,722**	38,386
- Prior year	**(9,699)**	(15,471)
	30,023	22,915
Deferred (Note 34.2)	**32,479**	35,077
	62,502	57,992

34.1 The Holding Company's provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 June 2013 are Rupees 12.759 million (30 September 2012: Rupees 118.328 million). The Subsidiary Company's provision for taxation represents the tax liability under section 155 of the Income Tax Ordinance, 2001. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, in view of presumptive and minimum taxation.

34.2 This includes deferred income tax asset reversed during the period amounting to Rupees 33.318 million related to Holding Company and deferred income tax liability recognised amounting to Rupees 0.839 million related to Subsidiary Company.

35. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

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

		30 JUNE 2013	30 SEPTEMBER 2012 Restated
Continuing operation			
Profit for the period year after taxation	(Rupees in thousand)	**221,428**	94,357
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**10.36**	4.41
Discontinued operations			
Profit for the period / year after taxation	(Rupees in thousand)	**55,216**	160,119
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**2.58**	7.49

36. CASH GENERATED FROM OPERATIONS

	30 JUNE 2013	30 SEPTEMBER 2012 Restated
	(RUPEES IN THOUSAND)	
Profit before taxation	**339,146**	312,537
Adjustments for non cash charges and other items:		
Depreciation	**25,356**	32,748
Provision for staff retirement gratuity	**11,280**	14,795
Gain on sale of property, plant and equipment	**(587)**	(1,127)
Gain on sale of non-current assets held for sale	**(88,599)**	(186,336)
Share of profit from associated companies	**(22,519)**	(5,551)
Credit balances written back	**(3,521)**	(77)
Loans and advances written off	**757**	-
Provision for obsolete items of stores, spare parts & loose tools	**17,773**	-
Stores, spare parts and loose tools written off	**25**	5
Impairment loss on investments	**-**	636
Loss on remeasurement of fair value of investment properties	**-**	209
Profit on deposits with banks	**(11,577)**	(8,883)
Finance cost	**39,794**	70,086
Reversal of workers' welfare fund	**-**	(1,269)
Provision for workers' profit participation fund	**16,823**	18,357
Working capital changes (Note 36.1)	**(99,463)**	(131,412)
	224,688	114,718

36.1 Working capital changes

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(1,094)**	774
Stock-in-trade	**107,004**	(250,272)
Trade debts	**(5,902)**	(20,387)
Loans and advances	**(6,917)**	18,866
Prepayments and balances with statutory authorities	**(21,285)**	2,302
Other receivables	**(74,789)**	(7,816)
(Decrease) / increase in trade and other payables	**(96,481)**	125,121
	(99,463)	(131,412)

37. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Associated companies		
Dividend income	**363**	363
Service charges	**6,852**	5,150
Loan received	**-**	7,566
Mark-up expense	**560**	684
Other related parties		
Loan received from directors / executives	**15,013**	17,342
Loan repaid to directors / executives	**8,897**	21,043
Holding Company's contribution to Employees' Provident Fund Trust	**1,290**	1,521

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the period / year for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Group are as follows:

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012
Managerial remuneration	**3,600**	4,800	**6,750**	7,200	**8,535**	8,810
Allowances:						
Housing	**1,620**	2,160	**3,037**	3,240	**3,978**	3,964
Utilities	**360**	480	**675**	720	**243**	252
Group Insurance	**-**	-	**9**	9	**3**	3
Reimbursable expenses	**137**	184	**548**	336	**343**	345
Contribution to Employees' Provident Fund Trust	**360**	480	**675**	720	**243**	252
	6,077	8,104	**11,694**	12,225	**13,345**	13,626
Number of persons	**1**	1	**3**	3	**6**	6

38.1 Aggregate amount charged in the financial statements for meeting fee to two directors (30 September 2012: two directors) was Rupees 180,000 (30 September 2012: Rupees 90,000).

38.2 The Chief Executive Officer, Directors and Executives of the Holding Company have been provided with Company maintained vehicles.

