

Crescent Cotton Mills Limited

(Formerly Crescent Sugar Mills & Distillery Limited)



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2012**

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,

Directors of Crescent Cotton Mills Limited are pleased to present the Directors' Review for the quarter ended 31 December 2012. During this period the company performed well both in terms of profitability as well as sales. This is reflected in our performance resulting in a net profit of Rs. 55.876 million translating into an earning per share of Rs. 2.61 which during the same period last year was loss of Rs. 10.750 million translating into loss per share of Rs. 0.50.

Sales for the period were approximately 40% higher than the corresponding period of last year. Better marketing activities have resulted in better gross profit margins for the Company. The gross profit ratio to sales was 11.24% during the current period which was 6.76% last year.

General Market Review and Future Prospects

In the first quarter, textile sector of the country has seen a slight increase in business activity. With stable cotton production and pricing, the textile industry was able to yield better results. The volatility witnessed in the cotton crop has now reduced significantly and we see the price levels showing stability. These are levels at which all sectors in the textile chain are able to operate at sustainable gross margins. Domestic and international demand for yarn and fabrics continues to be strong. International demand continues to be led by China. We expect that if prices remain stable the remainder of the year will continue to be profitable.

Challenges affecting the textile industry for the past few years still linger on. Domestic issues hampering growth still remain intact. Increasing production cost due to rising energy costs, expensive imported inputs and inadequate supply of gas and electricity are posing grave threat to textile sector. Future holds further challenges for the industry. At Crescent Cotton Mills, our strategy is to minimize the negative impact of increasing energy costs to the maximum extent possible and increase our sales volumes and profit margins. To achieve growth targets, we are putting increased efforts to diversify our product range and customer base. We believe this multipronged strategy, which has brought us this far amidst the worst economic crisis, will help us to grow further.

Acknowledgements

We would like to thank the Board of Directors for their guidance at all times and to our employees for their dedication. We would also like to thank our shareholders, all our business partners, bankers' and the financial institutions for their continued support and cooperation.

**For and on behalf of
the Board of Directors**




MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
January 31, 2013

CRESCENT COTTON
(formerly Crescent Sugar
CONDENSED INTERIM BALANCE SHEET

NOTE	UN-AUDITED		AUDITED	
	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2012	30 September 2012	31 December 2012	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	300,000	300,000
Issued, subscribed and paid up share capital	213,775	213,775	213,775	213,775
Reserves	74,623	12,707	180,558	97,449
Total equity	288,398	226,482	394,333	311,224
Surplus on revaluation of operating fixed assets	2,522,524	2,522,524	2,541,309	2,541,309
NON-CURRENT LIABILITIES				
Long term financing	-	-	5,000	5,000
Deferred income tax liability	-	-	9,420	9,420
Employees' retirement benefits	23,212	21,159	23,212	21,159
	23,212	21,159	37,632	35,579
CURRENT LIABILITIES				
Trade and other payables	655,097	588,791	659,130	593,046
Accrued markup	10,772	8,673	20,774	18,675
Short term borrowings	578,010	560,045	578,010	560,045
Current portion of long term financing	14,986	22,479	14,986	22,479
Provision for taxation	111,754	86,240	111,816	86,302
	1,370,619	1,266,228	1,384,716	1,280,547
TOTAL LIABILITIES	1,393,831	1,287,387	1,422,348	1,316,126
CONTINGENCIES AND COMMITMENTS				
	-	-	-	-
TOTAL EQUITY AND LIABILITIES	4,204,753	4,036,393	4,357,990	4,168,659

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED
Mills & Distillery Limited)
AS AT 31 DECEMBER 2012

NOTE	UN-AUDITED		AUDITED	
	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2012	30 September 2012	31 December 2012	30 September 2012
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7 2,762,319	2,765,530	2,791,825	2,795,729
Investment properties	10 54,172	54,172	54,172	54,172
Long term investments	8 23,542	20,044	213,298	188,663
Long term deposits	2,612	2,612	3,134	3,134
Deferred income tax asset	72,101	72,101	72,101	72,101
	2,914,746	2,914,459	3,134,530	3,113,799
CURRENT ASSETS				
Stores, spare parts and loose tools	54,856	57,781	59,278	62,205
Stock-in-trade	663,336	496,164	663,336	496,164
Trade debts	58,707	90,332	58,707	90,332
Loans and advances	21,286	16,169	21,286	16,169
Short term deposits prepayments and balances with statutory authorities	132,899	116,707	132,985	116,778
Other receivables	52,092	36,786	54,234	38,927
Short term investments	9 91,606	89,064	15,333	12,278
Cash and bank balances	174,162	177,868	177,238	180,944
Non-current assets held for sale	10 41,063	41,063	41,063	41,063
	1,290,007	1,121,934	1,223,460	1,054,860
TOTAL ASSETS	4,204,753	4,036,393	4,357,990	4,168,659


