

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013
(UN-AUDITED)

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 & Company
Chartered Accountants

COMPANY REGISTRAR

Yaqub Associates (Pvt) Ltd.
2-Asad Arcade, Circular Road
Faisalabad
Ph: 041-2634956, 2610565

URL

www.crescentcotton.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

The directors of your company are pleased to present to you the condensed interim financial information for the first quarter ended September 30, 2013. During the period under review, your company earned a pre-tax profit of Rs. 90.661 Million which is considerably higher than the pre-tax profit of Rs. 68.727 Million earned in the comparative period of last year. Similarly the profit after taxation in first quarter of this year is Rs. 75.577 Million whereas the company reported post tax profit of Rs. 55.876 Million in the corresponding period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 1,322.209 Million, whereas, the turnover figures during the same period in year 2012 was Rs. 1,250.036 Million hence depicting a rise of almost six percent. Similarly cost of sales in the period under review stood at 88.30% whereas, up to December 31, 2012 it was around 88.76%.

The overall performance of the company is satisfactory during the period under review despite increase in the fuel and power charges and other incidental costs. The management of the company is striving hard for better results.

Future Prospectus

The supply of energy during the winter months is an area of concern for the entire textile industry of Punjab, as we submit this report. The energy plan for winter has not yet been announced by the Government, we hope priority will be given to the industry of the province and we will be able to keep up our operation smooth. The cotton crop looks better but it is too early to predict the size of crop, we feel there will be lessor issues in the supply of raw material. The performance of the company in next quarter will be determined by the supply of power to the industry, we hope we will be able to present better results.

Acknowledgement

We would take this opportunity to thank all our shareholders and bankers for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their valuable insight and guidance.

For and on behalf of
the Board of Directors



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
October 29, 2013

CRESCENT COTTON

UNCONSOLIDATED CONDENSED INTERIM

(RUPEES IN THOUSAND)

| | UN-AUDITED | AUDITED |
|------|----------------------|-----------------|
| NOTE | 30 September 2013 | 30 June 2013 |

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2013: 30 000 000)

ordinary shares of Rupees 10 each

| | |
|----------------|---------|
| 300,000 | 300,000 |
|----------------|---------|

Issued, subscribed and paid up share capital

| | |
|----------------|---------|
| 213,775 | 213,775 |
|----------------|---------|

Reserves

| | |
|----------------|---------|
| 430,151 | 363,914 |
|----------------|---------|

Total equity

| | |
|----------------|---------|
| 643,926 | 577,689 |
|----------------|---------|

Surplus on revaluation of land and investment properties

| | |
|------------------|-----------|
| 2,522,524 | 2,522,524 |
|------------------|-----------|

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing

5

Deferred income tax liability

Employees' retirement benefits

| | |
|---------------|--------|
| - | - |
| 12,217 | 10,717 |
| 23,728 | 23,572 |
| 35,945 | 34,289 |

CURRENT LIABILITIES

Trade and other payables

Accrued markup

Short term borrowings

Current portion of long term financing

Provision for taxation

| | |
|------------------|---------|
| 436,845 | 333,797 |
| 2,620 | 7,867 |
| 430,050 | 328,765 |
| 7,493 | 7,493 |
| 139,480 | 125,896 |
| 1,016,488 | 803,818 |
| 1,052,433 | 838,107 |

TOTAL LIABILITIES

CONTINGENCIES AND COMMITMENTS

6

TOTAL EQUITY AND LIABILITIES

| | |
|------------------|-----------|
| 4,218,883 | 3,938,320 |
|------------------|-----------|

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2013

(RUPEES IN THOUSAND)

| | UN-AUDITED | AUDITED |
|------|----------------------|-----------------|
| NOTE | 30 September 2013 | 30 June 2013 |

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment

7 **2,753,673** 2,758,469

Investment properties

54,172 54,172

Long term investments

8 **24,128** 24,231

Long term deposits

2,612 2,612

2,834,585 2,839,484

CURRENT ASSETS

Stores, spare parts and loose tools

35,537 41,183

Stock in trade

635,824 389,160

Trade debts

126,982 96,234

Loans and advances

24,493 22,329

Short term deposits, prepayments and
balances with statutory authorities

201,511 179,114

Other receivables

116,070 110,250

Short term investments

9 **114,253** 123,490

Cash and bank balances

128,715 136,163

1,383,385 1,097,923


Non-current assets held for sale

10 **913** 913

1,384,298 1,098,836

TOTAL ASSETS

4,218,883 3,938,320



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | NOTE | (RUPEES IN THOUSAND) | |
|--|------|----------------------|---------------------|
| | | 30 September 2013 | 31 December 2012 |
| CONTINUING OPERATIONS: | | | |
| SALES | | 1,322,209 | 1,250,036 |
| COST OF SALES | 11 | (1,167,618) | (1,109,536) |
| GROSS PROFIT | | 154,591 | 140,500 |
| DISTRIBUTION COST | | (35,997) | (33,167) |
| ADMINISTRATIVE EXPENSES | | (32,394) | (23,671) |
| OTHER OPERATING EXPENSES | | (4,806) | (3,574) |
| | | (73,197) | (60,412) |
| | | 81,394 | 80,088 |
| OTHER OPERATING INCOME | 12 | 16,121 | 4,364 |
| PROFIT FROM OPERATIONS | | 97,515 | 84,452 |
| FINANCE COST | | (6,854) | (15,725) |
| PROFIT BEFORE TAXATION | | 90,661 | 68,727 |
| TAXATION | | (15,084) | (11,668) |
| PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS | | 75,577 | 57,059 |
| DISCONTINUED OPERATIONS: | | | |
| PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS | 10 | - | (1,183) |
| PROFIT AFTER TAXATION | | 75,577 | 55,876 |
| EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES): | | | |
| - CONTINUING OPERATIONS | | 3.54 | 2.67 |
| - DISCONTINUED OPERATIONS | | - | (0.06) |

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | (RUPEES IN THOUSAND) | |
|---|----------------------|---------------------|
| | 30 September 2013 | 31 December 2012 |
| PROFIT AFTER TAXATION | 75,577 | 55,876 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss: | | |
| Surplus on remeasurement of available for sale investments | (9,340) | 6,040 |
| Other comprehensive income for the period | (9,340) | 6,040 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 66,237 | 61,916 |

