

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 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 the short reviewed condensed interim financial statements for the half year ended December 31, 2013. During the first six months the company earned pretax profit of Rs. 140.485 million, whereas in the comparative period of last year company earned a pretax profit of Rs. 118.796 million from continuing operations. The overall performance of the company has been satisfactory and the company has performed well. There are still some concerns relating to energy supply situation for the company's spinning units located in the province of Punjab, but with innovative marketing policies we have tried our best to mitigate the effects of adverse energy supply situation.

During the period under review the foreign currency rates were not stable due to which the value of Pak Rupee fluctuated tremendously, this did not allow us to take the long position in sales. However, management remained focused on currency movements and took appropriate decisions.

Future Prospects

During the remaining period of the current financial year the profitability will be largely dependent upon the availability of gas and power supply. The sudden suspension of gas in the month of February will pay negative effect on the profitability. The raw material prices have also increased which will also affect profitability.

The Chinese market outlook is also not good and we feel it would be difficult to maintain the first six months profitability in the next half year.

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.

FAISALABAD
February 27, 2014

For and on behalf of
the Board of Directors



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

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 as at 31 December 2013 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of 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, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and related notes for the half year ended 31 December 2012 have not been reviewed due to change in accounting year of the Company from 30 September to 30 June during the past year. Moreover, the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2013 and 31 December 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 December 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 December 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



RIAZAHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: February 27, 2014

FAISALABAD

CRESCENT COTTON

UNCONSOLIDATED CONDENSED INTERIM

(RUPEES IN THOUSAND)

NOTE	UN-AUDITED	AUDITED
	31 December 2013	30 June 2013
		Restated

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
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Issued, subscribed and paid up share capital
Reserves
Total equity

213,775	213,775
468,804	358,100
682,579	571,875

Surplus on revaluation of freehold land and
and investment properties

2,522,524	2,522,524
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Deferred income tax liability
Employees' retirement benefit

5	-	-
	9,675	9,846
	44,660	30,257
	54,335	40,103

CURRENT LIABILITIES

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

438,026	333,797
7,427	7,867
496,337	328,765
-	7,493
27,081	125,896
968,871	803,818

TOTAL LIABILITIES

1,023,206	843,921
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CONTINGENCIES AND COMMITMENTS

6

TOTAL EQUITY AND LIABILITIES

4,228,309	3,938,320
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

(RUPEES IN THOUSAND)

NOTE	UN-AUDITED	AUDITED
	31 December 2013	30 June 2013
		Restated

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment 7 2,747,373 2,758,469
Investment properties 54,172 54,172
Long term investments 8 25,613 24,231
Long term deposits 2,612 2,612

2,829,770	2,839,484
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CURRENT ASSETS

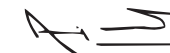
Stores, spare parts and loose tools 43,889 41,183
Stock in trade 766,387 389,160
Trade debts 119,468 96,234
Loans and advances 23,630 22,329
Short term deposits, prepayments and
balances with statutory authorities 82,497 179,114
Other receivables 117,655 110,250
Short term investments 129,517 123,490
Cash and bank balances 114,583 136,163
1,397,626 1,097,923

Non-current assets held for sale 9 913 913

1,398,539	1,098,836
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TOTAL ASSETS

4,228,309	3,938,320
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ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
CONTINUING OPERATIONS:		Restated		Restated
SALES	2,619,206	2,374,080	1,296,997	1,250,036
COST OF SALES	(2,338,614)	(2,109,432)	(1,170,996)	(1,109,536)
GROSS PROFIT	280,592	264,648	126,001	140,500
DISTRIBUTION COST	(67,482)	(52,923)	(31,485)	(33,167)
ADMINISTRATIVE EXPENSES	(66,102)	(54,523)	(33,708)	(23,671)
OTHER EXPENSES	(9,187)	(22,740)	(4,381)	(3,574)
	(142,771)	(130,186)	(69,574)	(60,412)
	137,821	134,462	56,427	80,088
OTHER INCOME	20,700	15,081	4,579	4,364
PROFIT FROM OPERATIONS	158,521	149,543	61,006	84,452
FINANCE COST	(18,036)	(30,747)	(11,182)	(15,725)
PROFIT BEFORE TAXATION	140,485	118,796	49,824	68,727
TAXATION	(26,910)	(47,013)	(11,826)	(11,668)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	113,575	71,783	37,998	57,059
DISCONTINUED OPERATIONS:				
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	-	84,783	-	40,638
PROFIT AFTER TAXATION	113,575	156,566	37,998	97,697
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):				
- CONTINUING OPERATIONS	5.31	3.36	1.78	2.67
- DISCONTINUED OPERATIONS	-	3.97	-	1.90

