

Crescent Cotton Mills Limited

(Formerly Crescent Sugar Mills & Distillery Limited)



CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2013

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

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

Your directors are pleased to present to you the condensed interim financial information for the half year ended March 31, 2013. During the period under review, your company earned a pre-tax profit of Rs. 165.685 Million from the continuing operations where as in the last year the continuing operations had earned a profit of Rs. 51.203 Million. However, after taking into account the profit from discontinued operations post tax profit for the period is Rs. 275.413 Million whereas the company reported earnings of Rs. 27.144 Million in the corresponding period of last year.

Total turnover from both continuing and discontinued operations for the half year stood at Rs. 2,602.097 Million, whereas, the turnover figures during the same period in year 2012 was Rs. 1,962.764 Million hence showing a hike of almost thirty three percent. Similarly cost of sales in the period under review stood at 87.64% whereas, up to March 31, 2012 it was around 91.53%. The taxation expense has risen because of reversal of deferred tax asset during the period under review which was recognized earlier due to the financials of the discontinued operations.

Over the period of six months, demand of yarn and fabrics remained very strong both in the export and domestic markets. Although the first quarter was slower, demand began to rise steadily and we saw an upsurge in prices. Cotton prices remained well within range as world stocks continued to exert pressure on prices. This has translated into the excellent results that you see before you. The current year saw the cotton crop fall short of targets even though there were predictions of a bumper crop. However, due to lower world prices, mills were able to cover their requirements at prices which were within reach. Therefore, the shortfall of the local crop was met with additional imports. Despite inflationary pressures, strict cost controls allowed the management to maintain its factory overheads and operating expenses.

Future Prospectus

Although there has been some pressure on prices for the upcoming quarter, we expect that demand will remain strong through the end of the current financial year. Even at the prevailing prices we should be able to maintain good margins and expect that year will close with excellent results. However, we must add a note of caution. Power remains short, especially for our units located in Punjab and this problem is becoming worse by the day. Even though the winter is far over, gas supply remains scarce and electricity power for the industry is fraught with long hours of load shedding. Although it is too early to give any forecast for the new cotton season, expectations are that the prices will open on a higher level.

Acknowledgment

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
May 30, 2013

AUDITORS' REPORT TO THE MEMBERS

ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

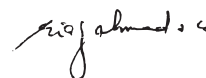
We have reviewed the accompanying unconsolidated condensed interim balance sheet of CRESCENT COTTON MILLS LIMITED (formerly Crescent Sugar Mills and Distillery Limited) as at 31 March 2013 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 March 2013 and 31 March 2012 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as of and for the half year ended 31 March 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



RIAZ AHMAD & COMPANY
Chartered Accountants


Name of engagement partner:
Mubashar Mahmood

Faisalabad
May 30, 2013

CRESCENT COTTON
(formerly Crescent Sugar
UNCONSOLIDATED CONDENSED INTERIM

	NOTE	UN-AUDITED	AUDITED
		(RUPEES IN THOUSAND)	
		31 March 2013	30 September 2012
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		213,775	213,775
Reserves		275,336	12,707
Total equity		489,111	226,482
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		7,176	-
Employees' retirement benefits		25,253	21,159
		32,429	21,159
CURRENT LIABILITIES			
Trade and other payables		435,422	588,791
Accrued markup		9,988	8,673
Short term borrowings		562,210	560,045
Current portion of long term financing		14,986	22,479
Provision for taxation		93,610	86,240
		1,116,216	1,266,228
TOTAL LIABILITIES		1,148,645	1,287,387
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		4,160,280	4,036,393

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED
Mills & Distillery Limited)
BALANCE SHEET AS AT 31 MARCH 2013

	NOTE	UN-AUDITED	AUDITED
		(RUPEES IN THOUSAND)	
		31 March 2013	30 September 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,762,197	2,765,530
Investment properties		54,172	54,172
Long term investments	8	23,659	20,044
Long term deposits		2,612	2,612
Deferred income tax - asset		-	72,101
		2,842,640	2,914,459
CURRENT ASSETS			
Stores, spare parts and loose tools		51,457	57,781
Stock in trade		667,501	496,164
Trade debts		90,594	90,332
Loans and advances		46,766	16,169
Short term deposits, prepayments and balances with statutory authorities		125,126	116,707
Other receivables		60,593	36,786
Short term investments	9	99,387	89,064
Cash and bank balances		174,993	177,868
		1,316,417	1,080,871
Non-current assets held for sale	10	1,223	41,063
		1,317,640	1,121,934
TOTAL ASSETS		4,160,280	4,036,393


ABID MEHMOOD
DIRECTOR


CRESCENT COTTON MILLS LIMITED

(formerly Crescent Sugar Mills & Distillery Limited)

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)