ABID MEHMOOD
DIRECTOR

CRESCENT COTTON MILLS LIMITED

(formerly Crescent Sugar Mills & Distillery Limited)

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2012 (UN-AUDITED)**

NOTE

THE COMPANY	CONSOLIDATED
31 December 2012	31 December 2011

CONTINUING OPERATIONS:

SALES	1,250,036	892,882	1,250,036	892,882
COST OF SALES	11 (1,109,536)	(832,558)	(1,109,536)	(832,558)
GROSS PROFIT	140,500	60,324	140,500	60,324
DISTRIBUTION COST	(33,167)	(20,545)	(33,167)	(20,545)
ADMINISTRATIVE EXPENSES	(23,671)	(15,120)	(24,127)	(15,659)
OTHER OPERATING EXPENSES	(3,574)	-	(3,574)	-
	(60,412)	(35,665)	(60,868)	(36,204)
	80,088	24,659	79,632	24,120
OTHER OPERATING INCOME	12 4,364	207	4,364	207
PROFIT FROM OPERATIONS	84,452	24,866	83,996	24,327
FINANCE COST	(15,725)	(17,222)	(15,725)	(17,372)
	68,727	7,644	68,271	6,955

SHARE OF PROFIT/(LOSS) FROM ASSOCIATED COMPANIES	-	-	23,261	(12,659)
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PROFIT/(LOSS) BEFORE TAXATION	68,727	7,644	91,532	(5,704)
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PROVISION FOR TAXATION	(11,668)	(8,928)	(11,295)	(8,940)
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PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS	57,059	(1,284)	80,237	(14,644)
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DISCONTINUED OPERATIONS:

PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	(1,183)	(9,466)	(1,556)	(9,466)
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PROFIT/(LOSS) AFTER TAXATION	55,876	(10,750)	78,681	(24,110)
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EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):

- CONTINUING OPERATIONS	2.67	(0.06)	3.75	(0.69)
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- DISCONTINUED OPERATIONS	(0.06)	(0.44)	(0.07)	(0.44)
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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)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2012 (UN-AUDITED)**

(RUPEES IN THOUSAND)

THE COMPANY	CONSOLIDATED
31 December 2012	31 December 2011

PROFIT/(LOSS) AFTER TAXATION	55,876	(10,750)	78,681	(24,110)
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OTHER COMPREHENSIVE INCOME

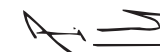
(Deficit)/surplus on remeasurement of available for sale investments	6,040	(10,602)	4,428	(330)
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TOTAL COMPREHENSIVE INCOM/ (LOSS) FOR THE PERIOD	61,916	(21,352)	83,109	(24,440)
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The annexed noted 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)
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2012 (UN-AUDITED)

	NOTE	(RUPEES IN THOUSAND)			
		THE COMPANY		CONSOLIDATED	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash utilized in operations	13	(825)	88,188	(809)	88,203
Finance cost paid		(13,628)	(17,604)	(13,628)	(17,604)
Gratuity paid		-	-	-	-
Income tax paid		4,027	(7,776)	4,011	(7,791)
Dividend paid		-	-	-	-
(Increase)/Decrease in long term deposits		-	(2,850)	-	(2,850)
		(9,601)	(28,230)	(9,617)	(28,245)
Net cash used in operating activities		(10,426)	59,958	(10,426)	59,958
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditure on property, plant and equipment		(4,458)	(2,480)	(4,458)	(2,480)
Proceeds from sale of property, plant and equipment		706	-	706	-
Net cash from investing activities		(3,752)	(2,480)	(3,752)	(2,480)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long term financing		(7,493)	(10,488)	(7,493)	(10,488)
Short term borrowings - net		17,965	28,744	17,965	28,744
Net cash from financing activities		10,472	18,256	10,472	18,256
NET INCREASE IN CASH AND CASH EQUIVALENTS		(3,706)	75,734	(3,706)	75,734
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		177,868	8,150	180,944	11,227
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		174,162	83,884	177,238	86,961

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)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 DECEMBER 2012 (UN-AUDITED)