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
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
		Restated		Restated
PROFIT AFTER TAXATION	113,575	156,566	37,998	97,697
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified subsequently to profit or loss				
Recognition of actuarial loss on staff retirement gratuity	(10,280)	(2,907)	(5,140)	(1,453)
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	7,409	22,928	(1,931)	6,040
Other comprehensive (loss) / income for the period	(2,871)	20,021	(7,071)	4,587
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	110,704	176,587	30,927	102,284


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		Half year ended	
NOTE	31 December 2013	31 December 2012	
		Restated	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	11	(105,595)	(88,190)
Finance cost paid		(17,513)	(27,127)
Staff retirement gratuity paid		(5,879)	(4,053)
Income tax paid		(26,048)	(21,779)
Dividend paid		(14)	-
Workers' profit participation fund paid		(27,103)	-
Decrease in long term deposits		-	17
		<hr/>	<hr/>
Net cash utilized in operating activities		(182,152)	(141,132)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,902)	(25,672)
Proceeds from non-current assets held for sale		-	107,267
Profit on bank deposits received		4,395	8,393
		<hr/>	<hr/>
Net cash from investing activities		493	89,988
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(7,493)	(7,493)
Short term borrowings - net		167,572	72,655
		<hr/>	<hr/>
Net cash from financing activities		160,079	65,162
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
		(21,580)	14,018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
		136,163	160,144
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		<hr/> <hr/>	<hr/> <hr/>
		114,583	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 HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

	CAPITAL RESERVES				REVENUE RESERVES				TOTAL	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 June 2012 - Un-audited	213,775	5,496	12,000	37,617	55,113	96,988	4,000	(231,380)	(130,392)	(75,279)	138,496
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)	(26,722)
Profit for the half year ended 31 December 2012	-	-	-	-	-	-	-	156,566	156,566	156,566	156,566
Other comprehensive income / (loss) for the half year ended 31 December 2012	-	-	-	22,928	22,928	-	-	(2,907)	(2,907)	20,021	20,021
Total comprehensive income for the half year ended 31 December 2012	-	-	-	22,928	22,928	-	-	153,659	153,659	176,587	176,587
Balance as at 31 December 2012 - Un-audited (Restated)	213,775	5,496	12,000	60,545	78,041	96,988	4,000	(104,443)	(3,455)	74,586	288,361
Profit for the half year ended 30 June 2013	-	-	-	-	-	-	-	253,848	253,848	253,848	253,848
Other comprehensive income / (loss) for the half year ended 30 June 2013	-	-	-	32,573	32,573	-	-	(2,907)	(2,907)	29,666	29,666
Total comprehensive income for the half year ended 30 June 2013	-	-	-	32,573	32,573	-	-	250,941	250,941	283,514	283,514
Balance as at 30 June 2013 - Audited (Restated)	213,775	5,496	12,000	93,118	110,614	96,988	4,000	146,498	247,486	358,100	571,875
Profit for the half year ended 31 December 2013	-	-	-	-	-	-	-	113,575	113,575	113,575	113,575
Other comprehensive income / (loss) for the half year ended 31 December 2013	-	-	-	7,409	7,409	-	-	(10,280)	(10,280)	(2,871)	(2,871)
Total comprehensive income for the half year ended 31 December 2013	-	-	-	7,409	7,409	-	-	103,295	103,295	110,704	110,704
Balance as at 31 December 2013 - Un-audited	213,775	5,496	12,000	100,527	118,023	96,988	4,000	249,793	350,781	468,804	682,579

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 HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

This unconsolidated 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 unconsolidated condensed interim financial information of the Company for the half year ended 31 December 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 unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the period ended 30 June 2013.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of this unconsolidated condensed interim financial information are same as applied in the preparation of the preceding audited annual financial statements of the Company for the period ended 30 June 2013, except for change in accounting policy under IAS 19 'Employee Benefits' with effect from 01 July 2013 as given below:

3.1 Change in accounting policy

'During the period, the Company has adopted IAS 19 (Amendment) 'Employee Benefits' and changed its basis for recognition of actuarial gains and losses on its defined benefit plan. According to new policy actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Amounts recognized in profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income / expense. Previously, the Company recognized actuarial gains and losses over the expected average remaining working lives of the employees, to the extent that unrecognized actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation. This change in accounting policy has been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

'Had there been no change in this accounting policy, the amount recognized in this unconsolidated condensed interim financial information and financial statements for the period ended 30 June 2013 would have been different as follows:

(RUPEES IN THOUSAND)

31 December 2013	30 June 2013	
Decrease in employees' retirement benefit	16,965	6,685
Increase in deferred income tax liability	1,467	871
Increase in un-appropriated profit	15,498	5,814
Increase in profit after taxation	2,334	871
Increase in other comprehensive income	10,280	5,814

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this unconsolidated 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 unconsolidated 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 period ended 30 June 2013.