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | | (RUPEES IN THOUSAND) | |
|---|----|----------------------|---------------------|
| NOTE | | 30 September 2013 | 31 December 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (utilized in) / generated from operations | 13 | (77,375) | (825) |
| Finance cost paid | | (12,101) | (13,628) |
| Staff retirement gratuity paid | | (3,660) | - |
| Income tax paid | | (12,976) | 4,027 |
| Dividend paid | | - | - |
| Net cash (utilized in) / generated from operating activities | | (106,112) | (10,426) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (2,621) | (4,458) |
| Proceeds from sale of property, plant and equipment | | - | 706 |
| Net cash from investing activities | | (2,621) | (3,752) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | - | (7,493) |
| Short term borrowings - net | | 101,285 | 17,965 |
| Net cash (used in) / from financing activities | | 101,285 | 10,472 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | (7,448) | (3,706) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 136,163 | 177,868 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 128,715 | 174,162 |

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

| | CAPITAL RESERVES | | | | | REVENUE RESERVES | | | | TOTAL EQUITY |
|---|------------------|----------------------------|---------------------|------------|-----------|------------------|-----------------------|--|-----------|--------------|
| | SHARE CAPITAL | Premium on issue of shares | Plant Modernisation | Fair value | Sub Total | General | Dividend equalization | (Accumulated loss) / unappropriated profit | Sub Total | |
| Balance as at 30 September 2012 - Audited (Restated) | 213,775 | 5,496 | 12,000 | 54,505 | 72,001 | 96,988 | 4,000 | (76,945) | 24,043 | 309,819 |
| Profit for the first quarter ended 31 December 2012 | - | - | - | - | - | - | - | 55,876 | 55,876 | 55,876 |
| Other comprehensive income for the first quarter ended 31 December 2012 | - | - | - | 6,040 | 6,040 | - | - | - | - | 6,040 |
| Total comprehensive income for the first quarter ended 31 December 2012 | - | - | - | 6,040 | 6,040 | - | - | 55,876 | 55,876 | 61,916 |
| Balance as at 31 December 2012 - Un-audited | 213,775 | 5,496 | 12,000 | 60,545 | 78,041 | 96,988 | 4,000 | (21,069) | 79,919 | 371,735 |
| Transaction with owners-Final dividend for the year ended 30 September 2012 at the rate of Rs. 1.25 per share | - | - | - | - | - | - | - | (26,722) | (26,722) | (26,722) |
| Profit for the next two quarters ended 30 June 2013 | - | - | - | - | - | - | - | 200,103 | 200,103 | 200,103 |
| Other comprehensive income for the next two quarters ended 30 June 2013 | - | - | - | 32,573 | 32,573 | - | - | - | - | 32,573 |
| Total comprehensive income for the next two quarters ended 30 June 2013 | - | - | - | 32,573 | 32,573 | - | - | 200,103 | 200,103 | 232,676 |
| Balance as at 30 June 2013 - Audited | 213,775 | 5,496 | 12,000 | 93,118 | 110,614 | 96,988 | 4,000 | 152,312 | 253,300 | 577,689 |
| Profit for the first quarter ended 30 September 2013 | - | - | - | - | - | - | - | 75,577 | 75,577 | 75,577 |
| Other comprehensive income for the first quarter ended 30 September 2013 | - | - | - | (9,340) | (9,340) | - | - | - | - | (9,340) |
| Total comprehensive income for the first quarter ended 30 September 2013 | - | - | - | (9,340) | (9,340) | - | - | 75,577 | 75,577 | 66,237 |
| Balance as at 30 September 2013 - Un-audited | 213,775 | 5,496 | 12,000 | 83,778 | 101,274 | 96,988 | 4,000 | 227,889 | 328,877 | 643,926 |

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT COTTON MILLS LIMITED

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

I. 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). Shares of the Company are quoted on all the stock exchanges of Pakistan. 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 registered office of the Company is situated at New Lahore Road, Nishatabad, Faisalabad.

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. The corresponding figures shown in these financial statements pertain to the un-audited financial statements for the first quarter ended 31 December 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. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the first quarter ended 30 September 2013 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2013.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

(RUPEES IN THOUSAND)

| UN-AUDITED | AUDITED |
|----------------------|-----------------|
| 30 September 2013 | 30 June 2013 |

5. LONG TERM FINANCING - SECURED

Financing from banking companies

| | | |
|---|--------------|--------------|
| Opening balance | 7,493 | 22,479 |
| Less: Repaid during the period / year | - | 14,986 |
| | <u>7,493</u> | <u>7,493</u> |
| Less: Current portion shown under current liabilities | 7,493 | 7,493 |
| | <u>-</u> | <u>-</u> |

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

- 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 June 2013: 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 books of account 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 (30 June 2013: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.
- Letters of guarantee of Rupees 35.993 million (30 June 2013: Rupees 35.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

Commitments:

- There was no contract for capital expenditure as at 30 September 2013 (30 June 2013: 10.972 million).
- Letters of credit for other than capital expenditure as at 30 September 2013 are of Rupees Nil (30 June 2013: Rupees Nil).

7. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-----------------------------------|------------------|------------------|
| Operating fixed assets (Note 7.1) | 2,753,673 | 2,758,469 |
| Capital work-in-progress | - | - |
| | <u>2,753,673</u> | <u>2,758,469</u> |

7.1 Operating fixed assets

| | | |
|---|------------------|------------------|
| Opening book value | 2,758,469 | 2,761,525 |
| Add : Cost of additions during the period / year (Note 7.1.1) | 2,621 | 19,658 |
| Add : Transferred from non-current assets held for sale | - | 310 |
| | <u>2,761,090</u> | <u>2,781,493</u> |

Less:

| | | |
|---|------------------|------------------|
| Book value of deletions during the period / year (Note 7.1.2) | - | 433 |
| Classified as non-current assets held for sale (Note 10.1.2) | - | 7 |
| Depreciation charged during the period / year | <u>7,417</u> | <u>22,584</u> |
| | <u>7,417</u> | <u>23,024</u> |
| Book value at the end of the period / year | <u>2,753,673</u> | <u>2,758,469</u> |