	NOTE	(RUPEES IN THOUSAND)			
		HALF YEAR ENDED		QUARTER ENDED	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
CONTINUING OPERATIONS:					
SALES		2,602,097	1,962,764	1,352,061	1,069,882
COST OF SALES	11	(2,280,534)	(1,791,947)	(1,171,000)	(959,389)
GROSS PROFIT		<u>321,563</u>	<u>170,817</u>	<u>181,061</u>	<u>110,493</u>
DISTRIBUTION COST		(70,075)	(48,238)	(36,908)	(27,693)
ADMINISTRATIVE EXPENSES		(49,868)	(32,733)	(26,197)	(17,613)
OTHER OPERATING EXPENSES		(16,364)	(3,461)	(12,790)	(3,461)
		<u>(136,307)</u>	<u>(84,432)</u>	<u>(75,895)</u>	<u>(48,767)</u>
		185,256	86,385	105,166	61,726
OTHER OPERATING INCOME	12	<u>8,417</u>	<u>515</u>	<u>4,053</u>	<u>308</u>
PROFIT FROM OPERATIONS		193,673	86,900	109,219	62,034
FINANCE COST		(27,988)	(35,697)	(12,263)	(18,475)
PROFIT BEFORE TAXATION		<u>165,685</u>	<u>51,203</u>	<u>96,956</u>	<u>43,559</u>
TAXATION		(103,789)	(19,539)	(92,121)	(10,611)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		<u>61,896</u>	<u>31,664</u>	<u>4,835</u>	<u>32,948</u>
DISCONTINUED OPERATIONS:					
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS		213,517	(4,520)	214,700	4,946
PROFIT AFTER TAXATION		<u>275,413</u>	<u>27,144</u>	<u>219,535</u>	<u>37,894</u>
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):					
- CONTINUING OPERATIONS		<u>2.90</u>	<u>1.48</u>	<u>0.23</u>	<u>1.54</u>
- DISCONTINUED OPERATIONS		<u>9.99</u>	<u>(0.21)</u>	<u>10.04</u>	<u>0.23</u>

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

(formerly Crescent Sugar Mills & Distillery Limited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE HALF ENDED 31 MARCH 2013 (UN-AUDITED)

	(RUPEES IN THOUSAND)			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
PROFIT AFTER TAXATION	275,413	27,144	219,535	37,894
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	13,938	780	7,898	11,382
Other comprehensive income for the period	13,938	780	7,898	11,382
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>289,351</u>	<u>27,924</u>	<u>227,433</u>	<u>49,276</u>

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
(formerly Crescent Sugar Mills & Distillery Limited)
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)

	NOTE	HALF YEAR ENDED	
		31 March 2013	31 March 2012
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	13	(169,612)	99,315
Finance cost paid		(26,302)	(36,667)
Staff retirement gratuity paid		(4,553)	(3,690)
Income tax paid		(38,967)	(18,201)
Dividend paid		(16,306)	-
Workers' profit participation fund paid		(9,555)	-
Net cash (utilized in) / generated from operating activities		(265,295)	40,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(11,766)	(11,454)
Proceeds from sale of property, plant and equipment		1,011	13,126
Proceeds from non-current assets held for sale		270,600	-
Profit on bank deposits received		7,903	-
Net cash from investing activities		267,748	1,672
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(7,493)	(13,482)
Short term borrowings - net		2,165	46,469
Net cash (used in) / from financing activities		(5,328)	32,987
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2,875)	75,416
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		177,868	8,150
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		174,993	83,566

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
(formerly Crescent Sugar Mills & Distillery Limited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)

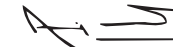
(RUPEES IN THOUSAND)

	CAPITAL RESERVES				REVENUE RESERVES			Sub Total	TOTAL EQUITY	
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value	Sub Total	General	Dividend equalization			(Accumulated loss) / unappropriated profit
Balance as at 30 September 2011 - Audited	213,775	5,496	12,000	19,379	36,875	96,988	4,000	(317,857)	(216,869)	33,781
Profit for the half year ended 31 March 2012	-	-	-	-	-	-	-	27,144	27,144	27,144
Other comprehensive income for the half year ended 31 March 2012	-	-	-	780	780	-	-	-	-	780
Total comprehensive income for the half year ended 31 March 2012	-	-	-	780	780	-	-	27,144	27,144	27,924
Balance as at 31 March 2012 - Un-audited	213,775	5,496	12,000	20,159	37,655	96,988	4,000	(290,713)	(189,725)	61,705
Profit for the half year ended 30 September 2012	-	-	-	-	-	-	-	130,431	130,431	130,431
Other comprehensive income for the half year ended 30 September 2012	-	-	-	34,346	34,346	-	-	-	-	34,346
Total comprehensive income for the half year ended 30 September 2012	-	-	-	34,346	34,346	-	-	130,431	130,431	164,777
Balance as at 30 September 2012 - Audited	213,775	5,496	12,000	54,505	72,001	96,988	4,000	(160,282)	(59,294)	226,482
Final dividend for the year ended 30 September 2012 at the rate of Rupees 1.25 per share	-	-	-	-	-	-	-	(26,722)	(26,722)	(26,722)
Profit for the half year ended 31 March 2013	-	-	-	-	-	-	-	275,413	275,413	275,413
Other comprehensive income for the half year ended 31 March 2013	-	-	-	13,938	13,938	-	-	-	-	13,938
Total comprehensive income for the half year ended 31 March 2013	-	-	-	13,938	13,938	-	-	275,413	275,413	289,351
Balance as at 31 March 2013 - Un-audited	213,775	5,496	12,000	68,443	85,939	96,988	4,000	88,409	189,397	489,111

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
(formerly Crescent Sugar Mills & Distillery Limited)

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 March 2013	30 September 2012

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

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 of Pakistan. The Company is engaged in manufacturing and sale of yarn 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

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors 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 half year ended 31 March 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 September 2012.

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 September 2012.

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 September 2012.

5. LONG TERM FINANCING - SECURED

Financing from banking companies

Opening balance	22,479	46,449
Less: Repaid during the period / year	7,493	23,970
	14,986	22,479
Less: Current portion shown under current liabilities	14,986	22,479
	-	-
	-	-

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 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 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 September 2012: 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 September 2012: 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 31 March 2013 (30 September 2012: Nil).
- Letters of credit for other than capital expenditure as at 31 March 2013 are of Rupees 145.708 million (30 September 2012: Rupees 1.183 Million).