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 December 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	7,493	14,986
	-	7,493
Less: Current portion shown under current liabilities	-	7,493
	-	-

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 June 2013: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable Lahore High Court, Lahore which are still pending. No provision has been made in this unconsolidated condensed financial information against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (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.

iii) Guarantees 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.

b) Commitments:

i) Letters of credit for capital expenditure as at 31 December 2013 are of Rupees 8.393 million (30 June 2013 :Rupees 10.972 million).

ii) Letters of credit for other than capital expenditure as at 31 December 2013 are of Rupees 76.073 million (30 June 2013:Rupees:Nil).

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
31 December 2013	30 June 2013

7. PROPERTY, PLANT AND EQUIPMENT

Opening book value	2,758,469	2,761,525
Add:		
Cost of additions during the period / year (Note 7.1)	3,902	19,658
Transferred from non-current assets held for sale	-	310
	<u>2,762,371</u>	<u>2,781,493</u>
Less:		
Book value of deletions during the period / year (Note 7.2)	-	433
Classified as non-current assets held for sale	-	7
	-	440
	<u>2,762,371</u>	<u>2,781,053</u>
Less: Depreciation charged during the period / year	14,998	22,584
	<u>2,747,373</u>	<u>2,758,469</u>

7.1 Cost of additions during the period / year

Plant and machinery	2,662	14,567
Electric installations	147	1,391
Tools and equipment	109	178
Furniture and fixtures	491	1,056
Vehicles	69	1,089
Office equipment	424	1,377
	<u>3,902</u>	<u>19,658</u>

7.2 Book value of deletions during the period / year

Plant and machinery	-	49
Vehicles	-	384
	-	433

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
	17,116	17,116
Add:		
Fair value adjustment	8,497	7,115
	<u>25,613</u>	<u>24,231</u>

9. NON-CURRENT ASSETS HELD FOR SALE

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. Significant portion of the plant and machinery and related equipment has been disposed of by the Company in previous years. The remaining assets are expected to be disposed of during the current financial year.

(RUPEES IN THOUSAND)

Half year ended		Quarter ended	
31 December 2013	31 December 2012	31 December 2013	31 December 2012

10. COST OF SALES

Raw material consumed	1,444,964	1,124,026	724,501	646,961
Cost of raw material sold	-	19,257	-	19,257
Salaries, wages and other benefits	155,231	134,680	86,154	61,553
Stores, spare parts and loose tools consumed	57,617	61,512	25,080	28,710
Fuel and power	246,030	189,501	129,714	103,771
Outside weaving charges	274,039	399,290	138,673	102,069
Other manufacturing overheads	6,077	3,166	3,196	1,786
Insurance	3,152	2,321	1,745	1,390
Repair and maintenance	2,960	2,493	1,168	1,546
Depreciation	13,379	13,873	6,717	6,766
	<u>2,203,449</u>	<u>1,950,119</u>	<u>1,116,948</u>	<u>973,809</u>
Work-in-process:				
Opening stock	19,248	16,729	20,841	16,336
Closing stock	(20,425)	(17,082)	(20,425)	(17,082)
	(1,177)	(353)	416	(746)
Cost of goods manufactured	<u>2,202,272</u>	<u>1,949,766</u>	<u>1,117,364</u>	<u>973,063</u>
Finished goods:				
Opening stock	163,131	149,805	181,420	126,612
Closing stock	(193,197)	(185,233)	(193,197)	(185,233)
	(30,066)	(35,428)	(11,777)	(58,621)
	<u>2,172,206</u>	<u>1,914,338</u>	<u>1,105,587</u>	<u>914,442</u>
Cost of goods - purchased for resale	166,408	195,094	65,409	195,094
	<u>2,338,614</u>	<u>2,109,432</u>	<u>1,170,996</u>	<u>1,109,536</u>

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 December 2013	30 June 2013

II. CASH UTILIZED IN OPERATIONS

		Restated
Profit before taxation	140,485	203,579
Adjustments for non-cash charges and other items:		
Depreciation	14,998	14,908
Provision for staff retirement gratuity	10,001	13,237
Gain on sale of non-current assets held for sale	-	(88,409)
Credit balances added back	-	3,876
Loans and advances written off	20	-
Impairment loss on investments	-	5,564
Loss on remeasurment of fair value of investment properties	-	209
Profit on deposits with banks	(4,686)	(8,772)
Finance cost	18,036	31,445
Provision for obsolescence of stores, spare parts and loose tools	1,500	-
Reversal of workers' welfare fund	-	(1,269)
Provision for workers' profit participation fund	7,448	18,357
Working capital changes (Note I I.1)	(293,397)	(280,915)
	<u>(105,595)</u>	<u>(88,190)</u>