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

7.1.1 Cost of additions during the period / year

| | | |
|------------------------|--------------|---------------|
| Plant and machinery | 2,022 | 14,567 |
| Electric installations | 147 | 1,391 |
| Tools and equipment | - | 178 |
| Furniture and fixtures | 394 | 1,056 |
| Vehicles | - | 1,089 |
| Office equipment | 58 | 1,377 |
| | <u>2,621</u> | <u>19,658</u> |

7.1.2 Book value of deletions during the period / year

| | | |
|---------------------|----------|------------|
| Plant and machinery | - | 49 |
| Vehicles | - | 384 |
| | <u>-</u> | <u>433</u> |

8. LONG TERM INVESTMENTS - Available for sale

| | | |
|--|---------------|---------------|
| Unquoted - Subsidiary company | 12,734 | 12,734 |
| Quoted - Associated companies | 502 | 502 |
| Quoted - Others | 716 | 716 |
| Unquoted - Others | 3,164 | 3,164 |
| | <u>17,116</u> | <u>17,116</u> |
| Less: Impairment loss charged to profit and loss account | - | - |
| Add: Fair value adjustment | 7,012 | 7,115 |
| | <u>24,128</u> | <u>24,231</u> |

9. SHORT TERM INVESTMENTS – Available for sale

| | | |
|-------------------------------|----------------|----------------|
| Quoted - Associated companies | 29,745 | 29,745 |
| Quoted - Others | 7,742 | 7,742 |
| | <u>37,487</u> | <u>37,487</u> |
| Add: Fair value adjustment | 76,766 | 86,003 |
| | <u>114,253</u> | <u>123,490</u> |

10. 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:

10.1 Non-current assets classified as held for sale

| | | |
|---|------------|------------|
| Property, plant and equipment - Sugar Unit (Note 10.1.1) | 913 | 913 |
| Property, plant and equipment - Distillery Unit (Note 10.1.2) | - | - |
| | <u>913</u> | <u>913</u> |

10.1.1 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. The Company has disposed of major portion of the plant and machinery and related equipment during the period. The remaining assets are expected to be disposed of uptill the end of the financial year.

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

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:

| | | |
|------------------------|------------|---------------|
| Plant and machinery | 752 | 8,533 |
| Electric installations | - | 234 |
| Tools and equipment | 158 | 1,513 |
| Service equipment | 3 | 9 |
| | <u>913</u> | <u>10,289</u> |

Less: Disposed of during the period/year

| | | |
|------------------------|----------|--------------|
| Plant and machinery | - | 7,781 |
| Electric installations | - | 234 |
| Tools and equipment | - | 1,045 |
| Service equipment | - | 6 |
| | <u>-</u> | <u>9,066</u> |

Less: Tools & equipments transferred to property plant and equipment

| | |
|---|-----|
| - | 310 |
|---|-----|

Carrying value of non-current assets held for sale

| | |
|------------|------------|
| <u>913</u> | <u>913</u> |
|------------|------------|

No non-current assets held for sale were disposed of during the period (30 June 2013: Rupees 51.766 million) resulting in a net gain of Rupees Nil (30 June 2013: Rupees 42.700 million). The cost of these assets at the time of their purchase was Rupees Nil (30 June 2013: Rupees 46.852 million). The mode of disposal of these assets was through negotiation.

10.1.2 Property, plant and equipment - Distillery Unit

Property, plant and equipment related to Distillery Unit has been 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 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:

Opening balance:

| | | |
|---------------------|---|-----|
| Plant and machinery | - | 590 |
| Tools and equipment | - | 4 |

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

| | | |
|------------------------|----------|----------|
| Furniture and fixtures | - | 6 |
| Office equipment | - | 1 |
| | <u>-</u> | <u>7</u> |
| | - | 601 |

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

Less: Disposed of during the period/year

| | | |
|--|---|-----|
| Plant and machinery | - | 590 |
| Tools and equipment | - | 4 |
| Furniture and fixtures | - | 6 |
| Office equipment | - | 1 |
| | - | 601 |
| Carrying value of non-current assets held for sale | - | - |

No non-current assets held for sale were disposed of during the period (30 June 2013: Rupees 46.500 million) resulting in a net gain of Rupees Nil (30 June 2013: Rupees 45.899 million). The cost of these assets at the time of purchase was Rupees Nil (30 June 2013: Rupees 9.213 million). The mode of disposal of these assets was through negotiation.

| (RUPEES IN THOUSAND) | |
|----------------------|------------------|
| UN-AUDITED | |
| 30 September 2013 | 31 December 2012 |

10.2 Analysis of the result of discontinued operations

Profit / (loss) after taxation from discontinued operations

| | | |
|-------------------------------|---|---------|
| Sugar Unit (Note 10.2.1) | - | (1,053) |
| Distillery Unit (Note 10.2.2) | - | (130) |
| | - | (1,183) |

10.2.1 Analysis of result of discontinued operation - Sugar Unit

| | | |
|--|---|---------|
| OTHER OPERATING INCOME | - | 5,371 |
| ADMINISTRATIVE EXPENSES | - | (6,331) |
| OTHER OPERATING EXPENSES | - | - |
| | - | (6,331) |
| PROFIT FROM DISCONTINUED OPERATION | - | (960) |
| FINANCE COST | - | (2) |
| PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION | - | (962) |
| TAXATION | - | (91) |
| PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION | - | (1,053) |

10.2.2 Analysis of result of discontinued operation - Distillery Unit

| | | |
|---|---|-------|
| SALES | - | - |
| COST OF GOODS SOLD | - | - |
| GROSS LOSS | - | - |
| DISTRIBUTION COST | - | - |
| ADMINISTRATIVE EXPENSES | - | (130) |
| | - | (130) |
| OTHER OPERATING INCOME | - | - |
| PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION | - | (130) |
| TAXATION | - | - |
| PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION | - | (130) |

| (RUPEES IN THOUSAND) | |
|----------------------|------------------|
| UN-AUDITED | |
| 30 September 2013 | 31 December 2012 |

10.3 Cash flows of discontinued operations

| | | |
|-------------------------------|---|---------|
| Sugar Unit (Note 10.3.1) | - | (6,399) |
| Distillery Unit (Note 10.3.2) | - | - |
| | - | (6,399) |

10.3.1 Analysis of the cash flows of discontinued operation - Sugar Unit

| | | |
|----------------------|---|---------|
| Operating cash flows | - | (4,079) |
| Investing cash flows | - | - |
| Financing cash flows | - | (2,320) |
| | - | (6,399) |

10.3.2 Analysis of the cash flows of discontinued operations - Distillery Unit

There was no net cash inflows / outflows related to Distillery Unit during the period.