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	2,748,753	2,761,525
Capital work-in-progress (Note 7.2)	13,444	4,005
	2,762,197	2,765,530

7.1 Operating fixed assets

Opening book value	2,761,525	2,753,135
Add : Cost of additions during the period/year (Note 7.1.1)	2,327	38,600
	2,763,852	2,791,735

Less:

Book value of deletions during the period/year (Note 7.1.2)	433	528
Classified as non-current assets held for sale (Note 10.1.2)	7	-
Depreciation charged during the period/year	14,659	29,682
	15,099	30,210
Book value at the end of the period/year	2,748,753	2,761,525

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	31 March 2013	30 September 2012
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	604
Plant and machinery	857	34,173
Tools and equipment	-	17
Furniture and fixtures	285	612
Vehicles	260	2,531
Office equipment	925	663
	<u>2,327</u>	<u>38,600</u>
7.1.2 Book value of deletions during the period / year		
Plant and machinery	49	-
Vehicles	384	528
	<u>433</u>	<u>528</u>
7.2 Capital work-in-progress		
Plant and machinery	<u>13,444</u>	<u>4,005</u>
8. LONG TERM INVESTMENTS - Available for sale		
Unquoted - Subsidiary company	12,734	12,734
Quoted - Associated companies	502	1,256
Quoted - Others	716	716
Unquoted - Others	3,164	8,604
	17,116	23,310
Less: Impairment loss charged to profit and loss account	-	(6,194)
Add: Fair value adjustment	6,543	2,928
	<u>23,659</u>	<u>20,044</u>
9. SHORT TERM INVESTMENTS – Available for sale		
Quoted - Associated companies	29,745	29,745
Quoted - Others	7,742	7,742
	37,487	37,487
Add: Fair value adjustment	61,900	51,577
	<u>99,387</u>	<u>89,064</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)	1,223	40,469
Property, plant and equipment - Distillery Unit (Note 10.1.2)	-	594
	<u>1,223</u>	<u>41,063</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
	31 March 2013	30 September 2012
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	38,713	48,466
Electric installations	234	234
Tools and equipment	1,513	1,513
Service equipment	9	9
	40,469	50,222
Less: Disposed of during the year		
Plant and machinery	37,961	9,753
Electric installations	234	-
Tools and equipment	1,045	-
Service equipment	6	-
	39,246	9,753
Carrying value of non-current assets held for sale	<u>1,223</u>	<u>40,469</u>

The non-current assets held for sale were disposed of during the period / year against sale consideration of Rupees 224.100 million (30 September 2012: Rupees 53.935 million) resulting in a net gain of Rupees 184.854 million (30 September 2012: Rupees 44.182 million).

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	590
Tools and equipment	4	4
Book value of assets transferred from property, plant and equipment:		
Furniture and fixtures	6	-
Office equipment	1	-
	7	-
	601	594

Less: Disposed of during the 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	<u>-</u>	<u>594</u>

The non-current assets held for sale were disposed of during the period / year 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).

	(RUPEES IN THOUSAND) (UN-AUDITED)	
	31 March 2013	31 March 2012
10.2 Analysis of the result of discontinued operations		
Profit / (loss) after taxation from discontinued operations		
Sugar Unit (Note 10.2.1)	167,748	135
Distillery Unit (Note 10.2.2)	45,769	(4,655)
	<u>213,517</u>	<u>(4,520)</u>
10.2.1 Analysis of result of discontinued operation - Sugar Unit		
OTHER OPERATING INCOME	191,299	16,596
ADMINISTRATIVE EXPENSES	(13,329)	(14,804)
OTHER OPERATING EXPENSES	(10,000)	-
	(23,329)	(14,804)
PROFIT FROM DISCONTINUED OPERATION	<u>167,970</u>	<u>1,792</u>
FINANCE COST	(4)	(1,273)
PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	<u>167,966</u>	<u>519</u>
TAXATION	(218)	(384)
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	<u>167,748</u>	<u>135</u>
10.2.2 Analysis of result of discontinued operation - Distillery Unit		
SALES	-	11,341
COST OF GOODS SOLD	-	(14,936)
GROSS LOSS	-	(3,595)
DISTRIBUTION COST	-	(937)
ADMINISTRATIVE EXPENSES	(130)	(10)
	(130)	(947)
OTHER OPERATING INCOME	45,899	-
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	<u>45,769</u>	<u>(4,542)</u>
TAXATION	-	(113)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	<u>45,769</u>	<u>(4,655)</u>
10.3 Cash flows of discontinued operations		
Sugar Unit (Note 10.3.1)	(51)	69,859
Distillery Unit (Note 10.3.2)	-	-
	<u>(51)</u>	<u>69,859</u>

	(RUPEES IN THOUSAND) (UN-AUDITED)	
	31 March 2013	31 March 2012
10.3.1 Analysis of the cash flows of discontinued operation - Sugar Unit		
Operating cash flows	(216,078)	361,546
Investing cash flows	224,406	13,126
Financing cash flows	(8,379)	(304,813)
	<u>(51)</u>	<u>69,859</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.		