II.1 Working capital changes**(Increase) / decrease in current assets**

Stores, spare parts and loose tools	(4,206)	2,333
Stock-in-trade	(377,227)	(387,777)
Trade debts	(23,234)	19,335
Loans and advances	(1,321)	15,829
Short term deposits prepayments and balances with statutory authorities	(3,230)	(15,209)
Other receivables	(7,114)	(17,848)
	<u>(416,332)</u>	<u>(383,337)</u>
 Increase in trade and other payables	 122,935	 102,422
	<u>(293,397)</u>	<u>(280,915)</u>

12. SEGMENT INFORMATION

12.1

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(RUPEES IN THOUSAND)						Restated	
Sales	2,091,864	2,285,017	1,591,411	1,147,024	(1,064,069)	(1,057,961)	2,619,206	2,374,080
Cost of sales	(1,909,594)	(2,078,268)	(1,493,089)	(1,089,125)	1,064,069	1,057,961	(2,338,614)	(2,109,432)
Gross profit	182,270	206,670	98,322	57,899	-	-	280,592	264,648
Distribution cost	(24,081)	(19,439)	(43,401)	(33,484)	-	-	(67,482)	(52,923)
Administrative expenses	(63,197)	(47,296)	(2,905)	(7,227)	-	-	(66,102)	(54,523)
Other expenses	(9,187)	(22,740)	-	-	-	-	(9,187)	(22,740)
	(96,465)	(86,217)	(46,306)	(40,711)	-	-	(142,771)	(130,186)
	85,805	120,454	52,016	17,188	-	-	137,821	134,462
Other income	20,700	15,081	-	-	-	-	20,700	15,081
Profit from operations	106,505	138,080	52,016	17,188	-	-	158,521	149,543
Finance cost	(14,606)	(27,254)	(3,430)	(3,493)	-	-	(18,036)	(30,747)
Profit before taxation	91,899	114,096	48,586	13,695	-	-	140,485	118,796
Taxation							(26,910)	(47,013)
Profit after taxation from continued operations							113,575	71,783
Profit after taxation from discontinued operations							-	84,783
Profit after taxation							113,575	156,566

12.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013
.....(RUPEES IN THOUSAND).....						
Total assets for reportable segments	4,169,892	3,884,835	57,504	52,572	4,227,396	3,937,407
Non-current assets held for sale					913	913
Total assets as per balance sheet					4,228,309	3,938,320

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013
.....(RUPEES IN THOUSAND).....						
Total liabilities for reportable segments	911,898	663,266	74,552	44,913	986,450	708,179
Unallocated liabilities:						
Deferred income tax liability					9,675	9,846
Provision for taxation					27,081	125,896
Total liabilities as per balance sheet					1,023,206	843,921

13. 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:

(RUPEES IN THOUSAND)

	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
i) Transactions				
Subsidiary company				
Rental expense		510	500	255
Associated companies				
Service charges		3,345	7,112	1,673
Loan repaid / adjusted		6,315	106	2,832
Mark-up expense		232	373	73
Other related parties				
Company's contribution to Employees' Provident Fund Trust		-	756	-
Loans received from directors / sponsors		11,178	8,375	5,555
Loans repaid to directors / sponsors		7,700	8,391	3,902
Remuneration paid to key management personnel		20,050	18,861	10,025
				9,430

ii) Period end balances

	(RUPEES IN THOUSAND)	(RUPEES IN THOUSAND)
	UN-AUDITED	AUDITED
	31 December 2013	30 June 2013
Trade and other payables	15,061	12,520
Accrued mark-up	232	560
Short term borrowings	130,207	132,813

14. FINAL DIVIDEND FOR THE PERIOD ENDED 30 JUNE 2013

Some shareholders of the Company have filed a petition for winding up of the Company under section 305 of the Companies Ordinance, 1984 and investigation of Company's affairs under section 265 of the Companies Ordinance, 1984 in Honourable Lahore High Court, Lahore. Honourable Lahore High Court, Lahore issued an order on 30 October 2013 that the proceedings of the 55th Annual General Meeting of the Company will not be finalized up till the decision of the Court. The petition has not so far been decided by the Honourable Lahore High Court, Lahore. Hence, cash dividend at the rate of Rupees 2 per ordinary share, approved by the Board of Directors in their meeting held on 09 October 2013, has not been recognized in this condensed interim financial information.

15. 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 period ended 30 June 2013.

16. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial information was approved and authorized for issue on February 27, 2014 by the Board of Directors of the Company.