11. COST OF SALES

| | | |
|--|-----------|---------|
| Raw material consumed | 720,463 | 646,961 |
| Cost of raw material sold | - | 19,257 |
| Salaries, wages and other benefits | 69,077 | 61,553 |
| Stores, spare parts and loose tools consumed | 32,537 | 28,710 |
| Fuel and power | 116,316 | 103,771 |
| Outside weaving charges | 135,366 | 102,069 |
| Other manufacturing overheads | 2,881 | 1,786 |
| Insurance | 1,407 | 1,390 |
| Repair and maintenance | 1,792 | 1,546 |
| Depreciation | 6,662 | 6,766 |
| | 1,086,501 | 973,809 |

| | | |
|----------------------------|-----------|----------|
| Work-in-process: | | |
| Opening stock | 19,248 | 16,336 |
| Closing stock | (20,841) | (17,082) |
| | (1,593) | (746) |
| Cost of goods manufactured | 1,084,908 | 973,063 |

| | | |
|-----------------|-----------|-----------|
| Finished goods: | | |
| Opening stock | 163,131 | 126,612 |
| Closing stock | (181,420) | (185,233) |
| | (18,289) | (58,621) |
| | 1,066,619 | 914,442 |

| | | |
|--------------------------------------|-----------|-----------|
| Cost of goods - purchased for resale | 100,999 | 195,094 |
| | 1,167,618 | 1,109,536 |

12. OTHER OPERATING INCOME

| | | |
|---|--------|-------|
| Profit on deposits with banks | 1,619 | 3,723 |
| Dividend income | 13 | 13 |
| Gain on sale of property, plant and equipment | - | 401 |
| Scrap sales | 174 | 227 |
| Rental income | 1,315 | - |
| Others | 13,000 | - |
| | 16,121 | 4,364 |

(RUPEES IN THOUSAND)

| UN-AUDITED | |
|----------------------|---------------------|
| 30 September 2013 | 31 December 2012 |

13. CASH UTILIZED IN OPERATIONS

| | | |
|--|------------------|----------|
| Profit before taxation | 90,661 | 67,635 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 7,417 | 7,364 |
| Provision for staff retirement gratuity | 3,816 | 2,053 |
| Gain on sale of property, plant and equipment | - | (401) |
| Credit balances written back | - | (3,876) |
| Finance cost | 6,854 | 15,727 |
| Working capital changes (Note 13.1) | (186,123) | (89,327) |
| | (77,375) | (825) |

13.1 Working capital changes

(Increase) / decrease in current assets

| | | |
|---|--------------------|------------|
| Stores, spare parts and loose tools | 5,646 | 2,925 |
| Stock in trade | (246,664) | (167,172) |
| Trade debts | (30,748) | 31,625 |
| Loans and advances | (2,164) | (5,117) |
| Prepayments and balances with statutory authorities | (9,421) | (6,464) |
| Other receivables | (5,820) | (15,306) |
| | (289,171) | (159,509) |
| (Decrease) / increase in trade and other payables | 103,048 | 70,182 |
| | (186,123) | (89,327) |

14. SEGMENT INFORMATION

(UN-AUDITED)

| | Textiles | | Trading | | Elimination of Inter-segment transactions | | TOTAL | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|--|-----------------------------|------------------------------|-----------------------------|
| | First Quarter Ended | | First Quarter Ended | | First Quarter Ended | | First Quarter Ended | |
| | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 |
| | (RUPEES IN THOUSAND) | | | | | | | |
| Sales | 1,139,660 | 1,135,568 | 794,456 | 603,100 | (611,907) | (488,632) | 1,322,209 | 1,250,036 |
| Cost of sales | (1,028,121) | (1,028,799) | (751,404) | (569,369) | 611,907 | 488,632 | (1,167,618) | (1,109,536) |
| Gross profit | 111,539 | 106,769 | 43,052 | 33,731 | - | - | 154,591 | 140,500 |
| Distribution cost | (12,834) | (15,199) | (23,163) | (17,968) | - | - | (35,997) | (33,167) |
| Administrative expenses | (30,454) | (22,898) | (1,940) | (773) | - | - | (32,394) | (23,671) |
| Other operating expenses | (4,806) | (3,574) | - | - | - | - | (4,806) | (3,574) |
| | (48,094) | (41,671) | (25,103) | (18,741) | - | - | (73,197) | (60,412) |
| | 63,445 | 65,098 | 17,949 | 14,990 | - | - | 81,394 | 80,088 |
| Other operating income | 16,121 | 4,364 | - | - | - | - | 16,121 | 4,364 |
| Profit from operations | 79,566 | 69,462 | 17,949 | 14,990 | - | - | 97,515 | 84,452 |
| Finance cost | (4,867) | (13,960) | (1,987) | (1,765) | - | - | (6,854) | (15,725) |
| Profit before taxation | 74,699 | 55,502 | 15,962 | 13,225 | - | - | 90,661 | 68,727 |
| Taxation | | | | | | | (15,084) | (11,668) |
| Profit after taxation from continued operations | | | | | | | 75,577 | 57,059 |
| Profit / (loss) after taxation from discontinued operations | | | | | | | - | (1,183) |
| Profit after taxation | | | | | | | 75,577 | 55,876 |

15. 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 and balances with related parties are as follows:

| DESCRIPTION | UN-AUDITED | |
|----------------------|----------------------|---------------------|
| | QUARTER ENDED | |
| | 30 September 2013 | 31 December 2012 |
| (RUPEES IN THOUSAND) | | |

i) Transactions

Subsidiary company

| | | |
|----------------|-----|-----|
| Rental expense | 255 | 264 |
|----------------|-----|-----|

Associated companies

| | | |
|-----------------|---|-------|
| Service charges | - | 6,958 |
|-----------------|---|-------|

16. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.

17. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on October 29, 2013 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year; whereas, the condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

19. GENERAL

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2013
(UN-AUDITED)

CRESCENT COTTON MILLS

CONSOLIDATED CONDENSED INTERIM

(RUPEES IN THOUSAND)

| | UN-AUDITED | AUDITED |
|------|----------------------|-----------------|
| NOTE | 30 September 2013 | 30 June 2013 |

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2013: 30 000 000)

ordinary shares of Rupees 10 each

| | |
|----------------|---------|
| 300,000 | 300,000 |
|----------------|---------|

Issued, subscribed and paid up share capital
Reserves

| | |
|----------------|---------|
| 213,775 | 213,775 |
| 533,959 | 435,062 |

Total equity

| | |
|----------------|---------|
| 747,734 | 648,837 |
|----------------|---------|

Surplus on revaluation of land and investment properties

| | |
|------------------|-----------|
| 2,539,950 | 2,539,950 |
|------------------|-----------|

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Deferred income tax liability
Employees' retirement benefits

| | | |
|---|---------------|--------|
| 5 | - | - |
| | 20,529 | 19,029 |
| | 23,728 | 23,572 |
| | 44,257 | 42,601 |

CURRENT LIABILITIES

Trade and other payables
Accrued markup
Short term borrowings
Current portion of long term financing
Provision for taxation

| | |
|------------------|---------|
| 439,865 | 337,072 |
| 13,371 | 18,469 |
| 435,050 | 333,765 |
| 7,493 | 7,493 |
| 139,584 | 125,962 |
| 1,035,363 | 822,761 |
| 1,079,620 | 865,362 |

TOTAL LIABILITIES

CONTINGENCIES AND COMMITMENTS

6

TOTAL EQUITY AND LIABILITIES

| | |
|------------------|-----------|
| 4,367,304 | 4,054,149 |
|------------------|-----------|

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

LIMITED AND ITS SUBSIDIARY

BALANCE SHEET AS AT 30 SEPTEMBER 2013

(RUPEES IN THOUSAND)

| | UN-AUDITED | AUDITED |
|------|----------------------|-----------------|
| NOTE | 30 September 2013 | 30 June 2013 |

ASSETS

NON-CURRENT ASSETS


| | | | |
|-------------------------------|---|------------------|-----------|
| Property, plant and equipment | 7 | 2,780,473 | 2,785,896 |
| Investment properties | | 54,172 | 54,172 |
| Long term investments | 8 | 236,578 | 212,450 |
| Long term deposits | | 3,134 | 3,134 |
| | | 3,074,357 | 3,055,652 |

CURRENT ASSETS

| | | | |
|---|----|------------------|---------|
| Stores, spare parts and loose tools | | 39,853 | 45,500 |
| Stock in trade | | 635,824 | 389,160 |
| Trade debts | | 126,982 | 96,234 |
| Loans and advances | | 24,493 | 22,329 |
| Short term deposits, prepayments and balances with statutory authorities | | 201,587 | 179,190 |
| Other receivables | | 118,379 | 112,559 |
| Short term investments | 9 | 13,126 | 13,374 |
| Cash and bank balances | | 131,790 | 139,238 |
| | | 1,292,034 | 997,584 |
| Non-current assets held for sale | 10 | 913 | 913 |
| | | 1,292,947 | 998,497 |

TOTAL ASSETS

| | |
|------------------|-----------|
| 4,367,304 | 4,054,149 |
|------------------|-----------|



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | NOTE | (RUPEES IN THOUSAND) | |
|--|------|----------------------|---------------------|
| | | 30 September 2013 | 31 December 2012 |
| CONTINUING OPERATIONS: | | | |
| SALES | | 1,322,209 | 1,250,036 |
| COST OF SALES | 11 | (1,167,618) | (1,109,536) |
| GROSS PROFIT | | 154,591 | 140,500 |
| DISTRIBUTION COST | | (35,997) | (33,167) |
| ADMINISTRATIVE EXPENSES | | (32,766) | (24,127) |
| OTHER OPERATING EXPENSES | | (4,806) | (3,574) |
| | | (73,569) | (60,868) |
| | | 81,022 | 79,632 |
| OTHER OPERATING INCOME | | 16,121 | 4,364 |
| PROFIT FROM OPERATIONS | | 97,143 | 83,996 |
| FINANCE COST | 12 | (7,004) | (15,725) |
| | | 90,139 | 68,271 |
| SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES | | 24,074 | 23,261 |
| PROFIT BEFORE TAXATION | | 114,213 | 91,532 |
| TAXATION | | (15,122) | (11,668) |
| PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS | | 99,091 | 79,864 |
| DISCONTINUED OPERATIONS: | | | |
| PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS | | - | (1,183) |
| PROFIT AFTER TAXATION | | 99,091 | 78,681 |
| EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES): | | | |
| - CONTINUING OPERATIONS | | 4.64 | 3.74 |
| - DISCONTINUED OPERATIONS | | - | (0.06) |

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | (RUPEES IN THOUSAND) | |
|--|----------------------|---------------------|
| | 30 September 2013 | 31 December 2012 |
| PROFIT AFTER TAXATION | 99,091 | 78,681 |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | |
| Items that will not be reclassified to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss: | | |
| Surplus / (deficit) on remeasurement of available for sale investments | (194) | 4,428 |
| Other comprehensive income / (loss) for the period | (194) | 4,428 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 98,897 | 83,109 |

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

| | | (RUPEES IN THOUSAND) | |
|---|------|----------------------|---------------------|
| | NOTE | 30 September 2013 | 31 December 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (utilized in) / generated from operations | 13 | (77,298) | (809) |
| Finance cost paid | | (12,102) | (13,628) |
| Staff retirement gratuity paid | | (3,660) | - |
| Income tax paid | | (13,052) | 4,011 |
| Dividend paid | | - | - |
| | | (28,814) | (9,617) |
| Net cash (utilized in) / generated from operating activities | | (106,112) | (10,426) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (2,621) | (4,458) |
| Proceeds from sale of property, plant and equipment | | - | 706 |
| Net cash from investing activities | | (2,621) | (3,752) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | - | (7,493) |
| Short term borrowings - net | | 101,285 | 17,965 |
| Net cash (used in) / from financing activities | | 101,285 | 10,472 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | (7,448) | (3,706) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 139,238 | 180,944 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 131,790 | 177,238 |