	(UN-AUDITED)			
	THE COMPANY			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
11. COST OF SALES	(RUPEES IN THOUSAND)			
Raw material consumed	1,325,824	1,162,590	678,863	573,893
Cost of raw material sold	25,180	31,637	5,923	31,637
Salaries, wages and other benefits	141,100	94,333	79,547	47,843
Stores, spare parts and loose tools consumed	60,833	48,975	32,123	25,744
Fuel and power	206,238	177,315	102,467	91,248
Outside weaving charges	223,674	104,967	121,605	69,586
Other manufacturing overheads	3,199	2,280	1,413	45
Insurance	2,812	1,806	1,422	904
Repair and maintenance	2,698	1,975	1,152	1,294
Depreciation	13,427	13,182	6,661	6,653
	<u>2,004,985</u>	<u>1,639,060</u>	<u>1,031,176</u>	<u>848,847</u>
Work-in-process:				
Opening stock	16,336	25,497	17,082	17,883
Closing stock	(19,116)	(19,116)	(19,116)	(17,224)
	(2,780)	8,273	(2,034)	659
Cost of goods manufactured	<u>2,002,205</u>	<u>1,647,333</u>	<u>1,029,142</u>	<u>849,506</u>
Finished goods:				
Opening stock	126,610	101,357	185,233	90,683
Closing stock	(146,787)	(142,105)	(146,787)	(142,105)
	(20,177)	(40,748)	38,446	(51,422)
	<u>1,982,028</u>	<u>1,606,585</u>	<u>1,067,588</u>	<u>798,084</u>
Cost of goods - purchased for resale	298,506	185,362	103,412	161,305
	<u>2,280,534</u>	<u>1,791,947</u>	<u>1,171,000</u>	<u>959,389</u>
12. OTHER OPERATING INCOME				
Profit on deposits with banks	7,524	-	3,801	-
Dividend income	85	-	72	-
Gain on sale of property, plant and equipment	401	-	-	-
Scrap sales	407	515	180	308
	<u>8,417</u>	<u>515</u>	<u>4,053</u>	<u>308</u>

(RUPEES IN THOUSAND)

(UN-AUDITED)

31 March 31 March
2013 2012

13. CASH UTILIZED IN OPERATIONS

Profit before taxation	379,420	47,180
Adjustments for non-cash charges and other items:		
Depreciation	14,659	14,316
Provision for staff retirement gratuity	8,647	6,693
Gain on sale of property, plant and equipment	(578)	(12,315)
Gain on sale of non-current assets held for sale	(230,753)	-
Credit balances written back	(3,521)	92
Debit balances written off	353	-
Profit on deposits with banks	(7,524)	-
Finance cost	27,992	36,970
Provision for obsolescence of stores, spare parts and loose tools	10,000	-
Provision for workers' profit participation fund	8,262	2,509
Provision for workers' welfare fund	7,748	504
Working capital changes (Note 13.1)	(384,317)	3,366
	<u>(169,612)</u>	<u>99,315</u>

13.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(3,676)	2,332
Stock in trade	(171,337)	(235,630)
Trade debts	(262)	(4,886)
Loans and advances	(30,950)	17,212
Prepayments and balances with statutory authorities	(13,534)	299
Other receivables	(24,186)	(1,943)
	<u>(243,945)</u>	<u>(222,616)</u>
(Decrease) / increase in trade and other payables	(140,372)	225,982
	<u>(384,317)</u>	<u>3,366</u>

14. SEGMENT INFORMATION

14.1

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(RUPEES IN THOUSAND)							
Sales	2,033,128	1,858,953	1,342,431	646,019	(773,462)	(542,208)	2,602,097	1,962,764
Cost of sales	(1,773,007)	(1,725,827)	(1,280,989)	(608,328)	773,462	542,208	(2,280,534)	(1,791,947)
Gross profit	260,121	133,126	61,442	37,691	-	-	321,563	170,817
Distribution cost	(30,750)	(29,949)	(39,325)	(18,289)	-	-	(70,075)	(48,238)
Administrative expenses	(49,688)	(32,645)	(180)	(88)	-	-	(49,868)	(32,733)
Other operating expenses	(16,364)	(3,461)	-	-	-	-	(16,364)	(3,461)
	(96,802)	(66,055)	(39,505)	(18,377)	-	-	(136,307)	(84,432)
	163,319	67,071	21,937	19,314	-	-	185,256	86,385
Other operating income	8,417	515	-	-	-	-	8,417	515
Profit from operations	171,736	67,586	21,937	19,314	-	-	193,673	86,900
Finance cost	(25,872)	(34,236)	(2,116)	(1,461)	-	-	(27,988)	(35,697)
Profit before taxation	145,864	33,350	19,821	17,853	-	-	165,685	51,203
Taxation							(103,789)	(19,539)
Profit after taxation from continued operations							61,896	31,664
Profit / (loss) after taxation from discontinued operations							213,517	(4,520)
Profit after taxation							275,413	27,144

14.2 Reconciliation of reportable segment assets and liabilities:

	Sugar*		Distillery*		Textiles		Trading		Total	
	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012
Total assets for reportable segments	<u>2,197,820</u>	<u>2,109,726</u>	<u>46</u>	<u>648</u>	<u>1,961,069</u>	<u>1,759,452</u>	<u>122</u>	<u>53,403</u>	4,159,057	3,923,229
Non-current assets held for sale									1,223	41,063
Deferred income tax - asset									-	72,101
Total assets as per balance sheet									<u>4,160,280</u>	<u>4,036,393</u>
Total liabilities for reportable segments	<u>215,593</u>	<u>513,749</u>	<u>-</u>	<u>495</u>	<u>781,859</u>	<u>657,076</u>	<u>50,407</u>	<u>29,827</u>	1,047,859	1,201,147
Unallocated liabilities:										
Deferred income tax liability									7,176	-
Provision for taxation									93,610	86,240
Total liabilities as per balance sheet									<u>1,148,645</u>	<u>1,287,387</u>

* The Company has discontinued the operations of Sugar and Distillery Units during the previous years. Analysis of the results of the discontinued operations has been given in Note 10 to this condensed interim financial information.