38.3 No remuneration was paid to non-executive directors of the Company.

38.4 No remuneration was paid to Directors and Chief Executive Officer of the Subsidiary Company.

39. NUMBER OF EMPLOYEES

	30 JUNE 2013	30 SEPTEMBER 2012
	(Number of Persons)	
Number of employees at period / year end	**1,776**	1,729
Average number of employees	**1,754**	1,666

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Group's exposure to currency risk was as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
Trade debts - USD	**904,489**	821,516
Trade and other payables - USD	**(133)**	(47,595)
Short term borrowings - USD	**-**	(229,145)
Net exposure - USD	**904,356**	544,776

The following significant exchange rates were applied during the period / year:

	30 JUNE 2013	30 SEPTEMBER 2012
Rupees per US Dollar		
Average rate	**96.14**	89.10
Reporting date rate	**98.60**	94.50

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the period / year would have been Rupees 4.236 million higher / lower (30 September 2012: Rupees 2.445 million) higher / lower, mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the period end exposure does not reflect the exposure during the period.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Group's profit after taxation for the period / year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**-**	-	**798**	61
KSE 100 (5% decrease)	**-**	-	**(798)**	(61)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant interest bearing assets except for term deposit receipts. The Group's interest rate risk arises from long term financing, short term borrowings and term deposit receipts. Financial instruments obtained at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Group’s interest bearing financial instruments was:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**130,534**	168,500
Deposit account	**2,800**	2,800
Financial liabilities		
Long term financing	**5,000**	5,000
Short term borrowings	**13,390**	12,566
Floating rate instruments		
Financial liabilities		
Long term financing	**7,493**	22,479
Short term borrowings	**96,983**	329,967

Fair value sensitivity analysis for variable rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the period / year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the period / year would have been Rupees 0.992 million lower / higher (30 September 2012: Rupees 3.348 million) lower / higher, as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of financial instruments outstanding at balance sheet date were outstanding for the whole period / \year.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 JUNE 2013	30 SEPTEMBER 2012
	(RUPEES IN THOUSAND)	
Investments	**19,119**	16,392
Loans and advances	**8,964**	5,416
Deposits	**6,809**	3,825
Trade debts	**96,234**	90,332
Other receivables	**112,559**	38,927
Bank balances	**138,407**	179,123
	382,092	334,015

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			30 JUNE 2013	30 SEPTEMBER 2012
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**450**	73,228
Allied Bank Limited	A1+	AA+	PACRA	**21**	32
Bank Alfalah Limited	A1+	AA	PACRA	**133,373**	101,346
Faysal Bank Limited	A1+	AA	PACRA	**20**	20
Habib Bank Limited	A-1+	AA+	JCR-VIS	**21**	811
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**2,693**	427
MCB Bank Limited	A1+	AA+	PACRA	**630**	50
NIB Bank Limited	A1+	AA -	PACRA	**116**	78
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**24**	24
United Bank Limited	A-1+	AA+	JCR-VIS	**206**	1,771
Meezan Bank Limited	A-1+	AA	JCR-VIS	**24**	174
Askari Bank Limited	A1+	AA	PACRA	**91**	88
Bank Al-Habib Limited	A1+	AA+	PACRA	**738**	1,074
				138,407	179,123

The Group's exposure to credit risk related to trade debts is disclosed in Note 20.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly the credit risk is minimal.

C) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2013, the Company had Rupees 1,403 million (30 September 2012: 995 million) available borrowing limits from financial institutions and Rupees 139.238 million (30 September 2012: 180.944 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2013:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Long term financing	7,493	7,625	7,625	-	-	-
Trade and other payables	292,982	292,982	292,982	-	-	-
Accrued mark-up	18,469	18,469	18,469	-	-	-
Short term borrowings	333,765	339,755	339,755	-	-	-
				-		
	652,709	658,831	658,831	-	-	-

Contractual maturities of financial liabilities as at 30 September 2012:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Long term financing	22,479	24,436	16,379	8,057	-	-
Trade and other payables	332,057	332,057	332,057	-	-	-
Accrued mark-up	18,675	18,675	18,675	-	-	-
Short term borrowings	565,045	600,703	340,352	260,351	-	-
	938,256	975,871	707,463	268,408	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at period / year end. The rates of interest / mark up have been disclosed in Note 6 and Note 11 to these financial statements.