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
 DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

| | (RUPEES IN THOUSAND) | | | | | | | | | |
|---|----------------------|----------------------------|---------------------|------------|-----------|------------------|-----------------------|--|-----------|--------------|
| | CAPITAL RESERVES | | | | | REVENUE RESERVES | | | | |
| | SHARE CAPITAL | Premium on issue of shares | Plant Modernisation | Fair value | Sub Total | General | Dividend equalization | (Accumulated loss) / unappropriated profit | Sub Total | TOTAL EQUITY |
| Balance as at 30 September 2012 - Audited (Restated) | 213,775 | 5,496 | 12,000 | 4,770 | 22,266 | 44,975 | 4,000 | 109,545 | 158,520 | 394,561 |
| Profit for the first quarter ended 31 December 2012 | - | - | - | - | - | - | - | 78,681 | 78,681 | 78,681 |
| Other comprehensive income for the first quarter ended 31 December 2012 | - | - | - | 4,428 | 4,428 | - | - | - | - | 4,428 |
| Total comprehensive income for the first quarter ended 31 December 2012 | - | - | - | 4,428 | 4,428 | - | - | 78,681 | 78,681 | 83,109 |
| Balance as at 31 December 2012 - Unaudited | 213,775 | 5,496 | 12,000 | 9,198 | 26,694 | 44,975 | 4,000 | 188,226 | 237,201 | 477,670 |
| Transaction with owners-Final dividend for the year ended 30 September 2012 at the rate of Rs. 1.25 per share | - | - | - | - | - | - | - | (26,722) | (26,722) | (26,722) |
| Profit for the next two quarters ended 30 June 2013 | - | - | - | - | - | - | - | 199,591 | 199,591 | 199,591 |
| Other comprehensive income for the next two quarters ended 30 June 2013 | - | - | - | (1,702) | (1,702) | - | - | - | - | (1,702) |
| Total comprehensive income for the next two quarters ended 30 June 2013 | - | - | - | (1,702) | (1,702) | - | - | 199,591 | 199,591 | 197,889 |
| Balance as at 30 June 2013 - Audited | 213,775 | 5,496 | 12,000 | 7,496 | 24,992 | 44,975 | 4,000 | 361,095 | 410,070 | 648,837 |
| Profit for the first quarter ended 30 September 2013 | - | - | - | - | - | - | - | 99,091 | 99,091 | 99,091 |
| Other comprehensive income for the first quarter ended 30 September 2013 | - | - | - | (194) | (194) | - | - | - | - | (194) |
| Total comprehensive income for the first quarter ended 30 September 2013 | - | - | - | (194) | (194) | - | - | 99,091 | 99,091 | 98,897 |
| Balance as at 30 September 2013 - Un-audited | 213,775 | 5,496 | 12,000 | 7,302 | 24,798 | 44,975 | 4,000 | 460,186 | 509,161 | 747,734 |

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (UN-AUDITED)

I. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills and Distillery Limited)

Subsidiary Company

Crescot Mills Limited

Crescent Cotton Mills Limited

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills and Distillery 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). Shares of the Company are quoted on all the stock exchanges in Pakistan. 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 registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

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. The corresponding figures shown in these financial statements pertain to the un-audited financial statements for the first quarter ended 31 December 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. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore stock exchanges. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and Separate Financial Statements" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

3.1 The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

3.2 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 condensed interim financial information of the Subsidiary Company is included in the consolidated consolidated condensed interim financial information 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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the 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.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

5. LONG TERM FINANCING - SECURED

Financing from banking companies

| | | |
|---|-------|--------|
| Opening balance | 7,493 | 22,479 |
| Less: Repaid during the period / year | - | 14,986 |
| | 7,493 | 7,493 |
| Less: Current portion shown under current liabilities | 7,493 | 7,493 |
| | - | - |

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

- 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 June 2013: 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 books of account 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 (30 June 2013: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

- Letters of guarantee of Rupees 35.993 million (30 June 2013: Rupees 35.993 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

Commitments:

- There was no contract for capital expenditure as at 30 September 2013 (30 June 2013: Rs. 10.972 million).

- Letters of credit for other than capital expenditure as at 30 September 2013 are of Rupees Nil (30 June 2013: Rupees Nil).

7. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-----------------------------------|-----------|-----------|
| Operating fixed assets (Note 7.1) | 2,780,473 | 2,785,896 |
| Capital work-in-progress | - | - |
| | 2,780,473 | 2,785,896 |

7.1 Operating fixed assets

| | | |
|---|-----------|-----------|
| Opening book value | | |
| Add : Cost of additions during the period / year (Note 7.1.1) | 2,785,896 | 2,791,724 |
| Add : Transferred from non-current assets held for sale | 2,621 | 19,658 |
| | - | 310 |
| | 2,788,517 | 2,811,692 |

Less:

| | | |
|---|-----------|-----------|
| Book value of deletions during the period / year (Note 7.1.2) | - | 433 |
| Classified as non-current assets held for sale (Note 10.1.2) | - | 7 |
| Depreciation charged during the period / year | 8,044 | 25,356 |
| | 8,044 | 25,796 |
| Book value at the end of the period / year | 2,780,473 | 2,785,896 |

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

7.1.1 Cost of additions during the period / year

| | | |
|------------------------|-------|--------|
| Plant and machinery | 2,022 | 14,567 |
| Electric installations | 147 | 1,391 |
| Tools and equipment | - | 178 |
| Furniture and fixtures | 394 | 1,056 |
| Vehicles | - | 1,089 |
| Office equipment | 58 | 1,377 |
| | 2,621 | 19,658 |

7.1.2 Book value of deletions during the period / year

| | | |
|---------------------|---|-----|
| Plant and machinery | - | 49 |
| Vehicles | - | 384 |
| | - | 433 |

8. LONG TERM INVESTMENTS

In associates:

| | | |
|--|---------|---------|
| Cost | 43,608 | 43,608 |
| Share of post acquisition profit: | | |
| At the beginning of the period / year | 163,097 | 140,941 |
| Share of profit during the period / year | 24,074 | 22,156 |
| | 187,171 | 163,097 |
| Available for sale: | 230,779 | 206,705 |
| Quoted - Others | 717 | 717 |
| Unquoted - Others | 3,164 | 3,164 |
| | 3,881 | 3,881 |
| Less: Impairment loss charged to profit and loss account | - | - |
| Add: Fair value adjustment | 1,918 | 1,864 |
| | 5,799 | 5,745 |
| | 236,578 | 212,450 |

8.1 The investments in associates were not acquired for disposal purposes, therefore 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.