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)			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(RUPEES IN THOUSAND)			
i) Transactions				
Subsidiary company				
Rental expense	496	480	232	240
Associated companies				
Service charges	6,958	4,996	-	59
Loan adjusted	106	-	57	-
Markup expense	373	-	187	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust				
	864	758	489	381
Loans received from directors / sponsors	10,138	8,724	5,858	4,323
Loans repaid to directors / sponsors	7,808	11,901	5,482	6,704
Remuneration paid to key management personnel	13,206	11,253	6,603	5,626
	(RUPEES IN THOUSAND)			
	(UN-AUDITED)			
	31 March 2013	30 September 2012		

ii) Period end balances

Trade and other payables	12,785	5,165
Accrued markup	1,057	684
Short term borrowings	129,197	125,873
Trade debts	-	99

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 September 2012.

17. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on May 30, 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


CRESCENT COTTON MILLS
(formerly Crescent Sugar Mills &
CONSOLIDATED CONDENSED INTERIM

LIMITED AND ITS SUBSIDIARY
Distillery Limited and its subsidiary)
BALANCE SHEET AS AT 31 MARCH 2013

NOTE	UN-AUDITED	AUDITED
	(RUPEES IN THOUSAND)	
	31 March 2013	30 September 2012
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	213,775	213,775
Reserves	352,211	97,449
Total equity	565,986	311,224
Surplus on revaluation of land and investment properties	2,541,309	2,541,309
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	5,000	5,000
Deferred income tax liability	16,596	9,420
Employees' retirement benefits	25,253	21,159
	46,849	35,579
CURRENT LIABILITIES		
Trade and other payables	446,685	593,046
Accrued markup	19,990	18,675
Short term borrowings	554,750	560,045
Current portion of long term financing	14,986	22,479
Provision for taxation	93,672	86,302
	1,130,083	1,280,547
TOTAL LIABILITIES	1,176,932	1,316,126
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	4,284,227	4,168,659

NOTE	UN-AUDITED	AUDITED
	(RUPEES IN THOUSAND)	
	31 March 2013	30 September 2012
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,791,703	2,795,729
Investment properties	54,172	54,172
Long term investments	195,494	188,663
Long term deposits	3,134	3,134
Deferred income tax - asset	-	72,101
	3,044,503	3,113,799
CURRENT ASSETS		
Stores, spare parts and loose tools	55,881	62,205
Stock in trade	667,501	496,164
Trade debts	90,594	90,332
Loans and advances	46,766	16,169
Short term deposits, prepayments and balances with statutory authorities	125,230	116,778
Other receivables	62,734	38,927
Short term investments	11,726	12,278
Cash and bank balances	178,069	180,944
	1,238,501	1,013,797
Non-current assets held for sale	1,223	41,063
	1,239,724	1,054,860
TOTAL ASSETS	4,284,227	4,168,659

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

(formerly Crescent Sugar Mills & Distillery Limited and its subsidiary)

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)**

	NOTE	(RUPEES IN THOUSAND)			
		HALF YEAR ENDED		QUARTER ENDED	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
CONTINUING OPERATIONS:					
SALES		2,602,097	1,962,764	1,352,061	1,069,882
COST OF SALES	11	<u>(2,280,534)</u>	<u>(1,791,947)</u>	<u>(1,171,000)</u>	<u>(959,389)</u>
GROSS PROFIT		321,563	170,817	181,061	110,493
DISTRIBUTION COST		(70,075)	(48,238)	(36,908)	(27,693)
ADMINISTRATIVE EXPENSES		(50,076)	(33,829)	(25,949)	(18,170)
OTHER OPERATING EXPENSES		(16,364)	(3,461)	(12,790)	(3,461)
		<u>(136,515)</u>	<u>(85,528)</u>	<u>(75,647)</u>	<u>(49,324)</u>
		185,048	85,289	105,414	61,169
OTHER OPERATING INCOME	12	8,417	515	4,053	308
PROFIT FROM OPERATIONS		193,465	85,804	109,467	61,477
FINANCE COST		<u>(27,988)</u>	<u>(35,997)</u>	<u>(12,263)</u>	<u>(18,625)</u>
		165,477	49,807	97,204	42,852
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		5,562	(18,358)	(17,699)	(5,699)
PROFIT BEFORE TAXATION		171,039	31,449	79,505	37,153
TAXATION		(103,789)	(19,564)	(92,121)	(10,624)
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		<u>67,250</u>	<u>11,885</u>	<u>(12,616)</u>	<u>26,529</u>
DISCONTINUED OPERATIONS:					
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS		213,517	(4,520)	214,700	4,946
PROFIT AFTER TAXATION		<u>280,767</u>	<u>7,365</u>	<u>202,084</u>	<u>31,475</u>
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):					
- CONTINUING OPERATIONS		3.15	0.56	(0.59)	1.24
- DISCONTINUED OPERATIONS		<u>9.99</u>	<u>(0.21)</u>	<u>10.04</u>	<u>0.23</u>

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

(formerly Crescent Sugar Mills & Distillery Limited and its subsidiary)

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)**

	(RUPEES IN THOUSAND)			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
PROFIT AFTER TAXATION	280,767	7,365	202,084	31,475
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	717	7,486	(3,711)	7,816
Other comprehensive income / (loss) for the period	717	7,486	(3,711)	7,816
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>281,484</u>	<u>14,851</u>	<u>198,373</u>	<u>39,291</u>