Carrying amount of long term financing as at 30 June 2013 includes overdue installment of principal amounting to Rupees Nil (30 September 2012: Rupees 7.493 million).

40.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in consolidated financial statements approximate their fair values. Following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 June 2013				
Assets				
Available for sale financial assets	15,955	-	-	15,955
As at 30 September 2012				
Assets				
Available for sale financial assets	13,228	-	-	13,228

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Group is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Group has no such type of financial instruments at period / year end.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

40.3 Financial instruments by categories

	30 JUNE 2013			30 SEPTEMBER 2012		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
Assets as per balance sheet						
Investments	**-**	**19,119**	**19,119**	-	16,392	16,392
Loans and advances	**8,964**	**-**	**8,964**	5,416	-	5,416
Deposits	**6,809**	**-**	**6,809**	3,825	-	3,825
Trade debts	**96,234**	**-**	**96,234**	90,332	-	90,332
Other receivables	**112,559**	**-**	**112,559**	38,927	-	38,927
Cash and bank balances	**139,238**	**-**	**139,238**	180,944	-	180,944
	363,804	**19,119**	**382,923**	319,444	16,392	335,836

	30 JUNE 2013	30 SEPTEMBER 2012
	Financial Liabilities At Amortized Cost	
	(RUPEES IN THOUSAND)	
Liabilities as per balance sheet		
Long term financing	**7,493**	22,479
Accrued mark-up	**18,469**	18,675
Short term borrowings	**333,765**	565,045
Trade and other payables	**292,982**	332,057
	652,709	938,246

40.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in Note 6 and Note 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		30 JUNE 2013	30 SEPTEMBER 2012 Restated
Borrowings	Rupees in thousand	**341,258**	587,524
Total equity	Rupees in thousand	**648,837**	394,561
Total capital employed	Rupees in thousand	**990,095**	982,085
Gearing ratio	Percentage	**34.47**	59.82

Crescot Mills Limited, Subsidiary Company has ceased all production activities since August 1998 and the management concludes that the Company is not a going concern. Therefore, there is no need to maintain and adjust the capital structure and monitor the issues pertaining to the capital risk management of the Company.

41. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	TEXTILES		TRADING		Elimination of Inter-segment transactions		TOTAL-GROUP	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012 Restated
Sales	3,070,881	3,530,943	1,988,523	1,783,179	(1,242,825)	(1,067,167)	3,816,579	4,246,955
Cost of sales	(2,697,854)	(3,238,666)	(1,879,299)	(1,669,373)	1,242,825	1,067,167	(3,334,328)	(3,840,872)
Gross profit	373,027	292,277	109,224	113,806	-	-	482,251	406,083
Distribution cost	(37,062)	147,482	(57,420)	(44,672)	-	-	(94,482)	(102,810)
Administrative expenses	(80,017)	85,402	(5,458)	(4,503)	-	-	(85,475)	(80,899)
	117,079	(232,884)	(62,878)	(49,175)	-	-	(179,957)	(183,709)
	490,106	59,393	46,346	64,631	-	-	302,294	222,374
Finance cost	(28,795)	(65,196)	(10,994)	(2,911)	-	-	(39,789)	(68,107)
Profit before taxation and unallocated income and expenses	461,311	(5,803)	35,352	61,720	-	-	262,505	154,267
Other expenses							(17,605)	(18,998)
Other income							16,511	11,529
Share of profit of associated companies							22,519	5,551
Taxation							(62,502)	(57,992)
Profit after taxation from continuing operations							221,428	94,357
Profit after taxation from discontinued operations							55,216	160,119
Profit after taxation							276,644	254,476