9. SHORT TERM INVESTMENTS – Available for sale

| | | |
|----------------------------|--------|--------|
| Quoted - Others | 7,742 | 7,742 |
| | 5,384 | 5,632 |
| Add: Fair value adjustment | | |
| | 13,126 | 13,374 |

10. 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:

10.1 Non-current assets classified as held for sale

| | | |
|---|-----|-----|
| Property, plant and equipment - Sugar Unit (Note 10.1.1) | 913 | 913 |
| Property, plant and equipment - Distillery Unit (Note 10.1.2) | - | - |
| | 913 | 913 |

10.1.1 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 Holding 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 Holding Company. The Holding Company has disposed of major portion of the plant and machinery and related equipment during the period. The remaining assets are expected to be disposed of uptill the end of the financial year.

| (RUPEES IN THOUSAND) | |
|----------------------|--------------|
| UN-AUDITED | AUDITED |
| 30 September 2013 | 30 June 2013 |

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:

| | | |
|--|------------|---------------|
| Plant and machinery | 752 | 8,533 |
| Electric installations | - | 234 |
| Tools and equipment | 158 | 1,513 |
| Service equipment | 3 | 9 |
| | <u>913</u> | <u>10,289</u> |
| Less: Disposed of during the period/year | | |
| Plant and machinery | - | 7,781 |
| Electric installations | - | 234 |
| Tools and equipment | - | 1,045 |
| Service equipment | - | 6 |
| | - | <u>9,066</u> |
| Less: Tools & equipments transferred to property plant and equipment | - | 310 |
| Carrying value of non-current assets held for sale | <u>913</u> | <u>913</u> |

No non-current assets held for sale were disposed of during the period (30 June 2013: Rupees 51.766 million) resulting in a net gain of Rupees Nil (30 June 2013: Rupees 42.700 million). The cost of these assets at the time of their purchase was Rupees Nil (30 June 2013: Rupees 46.852 million). The mode of disposal of these assets was through negotiation.

10.1.2 Property, plant and equipment - Distillery Unit

Property, plant and equipment related to Distillery Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the Holding 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 Holding Company. The Holding Company has disposed of whole 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:

Opening balance:

| | | |
|--|---|------------|
| Plant and machinery | - | 590 |
| Tools and equipment | - | 4 |
| Book value of assets transferred from property, plant and equipment: | | |
| Furniture and fixtures | - | 6 |
| Office equipment | - | 1 |
| | - | <u>7</u> |
| | - | <u>601</u> |

(RUPEES IN THOUSAND)

| UN-AUDITED | AUDITED |
|-------------------|--------------|
| 30 September 2013 | 30 June 2013 |

Less: Disposed of during the period/year

| | | |
|--|---|------------|
| Plant and machinery | - | 590 |
| Tools and equipment | - | 4 |
| Furniture and fixtures | - | 6 |
| Office equipment | - | 1 |
| | - | <u>601</u> |
| Carrying value of non-current assets held for sale | - | - |

No non-current assets held for sale were disposed of during the period (30 June 2013: Rupees 46.500 million) resulting in a net gain of Rupees Nil (30 June 2013: Rupees 45.899 million). The cost of these assets at the time of purchase was Rupees Nil (30 June 2013: Rupees 9.213 million). The mode of disposal of these assets was through negotiation.

(RUPEES IN THOUSAND)

| UN-AUDITED | |
|-------------------|------------------|
| 30 September 2013 | 31 December 2012 |

10.2 Analysis of the result of discontinued operations

Profit / (loss) after taxation from discontinued operations

| | | |
|-------------------------------|---|----------------|
| Sugar Unit (Note 10.2.1) | - | (1,053) |
| Distillery Unit (Note 10.2.2) | - | (130) |
| | - | <u>(1,183)</u> |

10.2.1 Analysis of result of discontinued operation - Sugar Unit

| | | |
|--|---|----------------|
| OTHER OPERATING INCOME | - | 5,371 |
| ADMINISTRATIVE EXPENSES | - | (6,331) |
| OTHER OPERATING EXPENSES | - | - |
| | - | <u>(6,331)</u> |
| PROFIT FROM DISCONTINUED OPERATION | - | (960) |
| FINANCE COST | - | (2) |
| PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION | - | (962) |
| TAXATION | - | (91) |
| PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION | - | <u>(1,053)</u> |

10.2.2 Analysis of result of discontinued operation - Distillery Unit

| | | |
|---|---|--------------|
| SALES | - | - |
| COST OF GOODS SOLD | - | - |
| GROSS LOSS | - | - |
| DISTRIBUTION COST | - | - |
| ADMINISTRATIVE EXPENSES | - | (130) |
| | - | <u>(130)</u> |
| OTHER OPERATING INCOME | - | - |
| PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION | - | (130) |
| TAXATION | - | - |
| PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION | - | <u>(130)</u> |

(RUPEES IN THOUSAND)

| UN-AUDITED | |
|----------------------|---------------------|
| 30 September 2013 | 31 December 2012 |

10.3 Cash flows of discontinued operations

| | | |
|-------------------------------|----------|----------------|
| Sugar Unit (Note 10.3.1) | - | (6,399) |
| Distillery Unit (Note 10.3.2) | - | - |
| | <u>-</u> | <u>(6,399)</u> |

10.3.1 Analysis of the cash flows of discontinued operation - Sugar Unit

| | | |
|----------------------|----------|----------------|
| Operating cash flows | - | (4,079) |
| Investing cash flows | - | - |
| Financing cash flows | - | (2,320) |
| | <u>-</u> | <u>(6,399)</u> |

10.3.2 Analysis of the cash flows of discontinued operations - Distillery Unit

There was no net cash inflows / outflows related to Distillery Unit during the period.