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



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DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
(formerly Crescent Sugar Mills & Distillery Limited and its subsidiary)
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)

	NOTE	HALF YEAR ENDED	
		31 March 2013	31 March 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	13	(169,580)	99,376
Finance cost paid		(26,302)	(36,667)
Staff retirement gratuity paid		(4,553)	(3,690)
Income tax paid		(38,999)	(18,262)
Dividend paid		(16,306)	-
Workers' profit participation fund paid		(9,555)	-
		(95,715)	(58,619)
Net cash (utilized in) / generated from operating activities		(265,295)	40,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(11,766)	(11,454)
Proceeds from sale of property, plant and equipment		1,011	13,126
Proceeds from non-current assets held for sale		270,600	-
Profit on bank deposits received		7,903	-
Net cash from investing activities		267,748	1,672
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(7,493)	(13,482)
Short term borrowings - net		2,165	46,469
Net cash (used in) / from financing activities		(5,328)	32,987
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(2,875)	75,416
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		180,944	11,227
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		178,069	86,643

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


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CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
(formerly Crescent Sugar Mills & Distillery Limited and its subsidiary)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 MARCH 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 2011 - Audited	213,775	5,496	12,000	577	18,073	44,975	4,000	(146,709)	(97,734)	134,114
Profit for the half year ended 31 March 2012	-	-	-	-	-	-	-	7,365	7,365	7,365
Other comprehensive income for the half year ended 31 March 2012	-	-	-	7,486	7,486	-	-	-	-	7,486
Total comprehensive income for the half year ended 31 March 2012	-	-	-	7,486	7,486	-	-	7,365	7,365	14,851
Balance as at 31 March 2012 - Unaudited	213,775	5,496	12,000	8,063	25,559	44,975	4,000	(139,344)	(90,369)	148,965
Profit for the half year ended 30 September 2012	-	-	-	-	-	-	-	165,552	165,552	165,552
Other comprehensive loss for the half year ended 30 September 2012	-	-	-	(3,293)	(3,293)	-	-	-	-	(3,293)
Total comprehensive (loss) / income for the half year ended 30 September 2012	-	-	-	(3,293)	(3,293)	-	-	165,552	165,552	162,259
Balance as at 30 September 2012 - Audited	213,775	5,496	12,000	4,770	22,266	44,975	4,000	26,208	75,183	311,224
Final dividend for the year ended 30 September 2012 at the rate of Rupees 1.25 per share	-	-	-	-	-	-	-	(26,722)	(26,722)	(26,722)
Profit for the half year ended 31 March 2013	-	-	-	-	-	-	-	280,767	280,767	280,767
Other comprehensive income for the half year ended 31 March 2013	-	-	-	717	717	-	-	-	-	717
Total comprehensive income for the half year ended 31 March 2013	-	-	-	717	717	-	-	280,767	280,767	281,484
Balance as at 31 March 2013 - Unaudited	213,775	5,496	12,000	5,487	22,983	44,975	4,000	280,253	329,228	565,986

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 (formerly Crescent Sugar Mills & Distillery Limited and its subsidiary)

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 31 MARCH 2013 (UN-AUDITED)

1. 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 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.

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 September 2012.

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 September 2012.

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 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 September 2012.

	(RUPEES IN THOUSAND)	
	UN-AUDITED	AUDITED
	31 March 2013	30 September 2012
5. LONG TERM FINANCING - SECURED		
Financing from banking companies		
Opening balance	27,479	51,449
Less: Repaid during the period / year	<u>7,493</u>	<u>23,970</u>
	19,986	27,479
Less: Current portion shown under current liabilities	14,986	22,479
	<u>5,000</u>	<u>5,000</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 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 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 September 2012: 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 September 2012: 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 31 March 2013 (30 September 2012: Nil).
- Letters of credit for other than capital expenditure as at 31 March 2013 are of Rupees 145.708 million (30 September 2012: Rupees 1.183 Million).

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	2,778,259	2,791,724
Capital work-in-progress (Note 7.2)	13,444	4,005
	<u>2,791,703</u>	<u>2,795,729</u>
7.1 Operating fixed assets		
Opening book value		
Add : Cost of additions during the period/year (Note 7.1.1)	<u>2,791,724</u>	<u>2,786,695</u>
	2,327	38,600
Less:	2,794,051	2,825,295
Book value of deletions during the period/year (Note 7.1.2)	433	528
Classified as non-current assets held for sale (Note 10.1.2)	7	-
Depreciation charged during the period/year	<u>15,352</u>	<u>33,043</u>
	15,792	33,571
Book value at the end of the period/year	<u>2,778,259</u>	<u>2,791,724</u>