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the corresponding figures shown in the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated cash flow statement, unconsolidated statement of changes in equity and related notes have been re-arranged to be in line for the current half year ended 31 December 2013 and quarter ended 31 December 2013. In previous year, the condensed interim financial information was prepared from 01 October 2012 to 31 March 2013 as at that time the financial year end of the Company was on 30 September which was later changed to 30 June. The figures of the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

18. 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

CONSOLIDATED CONDENSED INTERIM

(RUPEES INTHOUSAND)

NOTE	UN-AUDITED	AUDITED
	31 December 2013	30 June 2013
		Restated

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
546,129	428,078
759,904	641,853

Surplus on revaluation of freehold land and
and investment properties

2,539,950	2,540,016
-----------	-----------

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Deferred income tax liability
Employees' retirement benefit

5	-	-
	17,987	19,266
	44,660	30,257
	62,647	49,523

CURRENT LIABILITIES

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

440,837	337,072
18,329	18,469
501,337	333,765
-	7,493
27,301	125,958
987,804	822,757

TOTAL LIABILITIES

1,050,451	872,280
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CONTINGENCIES AND COMMITMENTS

6

TOTAL EQUITY AND LIABILITIES

4,350,305	4,054,149
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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 31 DECEMBER 2013

(RUPEES INTHOUSAND)

NOTE	UN-AUDITED	AUDITED
	31 December 2013	30 June 2013
		Restated

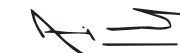
ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	7	2,773,546	2,785,896
Investment properties		54,172	54,172
Long term investments	8	226,703	212,450
Long term deposits		3,134	3,134
		3,057,555	3,055,652

CURRENT ASSETS

Stores, spare parts and loose tools	48,206	45,500	
Stock-in-trade	766,387	389,160	
Trade debts	119,468	96,234	
Loans and advances	23,630	22,329	
Short term deposits, prepayments and balances with statutory authorities	82,606	179,190	
Other receivables	119,964	112,559	
Short term investments	13,918	13,374	
Cash and bank balances	117,658	139,238	
	1,291,837	997,584	
Non-current assets held for sale	9	913	913
		1,292,750	998,497
TOTAL ASSETS		4,350,305	4,054,149



ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Restated		Restated	
CONTINUING OPERATIONS:				
SALES	2,619,206	2,374,080	1,296,997	1,250,036
COST OF SALES	(2,338,614)	(2,109,432)	(1,170,996)	(1,109,536)
GROSS PROFIT	280,592	264,648	126,001	140,500
DISTRIBUTION COST	(67,482)	(52,923)	(31,485)	(33,167)
ADMINISTRATIVE EXPENSES	(66,859)	(55,417)	(34,590)	(24,118)
OTHER EXPENSES	(9,187)	(22,740)	(4,381)	(3,574)
	<u>(143,528)</u>	<u>(131,080)</u>	<u>(70,456)</u>	<u>(60,859)</u>
	137,064	133,568	55,545	79,641
OTHER INCOME	20,700	15,081	4,579	4,364
PROFIT FROM OPERATIONS	157,764	148,649	60,124	84,005
FINANCE COST	(18,336)	(30,747)	(11,182)	(15,725)
	<u>139,428</u>	<u>117,902</u>	<u>48,942</u>	<u>68,280</u>
SHARE OF PROFIT/(LOSS) OF ASSOCIATED COMPANY	13,421	26,944	24,074	23,261
PROFIT BEFORE TAXATION	152,849	144,846	73,016	91,541
TAXATION	(26,987)	(47,013)	(11,826)	(11,668)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	125,862	97,833	61,190	79,873
DISCONTINUED OPERATIONS:				
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	-	84,783	-	40,638
PROFIT AFTER TAXATION	<u>125,862</u>	<u>182,616</u>	<u>61,190</u>	<u>120,511</u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES):				
- CONTINUING OPERATIONS	5.89	4.58	2.86	3.74
- DISCONTINUED OPERATIONS	-	3.97	-	1.90

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
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Half year ended		Quarter ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Restated		Restated	
PROFIT AFTER TAXATION	125,862	182,616	61,190	120,511
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified subsequently to profit or loss				
Recognition of actuarial loss on staff retirement gratuity	(10,280)	(2,907)	(5,140)	(1,453)
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of available for sale investments to fair value	2,469	27,868	(6,871)	6,040
Other comprehensive (loss) / income for the period	(7,811)	24,961	(12,011)	4,587
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>118,051</u>	<u>207,577</u>	<u>49,179</u>	<u>125,098</u>