41.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		TEXTILES		TRADING		TOTAL-COMPANY	
	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012	30 JUNE 2013	30 SEPTEMBER 2012
										Restated
Total assets for reportable segments	-	2,109,935	-	648	3,793,958	1,706,959	52,573	53,403	3,846,531	3,870,945
Unallocated assets:										
Long term investments - associates									206,705	184,549
Non-current assets classified as held for sale									913	10,883
Deferred income tax asset									-	22,601
Total assets as per balance sheet									4,054,149	4,088,978
Total liabilities for reportable segments	-	523,066	-	495	675,458	503,999	44,913	29,827	720,371	1,057,387
Unallocated liabilities:										
Deferred income tax liability									19,029	9,420
Provision for taxation									125,962	86,301
Total liabilities as per balance sheet									865,362	1,153,108

* The Company has transferred its assets and liabilities related to Sugar segment which were not directly related to non-current assets held for sale to Textiles segment during the period. The assets and liabilities of the Distillery segment have been completely recovered, paid or adjusted.

41.2 Geographical Information

The Group's revenue from external customers by geographical location is detailed below:

	30 JUNE 2013	30 SEPTEMBER 2013
	(RUPEES IN THOUSAND)	
Asia	**3,186,362**	3,417,745
Europe	**20,884**	-
Pakistan	**609,333**	829,210
	3,816,579	4,246,955

41.3 All non-current assets of the Group as at reporting date are located and operated in Pakistan.

41.4 Revenue from major customers

Revenue from major customers of Group's Trading segment represents Rupees 1,755.705 million (30 September 2012: Rupees 1,536.333 million). Textiles segment makes sales to a large number of customers.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

		30 JUNE 2013	30 SEPTEMBER 2012
Holding Company:			
Spinning			
100% plant capacity converted to 20s count based on 3 shifts per day for 819 shifts (30 September 2012: 1098 shifts)	Kgs.	**15 247 451**	20 441 637
Actual production converted to 20s count based on 3 shifts per day for 819 shifts (30 September 2012: 1098 shifts)	Kgs.	**13 765 402**	18 450 907

Embroidery & Hosiery

Capacity of such units cannot be determined due to nature of their operations.

Subsidiary Company:

Crescot Mills Limited has ceased its operations since August 1998.

42.1 Reason for low production

Under utilization of available capacity is due to gas load-shedding during the year.

43. NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Board of Directors of the Holding Company has proposed a cash dividend for the shareholders of the Holding Company for the period ended 30 June 2013 amounting to Rupees 2.00 (30 September 2012: Rupees 1.25) per share at their meeting held on 09 October 2013. However, this event has been considered as non-adjusting event under IAS 10 and has not been recognized in these consolidated financial statements.

44. DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on October 09, 2013 by the Board of Directors of the Group.

45. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made except those required by revised Fourth Schedule to the Companies Ordinance, 1984 and borrowings received from Samba Bank Limited by Subsidiary Company which is shown under current liabilities instead of showing under non-current liabilities.

46. GENERAL

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**
CHIEF EXECUTIVE OFFICER	**DIRECTOR**

CRESCENT COTTON MILLS LIMITED

FORM OF PROXY

I/ We ______________________________ of ______________

a member/members of the **Crescent Cotton Mills Limited** and holder of ______________________ shares as per Registered Folio # ________ /CDC participant's Identity Card No. ______________ A/c No.______________

do hereby appoint ______________________________ of ______________

or failing him ______________________________ of ______________

who is also a member of the Company vide Registered Folio No. ______________ as

my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General

Meeting of the Company to be held at 10:30 a.m. on Thursday the October 31, 2013 at the Registered

Office of the Company, New Lahore Road, Nishatabad, Faisalabad or at any adjournment thereof.

As witness my/our hand this ______________________ day of ______________ 2013.

Member's Signature	Affix revenue stamps of Rs. 5/-

____

Witness Signature

Name: ______________

Address: ______________

____

Note: A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the company at the registered office not less than 48 hours before the time for holding the meeting.