	(RUPEES IN THOUSAND)	
	UN-AUDITED	AUDITED
	31 March 2013	30 September 2012
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	-	604
Plant and machinery	857	34,173
Tools and equipment	-	17
Furniture and fixtures	285	612
Vehicles	260	2,531
Office equipment	<u>925</u>	<u>663</u>
	<u>2,327</u>	<u>38,600</u>
7.1.2 Book value of deletions during the period / year		
Plant and machinery	49	-
Vehicles	<u>384</u>	<u>528</u>
	<u>433</u>	<u>528</u>
7.2 Capital work-in-progress		
Plant and machinery	<u>13,444</u>	<u>4,005</u>
8. LONG TERM INVESTMENTS		
In associates:		
Cost	43,608	43,608
Share of post acquisition profit:		
At the beginning of the period / year	140,941	135,753
Share of profit during the period / year	<u>5,562</u>	<u>5,188</u>
	146,503	140,941
	190,111	184,549
Available for sale:		
Quoted - Others	716	716
Unquoted - Others	<u>3,164</u>	<u>3,800</u>
	3,880	4,516
Less: Impairment loss charged to profit and loss account	-	(636)
Add: Fair value adjustment	<u>1,503</u>	<u>234</u>
	<u>5,383</u>	<u>4,114</u>
	<u>195,494</u>	<u>188,663</u>
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
Add: Fair value adjustment	<u>3,984</u>	<u>4,536</u>
	<u>11,726</u>	<u>12,278</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)	1,223	40,469
Property, plant and equipment - Distillery Unit (Note 10.1.2)	-	594
	<u>1,223</u>	<u>41,063</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 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
	31 March 2013	30 September 2012
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	38,713	48,466
Electric installations	234	234
Tools and equipment	1,513	1,513
Service equipment	9	9
	<u>40,469</u>	<u>50,222</u>
Less: Disposed of during the year		
Plant and machinery	37,961	9,753
Electric installations	234	-
Tools and equipment	1,045	-
Service equipment	6	-
	<u>39,246</u>	<u>9,753</u>
Carrying value of non-current assets held for sale	<u>1,223</u>	<u>40,469</u>

The non-current assets held for sale were disposed of during the period / year against sale consideration of Rupees 224.100 million (30 September 2012: Rupees 53.935 million) resulting in a net gain of Rupees 184.854 million (30 September 2012: Rupees 44.182 million).

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	590
Tools and equipment	4	4

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

Furniture and fixtures	6	-
Office equipment	1	-
	<u>7</u>	<u>-</u>
	601	594

Less: Disposed of during the year

Plant and machinery	590	-
Tools and equipment	4	-
Furniture and fixtures	6	-
Office equipment	1	-
	<u>601</u>	<u>-</u>
Carrying value of non-current assets held for sale	<u>-</u>	<u>594</u>

The non-current assets held for sale were disposed of during the period / year 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).

	(RUPEES IN THOUSAND)	
	(UN-AUDITED)	
	31 March 2013	31 March 2012
10.2 Analysis of the result of discontinued operations		
Profit / (loss) after taxation from discontinued operations		
Sugar Unit (Note 10.2.1)	167,748	135
Distillery Unit (Note 10.2.2)	45,769	(4,655)
	<u>213,517</u>	<u>(4,520)</u>
10.2.1 Analysis of result of discontinued operation - Sugar Unit		
OTHER OPERATING INCOME	191,299	16,596
ADMINISTRATIVE EXPENSES	(13,329)	(14,804)
OTHER OPERATING EXPENSES	(10,000)	-
	<u>(23,329)</u>	<u>(14,804)</u>
PROFIT FROM DISCONTINUED OPERATION	167,970	1,792
FINANCE COST	(4)	(1,273)
PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	167,966	519
TAXATION	(218)	(384)
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	<u>167,748</u>	<u>135</u>
10.2.2 Analysis of result of discontinued operation - Distillery Unit		
SALES	-	11,341
COST OF GOODS SOLD	-	(14,936)
GROSS LOSS	-	(3,595)
DISTRIBUTION COST	-	(937)
ADMINISTRATIVE EXPENSES	(130)	(10)
	<u>(130)</u>	<u>(947)</u>
OTHER OPERATING INCOME	45,899	-
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	45,769	(4,542)
TAXATION	-	(113)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	<u>45,769</u>	<u>(4,655)</u>
10.3 Cash flows of discontinued operations		
Sugar Unit (Note 10.3.1)	(51)	69,859
Distillery Unit (Note 10.3.2)	-	-
	<u>(51)</u>	<u>69,859</u>

(RUPEES IN THOUSAND)
(UN-AUDITED)
31 March 2013 31 March 2012

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

Operating cash flows	(216,078)	361,546
Investing cash flows	224,406	13,126
Financing cash flows	(8,379)	(304,813)
	<u>(51)</u>	<u>69,859</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.

	(UN-AUDITED)			
	THE COMPANY			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
11. COST OF SALES	(RUPEES IN THOUSAND)			
Raw material consumed	1,325,824	1,162,590	678,863	573,893
Cost of raw material sold	25,180	31,637	5,923	31,637
Salaries, wages and other benefits	141,100	94,333	79,547	47,843
Stores, spare parts and loose tools consumed	60,833	48,975	32,123	25,744
Fuel and power	206,238	177,315	102,467	91,248
Outside weaving charges	223,674	104,967	121,605	69,586
Other manufacturing overheads	3,199	2,280	1,413	45
Insurance	2,812	1,806	1,422	904
Repair and maintenance	2,698	1,975	1,152	1,294
Depreciation	13,427	13,182	6,661	6,653
	<u>2,004,985</u>	<u>1,639,060</u>	<u>1,031,176</u>	<u>848,847</u>
Work-in-process:				
Opening stock	16,336	25,497	17,082	17,883
Closing stock	(19,116)	(17,224)	(19,116)	(17,224)
	<u>(2,780)</u>	<u>8,273</u>	<u>(2,034)</u>	<u>659</u>
Cost of goods manufactured	<u>2,002,205</u>	<u>1,647,333</u>	<u>1,029,142</u>	<u>849,506</u>
Finished goods:				
Opening stock	126,610	101,357	185,233	90,683
Closing stock	(146,787)	(142,105)	(146,787)	(142,105)
	<u>(20,177)</u>	<u>(40,748)</u>	<u>38,446</u>	<u>(51,422)</u>
	<u>1,982,028</u>	<u>1,606,585</u>	<u>1,067,588</u>	<u>798,084</u>
Cost of goods - purchased for resale	298,506	185,362	103,412	161,305
	<u>2,280,534</u>	<u>1,791,947</u>	<u>1,171,000</u>	<u>959,389</u>