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		Half year ended	
NOTE		31 December 2013	31 December 2012
		Restated	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash utilized in operations	11 (105,595)	(123,114)
	Finance cost paid	(17,513)	(27,127)
	Staff retirement gratuity paid	(5,879)	(4,053)
	Income tax paid	(26,048)	(21,779)
	Dividend paid	(14)	-
	Workers' profit participation fund paid	(27,103)	-
	Decrease in long term deposits	-	17
	Net cash utilized in operating activities	(182,152)	(176,056)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(3,902)	(25,672)
	Proceeds from non-current assets held for sale	-	107,267
	Profit on bank deposits received	4,395	8,393
	Net cash from investing activities	493	89,988
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long term financing	(7,493)	(7,493)
	Short term borrowings - net	167,572	72,655
	Net cash from financing activities	160,079	65,162
	NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(21,580)	(20,906)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	139,238	160,144
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>117,658</u>	<u>139,238</u>

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 HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

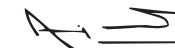
(RUPEES IN THOUSAND)

	CAPITAL RESERVES				REVENUE RESERVES				TOTAL	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 June 2012 - Un-audited	213,775	5,496	12,000	4,113	21,609	44,975	4,000	(60,226)	(11,251)	10,358	224,133
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)	(26,722)
Profit for the half year ended 31 December 2012	-	-	-	-	-	-	-	182,616	182,616	182,616	182,616
Other comprehensive income / (loss) for the half year ended 31 December 2012	-	-	-	27,868	27,868	-	-	(2,907)	(2,907)	24,961	24,961
Total comprehensive income for the half year ended 31 December 2012	-	-	-	27,868	27,868	-	-	179,709	179,709	207,577	207,577
Balance as at 31 December 2012 - Un-audited (Restated)	213,775	5,496	12,000	31,981	49,477	44,975	4,000	92,761	141,736	191,213	404,988
Profit for the half year ended 30 June 2013	-	-	-	-	-	-	-	207,199	207,199	207,199	207,199
Other comprehensive income / (loss) for the half year ended 30 June 2013	-	-	-	32,573	32,573	-	-	(2,907)	(2,907)	29,666	29,666
Total comprehensive income for the half year ended 30 June 2013	-	-	-	32,573	32,573	-	-	204,292	204,292	236,865	236,865
Balance as at 30 June 2013 - Audited (Restated)	213,775	5,496	12,000	64,554	82,050	44,975	4,000	297,053	346,028	428,078	641,853
Profit for the half year ended 31 December 2013	-	-	-	-	-	-	-	125,862	125,862	125,862	125,862
Other comprehensive income / (loss) for the half year ended 31 December 2013	-	-	-	2,469	2,469	-	-	(10,280)	(10,280)	(7,811)	(7,811)
Total comprehensive income for the half year ended 31 December 2013	-	-	-	2,469	2,469	-	-	115,582	115,582	118,051	118,051
Balance as at 31 December 2013 - Un-audited	213,775	5,496	12,000	67,023	84,519	44,975	4,000	412,635	461,610	546,129	759,904

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 HALF YEAR ENDED 31 DECEMBER 2013 (UN-AUDITED)

I. THE GROUP AND ITS OPERATIONS

The Group consist of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

Crescot Mills Limited

Crescent Cotton Mills Limited

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

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 the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and International Accounting Standard (IAS) 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 or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the proceeding audited annual published consolidated financial statements of the Group for the period ended 30 June 2013.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

"The accounting policies and methods of computation adopted for the preparation of this consolidated condensed interim financial information are same as applied in the preparation of the preceding consolidated audited annual financial statements of the Group for the period ended 30 June 2013, except for change in accounting policy under IAS 19 'Employee Benefits' with effect from 01 July 2013 as given below:

3.1 Change in accounting policy

'During the period, the Group has adopted IAS 19 (Amendment) 'Employee Benefits' and changed its basis for recognition of actuarial gains and losses on its defined benefit plan. According to new policy actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Amounts recognized in profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income / expense. Previously, the Group recognized actuarial gains and losses over the expected average remaining working lives of the employees, to the extent that unrecognized actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation. This change in accounting policy has been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

'Had there been no change in this accounting policy, the amount recognized in this consolidated condensed interim financial information and financial statements for the period ended 30 June 2013 would have been different as follows:

	(RUPEES IN THOUSAND)	
	31 December 2013	30 June 2013
Decrease in employees' retirement benefit	16,965	6,685
Increase in deferred income tax liability	1,467	871
Increase in un-appropriated profit	15,498	5,814
Increase in profit after taxation	2,334	871
Increase in other comprehensive income	10,280	5,814

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 financial statements of the Company for the period ended 30 June 2013.