11. COST OF SALES

| | | |
|--|------------------|------------------|
| Raw material consumed | 720,463 | 646,961 |
| Cost of raw material sold | - | 19,257 |
| Salaries, wages and other benefits | 69,077 | 61,553 |
| Stores, spare parts and loose tools consumed | 32,537 | 28,710 |
| Fuel and power | 116,316 | 103,771 |
| Outside weaving charges | 135,366 | 102,069 |
| Other manufacturing overheads | 2,881 | 1,786 |
| Insurance | 1,407 | 1,390 |
| Repair and maintenance | 1,792 | 1,546 |
| Depreciation | 6,662 | 6,766 |
| | <u>1,086,501</u> | <u>973,809</u> |
| Work-in-process: | | |
| Opening stock | 19,248 | 16,336 |
| Closing stock | (20,841) | (17,082) |
| | <u>(1,593)</u> | <u>(746)</u> |
| Cost of goods manufactured | <u>1,084,908</u> | <u>973,063</u> |
| Finished goods: | | |
| Opening stock | 163,131 | 126,612 |
| Closing stock | (181,420) | (185,233) |
| | <u>(18,289)</u> | <u>(58,621)</u> |
| | <u>1,066,619</u> | <u>914,442</u> |
| Cost of goods - purchased for resale | 100,999 | 195,094 |
| | <u>1,167,618</u> | <u>1,109,536</u> |

12. OTHER OPERATING INCOME

| | | |
|---|---------------|--------------|
| Profit on deposits with banks | 1,619 | 3,723 |
| Dividend income | 13 | 13 |
| Gain on sale of property, plant and equipment | - | 401 |
| Scrap sales | 174 | 227 |
| Rental income | 1,315 | - |
| Others | 13,000 | - |
| | <u>16,121</u> | <u>4,364</u> |

(RUPEES IN THOUSAND)

| UN-AUDITED | |
|----------------------|---------------------|
| 30 September 2013 | 31 December 2012 |

13. CASH UTILIZED IN OPERATIONS

| | | |
|--|-----------------|--------------|
| Profit before taxation | 114,213 | 90,440 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 8,044 | 8,057 |
| Provision for staff retirement gratuity | 3,816 | 2,053 |
| Gain on sale of property, plant and equipment | - | (401) |
| Credit balances written back | - | (3,876) |
| Share of (profit) / loss from associated companies | (24,074) | (23,261) |
| Finance cost | 7,004 | 15,727 |
| Working capital changes (Note 13.1) | (186,301) | (89,548) |
| | <u>(77,298)</u> | <u>(809)</u> |

13.1 Working capital changes**(Increase) / decrease in current assets**

| | | |
|---|------------------|------------------|
| Stores, spare parts and loose tools | 5,647 | 2,927 |
| Stock in trade | (246,664) | (167,172) |
| Trade debts | (30,748) | 31,625 |
| Loans and advances | (2,164) | (5,117) |
| Prepayments and balances with statutory authorities | (9,345) | (6,464) |
| Other receivables | (5,820) | (15,307) |
| | <u>(289,094)</u> | <u>(159,508)</u> |

(Decrease) / increase in trade and other payables

| | | |
|--|------------------|-----------------|
| | 102,793 | 69,960 |
| | <u>(186,301)</u> | <u>(89,548)</u> |

14. SEGMENT INFORMATION

(UN-AUDITED)

| | Textiles | | Trading | | Elimination of Inter-segment transactions | | TOTAL | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|--|-----------------------------|------------------------------|-----------------------------|
| | First Quarter Ended | | First Quarter Ended | | First Quarter Ended | | First Quarter Ended | |
| | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 | 30 September 2013 | 31 December 2012 |
| | (RUPEES IN THOUSAND) | | | | | | | |
| Sales | 591,685 | 1,135,568 | 1,342,431 | 603,100 | (611,907) | (488,632) | 1,322,209 | 1,250,036 |
| Cost of sales | (498,536) | (1,028,799) | (1,280,989) | (569,369) | 611,907 | 488,632 | (1,167,618) | (1,109,536) |
| Gross profit | 93,149 | 106,769 | 61,442 | 33,731 | - | - | 154,591 | 140,500 |
| Distribution cost | 3,328 | (15,199) | (39,325) | (17,968) | - | - | (35,997) | (33,167) |
| Administrative expenses | (32,586) | (23,354) | (180) | (773) | - | - | (32,766) | (24,127) |
| Other operating expenses | (4,806) | (3,574) | - | - | - | - | (4,806) | (3,574) |
| | (34,064) | (42,127) | (39,505) | (18,741) | - | - | (73,569) | (60,868) |
| | 59,085 | 64,642 | 21,937 | 14,990 | - | - | 81,022 | 79,632 |
| Other operating income | 16,121 | 4,364 | - | - | - | - | 16,121 | 4,364 |
| Profit from operations | 75,206 | 69,006 | 21,937 | 14,990 | - | - | 97,143 | 83,996 |
| Finance cost | (4,888) | (13,960) | (2,116) | (1,765) | - | - | (7,004) | (15,725) |
| Profit before taxation and unallocated income and expenses | 70,318 | 55,046 | 19,821 | 13,225 | - | - | 90,139 | 68,271 |
| Unallocated income and expenses: | | | | | | | | |
| Share of profit / (loss) from associated companies | | | | | | | 24,074 | 23,261 |
| Taxation | | | | | | | (15,122) | (11,668) |
| Profit after taxation from continued operations | | | | | | | 99,091 | 79,864 |
| Profit / (loss) after taxation from discontinued operations | | | | | | | - | (1,183) |
| Profit after taxation | | | | | | | 99,091 | 78,681 |

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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 and balances with related parties are as follows:

| DESCRIPTION | UN-AUDITED | |
|----------------------|----------------------|---------------------|
| | QUARTER ENDED | |
| | 30 September 2013 | 31 December 2012 |
| (RUPEES IN THOUSAND) | | |

i) Transactions

Associated companies

| | | |
|-----------------|---|-------|
| Service charges | - | 6,958 |
|-----------------|---|-------|

16. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2013.

17. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on October 29, 2013 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of profit or loss and other comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

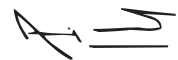
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

19. GENERAL

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

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