12. OTHER OPERATING INCOME

Profit on deposits with banks	7,524	-	3,801	-
Dividend income	85	-	72	-
Gain on sale of property, plant and equipment	401	-	-	-
Scrap sales	407	515	180	308
	<u>8,417</u>	<u>515</u>	<u>4,053</u>	<u>308</u>

(RUPEES IN THOUSAND)
(UN-AUDITED)
31 March 2013 31 March 2012

13. CASH UTILIZED IN OPERATIONS

Profit before taxation	384,774	27,426
Adjustments for non-cash charges and other items:		
Depreciation	15,352	15,865
Provision for staff retirement gratuity	8,647	6,693
Gain on sale of property, plant and equipment	(578)	(12,315)
Gain on sale of non-current assets held for sale	(230,753)	-
Credit balances written back	(3,521)	92
Debit balances written off	353	-
Profit on deposits with banks	(7,524)	-
Share of (profit) / loss from associated companies	(5,562)	18,358
Finance cost	27,992	37,270
Provision for obsolescence of stores, spare parts and loose tools	10,000	-
Provision for workers' profit participation fund	8,262	2,509
Provision for workers' welfare fund	7,748	504
Working capital changes (Note 13.1)	(384,770)	2,974
	<u>(169,580)</u>	<u>99,376</u>

13.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(3,676)	2,360
Stock in trade	(171,337)	(235,630)
Trade debts	(262)	(4,886)
Loans and advances	(30,950)	17,212
Prepayments and balances with statutory authorities	(13,535)	297
Other receivables	(24,186)	(1,943)
	<u>(243,946)</u>	<u>(222,590)</u>

(Decrease) / increase in trade and other payables

	(140,824)	225,564
	<u>(384,770)</u>	<u>2,974</u>

14. SEGMENT INFORMATION

14.1

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(RUPEES IN THOUSAND)							
Sales	2,033,128	1,858,953	1,342,431	646,019	(773,462)	(542,208)	2,602,097	1,962,764
Cost of sales	(1,773,007)	(1,725,827)	(1,280,989)	(608,328)	773,462	542,208	(2,280,534)	(1,791,947)
Gross profit	260,121	133,126	61,442	37,691	-	-	321,563	170,817
Distribution cost	(30,750)	(29,949)	(39,325)	(18,289)	-	-	(70,075)	(48,238)
Administrative expenses	(49,896)	(33,741)	(180)	(88)	-	-	(50,076)	(33,829)
Other operating expenses	(16,364)	(3,461)	-	-	-	-	(16,364)	(3,461)
	(97,010)	(67,151)	(39,505)	(18,377)	-	-	(136,515)	(85,528)
	163,111	65,975	21,937	19,314	-	-	185,048	85,289
Other operating income	8,417	515	-	-	-	-	8,417	515
Profit from operations	171,528	66,490	21,937	19,314	-	-	193,465	85,804
Finance cost	(25,872)	(34,536)	(2,116)	(1,461)	-	-	(27,988)	(35,997)
Profit before taxation and unallocated income and expenses	145,656	31,954	19,821	17,853	-	-	165,477	49,807
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							5,562	(18,358)
Taxation							(103,789)	(19,564)
Profit after taxation from continued operations							67,250	11,885
Profit / (loss) after taxation from discontinued operations							213,517	(4,520)
Profit after taxation							<u>280,767</u>	<u>7,365</u>

14.2 Reconciliation of reportable segment assets and liabilities:

	Sugar		Distillery		Textiles		Trading		Total	
	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012	Un-audited 31 March 2013	Audited 30 September 2012
Total assets for reportable segments	<u>2,086,841</u>	<u>2,109,935</u>	<u>46</u>	<u>648</u>	<u>2,005,884</u>	<u>1,706,960</u>	<u>122</u>	<u>53,403</u>	4,092,893	3,870,946
Long term investments-associates									190,111	184,549
Non-current assets held for sale									1,223	41,063
Deferred income tax - asset									-	72,101
Total assets as per balance sheet									<u>4,284,227</u>	<u>4,168,659</u>
Total liabilities for reportable segments	<u>215,593</u>	<u>513,749</u>	<u>-</u>	<u>495</u>	<u>800,564</u>	<u>676,333</u>	<u>50,507</u>	<u>29,827</u>	1,066,664	1,220,404
Unallocated liabilities:										
Deferred income tax liability									16,596	9,420
Provision for taxation									93,672	86,302
Total liabilities as per balance sheet									<u>1,176,932</u>	<u>1,316,126</u>

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)			
	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
(RUPEES IN THOUSAND)				
i) Transactions				
Associated companies				
Service charges	6,958	4,996	-	59
Loan adjusted	106	-	57	-
Markup expense	373	-	187	-
Other related parties				
Group's contribution to Employees' Provident Fund Trust	864	758	489	381
Loans received from directors / sponsors	10,138	8,724	5,858	4,323
Loans repaid to directors / sponsors	7,808	11,901	5,482	6,704
Remuneration paid to key management personnel	13,206	11,253	6,603	5,626
(RUPEES IN THOUSAND)				
(UN-AUDITED)				
ii) Period end balances				
Trade and other payables			7,478	352
Accrued markup			1,057	684
Short term borrowings			129,197	125,873
Trade debts			-	99

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 September 2012.

17. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on May 30, 2013 by the Board of Directors of the Group.

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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