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
31 December 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	7,493	14,986
	-	7,493
Less: Current portion shown under current liabilities	-	7,493
	-	-

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 June 2013: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honourable Lahore High Court, Lahore which are still pending. No provision has been made in this unconsolidated condensed financial information against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (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.

iii) Guarantees 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.

b) Commitments:

i) Letters of credit for capital expenditure as at 31 December 2013 are of Rupees 8.393 million (30 June 2013: Rupees 10.972 million).

ii) Letters of credit for other than capital expenditure as at 31 December 2013 are of Rupees 76.073 million (30 June 2013: Rupees: Nil).

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 December 2013	30 June 2013

7. PROPERTY, PLANT AND EQUIPMENT

Opening book value	2,785,896	2,791,724
Add:		
Cost of additions during the period / year (Note 7.1)	3,902	19,658
Transferred from non-current assets held for sale	-	310
	2,789,798	2,811,692

Less:

Book value of deletions during the period / year (Note 7.2)	-	433
Classified as non-current assets held for sale	-	7
	-	440
	2,789,798	2,811,252

Less: Depreciation charged during the period / year	16,252	25,356
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Book value at the end of the period / year	2,773,546	2,785,896
--	-----------	-----------

7.1 Cost of additions during the period / year

Plant and machinery	2,662	14,567
Electric installations	147	1,391
Tools and equipment	109	178
Furniture and fixtures	491	1,056
Vehicles	69	1,089
Office equipment	424	1,377
	3,902	19,658

7.2 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	13,421	22,156
	176,518	163,097
	220,126	206,705

Available for sale:

Quoted - Others	717	717
Unquoted - Others	3,164	3,164
	3,881	3,881

Add: Fair value adjustment	2,696	1,864
	6,577	5,745

	226,703	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. NON-CURRENT ASSETS HELD FOR SALE

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. Significant portion of the plant and machinery and related equipment has been disposed of by the Company in previous years. The remaining assets are expected to be disposed of during the current financial year.

(RUPEES IN THOUSAND)

Half year ended		Quarter ended	
31 December 2013	31 December 2012	31 December 2013	31 December 2012

10. COST OF SALES

Raw material consumed	1,444,964	1,124,026	724,501	646,961
Cost of raw material sold	-	19,257	-	19,257
Salaries, wages and other benefits	155,231	134,680	86,154	61,553
Stores, spare parts and loose tools consumed	57,617	61,512	25,080	28,710
Fuel and power	246,030	189,501	129,714	103,771
Outside weaving charges	274,039	399,290	138,673	102,069
Other manufacturing overheads	6,077	3,166	3,196	1,786
Insurance	3,152	2,321	1,745	1,390
Repair and maintenance	2,960	2,493	1,168	1,546
Depreciation	13,379	13,873	6,717	6,766
	<u>2,203,449</u>	<u>1,950,119</u>	<u>1,116,948</u>	<u>973,809</u>
Work-in-process:				
Opening stock	19,248	16,729	20,841	16,336
Closing stock	(20,425)	(17,082)	(20,425)	(17,082)
	<u>(1,177)</u>	<u>(353)</u>	<u>416</u>	<u>(746)</u>
Cost of goods manufactured	<u>2,202,272</u>	<u>1,949,766</u>	<u>1,117,364</u>	<u>973,063</u>
Finished goods:				
Opening stock	163,131	149,805	181,420	126,612
Closing stock	(193,197)	(185,233)	(193,197)	(185,233)
	<u>(30,066)</u>	<u>(35,428)</u>	<u>(11,777)</u>	<u>(58,621)</u>
	<u>2,172,206</u>	<u>1,914,338</u>	<u>1,105,587</u>	<u>914,442</u>
Cost of goods - purchased for resale	166,408	195,094	65,409	195,094
	<u>2,338,614</u>	<u>2,109,432</u>	<u>1,170,996</u>	<u>1,109,536</u>

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 December 2013	30 June 2013

Restated

II. CASH UTILIZED IN OPERATIONS

Profit before taxation	152,849	229,629
Adjustments for non-cash charges and other items:		
Depreciation	16,252	16,295
Provision for staff retirement gratuity	10,001	13,237
Gain on sale of non-current assets held for sale	-	(88,409)
Share of profit from associate company	(13,421)	(26,944)
Credit balances added back	-	3,876
Loans and advances written off	20	-
Impairment loss on investments	-	5,564
Loss on remeasurment of fair value of investment properties	-	209
Profit on deposits with banks	(4,686)	(8,772)
Finance cost	18,336	31,445
Provision for obsolescence of stores, spare parts and loose tools	1,500	-
Reversal of workers' welfare fund	-	(1,269)
Provision for workers' profit participation fund	7,448	18,357
Working capital changes (Note II.1)	(293,894)	(316,332)
	<u>(105,595)</u>	<u>(123,114)</u>

II.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(4,206)	2,320
Stock-in-trade	(377,227)	(387,777)
Trade debts	(23,234)	19,335
Loans and advances	(1,321)	15,829
Short term deposits prepayments and balances with statutory authorities	(3,263)	(9,206)
Other receivables	(7,114)	(19,879)
	<u>(416,365)</u>	<u>(379,378)</u>
Increase in trade and other payables	122,471	63,046
	<u>(293,894)</u>	<u>(316,332)</u>

12. SEGMENT INFORMATION

12.1

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(RUPEES IN THOUSAND)						Restated	
Sales	2,091,864	2,285,017	1,591,411	1,147,024	(1,064,069)	(1,057,961)	2,619,206	2,374,080
Cost of sales	(1,909,594)	(2,078,268)	(1,493,089)	(1,089,125)	1,064,069	1,057,961	(2,338,614)	(2,109,432)
Gross profit	182,270	206,670	98,322	57,899	-	-	280,592	264,648
Distribution cost	(24,081)	(19,439)	(43,401)	(33,484)	-	-	(67,482)	(52,923)
Administrative expenses	(63,955)	(47,296)	(2,905)	(7,227)	-	-	(66,860)	(55,417)
Other expenses	(9,187)	(22,740)	-	-	-	-	(9,187)	(22,740)
	(97,222)	(86,217)	(46,306)	(40,711)	-	-	(143,529)	(131,080)
	85,048	120,454	52,016	17,188	-	-		
Other income	20,700	15,081	-	-	-	-	137,063	133,568
Profit from operations	105,748	138,080	52,016	17,188	-	-	20,700	15,081
Finance cost	(14,906)	(27,254)	(3,430)	(3,493)	-	-	157,764	148,649
Profit before taxation and unallocated income and expenses	90,842	114,096	48,586	13,695	-	-	(18,036)	(30,747)
Share of profit / (Loss) from associated companies							13,421	26,944
Taxation							(26,987)	(47,013)
Profit after taxation from continued operations							125,862	97,833
Profit after taxation from discontinued operations							-	84,783
Profit after taxation							125,862	182,616

12.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013
..... (RUPEES IN THOUSAND)						
Total assets for reportable segments	4,291,888	4,000,664	57,504	52,572	4,349,392	4,053,236
Non-current assets held for sale					913	913
Total assets as per balance sheet					4,350,305	4,054,149

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013	31 December 2013	30 JUNE 2013
..... (RUPEES IN THOUSAND)						
Total liabilities for reportable segments	930,611	682,143	74,552	44,913	1,005,163	727,056
Unallocated liabilities:						
Deferred income tax liability					17,987	19,266
Provision for taxation					27,301	125,958
Total liabilities as per balance sheet					1,050,451	872,280

13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

(RUPEES IN THOUSAND)				
Half year ended		Quarter ended		
31 December 2013	31 December 2012	31 December 2013	31 December 2012	

i) Transactions

Associated companies

Service charges	3,345	7,112	1,673	6,958
Loan repaid / adjusted	6,315	106	2,832	57
Mark-up expense	232	373	73	187

Other related parties

Group's contribution to Employees' Provident Fund Trust	-	756	-	375
Loans received from directors / sponsors	11,178	8,375	5,555	4,280
Loans repaid to directors / sponsors	7,700	8,391	3,902	2,326
Remuneration paid to key management personnel	20,050	18,861	10,025	9,430

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
31 December 2013	30 June 2013

ii) Period end balances

Trade and other payables	9,058	6,949
Accrued mark-up	232	560
Short term borrowings	130,207	132,813

14. FINAL DIVIDEND FOR THE PERIOD ENDED 30 JUNE 2013

Some shareholders of the Holding Company have filed a petition for winding up of the Holding Company under section 305 of the Companies Ordinance, 1984 and investigation of Holding Company's affairs under section 265 of the Companies Ordinance, 1984 in Honourable Lahore High Court, Lahore. Honourable Lahore High Court, Lahore issued an order on 30 October 2013 that the proceedings of the 55th Annual General Meeting of the Holding Company will not be finalized up till the decision of the Court. The petition has not so far been decided by the Honourable Lahore High Court, Lahore. Hence, cash dividend at the rate of Rupees 2 per ordinary share, approved by the Board of Directors in their meeting held on 09 October 2013, has not been recognized in this consolidated condensed interim financial information.

15. 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 Company for the period ended 30 June 2013.

16. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on February 27, 2014 by the Board of Directors of the Company.

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the corresponding figures shown in the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and related notes have been re-arranged to be in line for the current half year ended 31 December 2013 and quarter ended 31 December 2013. In previous year, the condensed interim financial information was prepared from 01 October 2012 to 31 March 2013 as at that time the financial year end of the Holding Company was on 30 September which was later changed to 30 June. The figures of the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

18. 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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