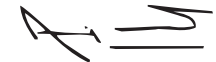
(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES			Sub Total	REVENUE RESERVES			Sub Total	TOTAL EQUITY
		Premium on issue of shares	Plant Modernisation	Fair value		General	Dividend equalization	Accumulated loss		
The Company										
Balance as at 01 October 2011- Audited	213,775	5,496	12,000	19,379	36,875	96,988	4,000	(317,857)	(216,869)	33,781
Total comprehensive (loss) / income for the first quarter ended 31 December 2011	-	-	-	(10,602)	(10,602)	-	-	(10,750)	(10,750)	(21,352)
Balance as at 31 December 2011- Unaudited	213,775	5,496	12,000	8,777	26,273	96,988	4,000	(328,607)	(227,619)	12,429
Total comprehensive loss for the next three quarters ended 30 September 2012	-	-	-	45,728	45,728	-	-	168,325	168,325	214,053
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
Total comprehensive (loss) / income for the first quarter ended 31 December 2012	-	-	-	6,040	6,040	-	-	55,876	55,876	61,916
Balance as at 31 December 2012- Unaudited	213,775	5,496	12,000	60,545	78,041	96,988	4,000	(104,406)	(3,418)	288,398
Consolidated										
Balance as at 01 October 2011- Audited	213,775	5,496	12,000	577	18,073	44,975	4,000	(146,709)	(97,734)	134,114
Total comprehensive (loss) / income for the first quarter ended 31 December 2011	-	-	-	(330)	(330)	-	-	(24,110)	(24,110)	(24,440)
Balance as at 31 December 2011- Unaudited	213,775	5,496	12,000	247	17,743	44,975	4,000	(170,819)	(121,844)	109,674
Total comprehensive loss for the next three quarters ended 30 September 2012	-	-	-	4,523	4,523	-	-	197,027	197,027	201,550
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
Total comprehensive (loss) / income for the first quarter ended 31 December 2012	-	-	-	4,428	4,428	-	-	78,681	78,681	83,109
Balance as at 31 December 2012- Unaudited	213,775	5,496	12,000	9,198	26,694	44,975	4,000	104,889	153,864	394,333

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)			
THE COMPANY		CONSOLIDATED	
31 December 2012	30 September 2012	31 December 2012	30 September 2012

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2012 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills & 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 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. On 02 May 2012, the name of the company was changed from Crescent Sugar Mills & Distillery Limited to Crescent Cotton Mills Limited.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited 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 quarter ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 September 2012.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

3.1 Accounting policies and methods of computation for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 September 2012.

3.2 Consolidated condensed interim financial information

Consolidated condensed interim financial information includes financial results of Crescot Mills Limited, 66.15 percent owned subsidiary company.

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

Opening balance	22,479	46,449	27,479	51,449
Less: Paid during the period/year	7,493	23,970	7,493	23,970
	<u>14,986</u>	<u>22,479</u>	<u>19,986</u>	<u>27,479</u>
Less: Current portion shown under current liabilities	14,986	22,479	14,986	22,479
	<u>-</u>	<u>-</u>	<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.

- Aggregate amount of guarantees issued by the banks on behalf of the Company in favour of Sui Northern Gas Pipelines Limited is Rupees 35.993 million (30 September 2012: Rupees 35.993 million).

Commitments:

- Contracts for capital expenditure are Nil (30 September 2012: Nil).

- Contracts for other than capital expenditure are Nil (30 September 2012: Rupees 1.183 Million).

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	2,754,078	2,761,525	2,783,584	2,791,724
Capital work-in-progress	8,241	4,005	8,241	4,005
	<u>2,762,319</u>	<u>2,765,530</u>	<u>2,791,825</u>	<u>2,795,729</u>

7.1 Operating fixed assets

Opening book value	2,761,525	2,753,135	2,791,724	2,786,695
Add : Additions/transfer during the period/year (Note 7.1.1)	222	38,600	222	38,600
	<u>2,761,747</u>	<u>2,791,735</u>	<u>2,791,946</u>	<u>2,825,295</u>

Less:

Book value of deletions during the period/year (Note 7.1.2)	305	528	305	528
Depreciation charged during the period/year	7,364	29,682	8,057	33,043
	<u>7,669</u>	<u>30,210</u>	<u>8,362</u>	<u>33,571</u>
Book value at the end of the period/year	<u>2,754,078</u>	<u>2,761,525</u>	<u>2,783,584</u>	<u>2,791,724</u>

(RUPEES IN THOUSAND)			
THE COMPANY		CONSOLIDATED	
31 December 2012	30 September 2012	31 December 2012	30 September 2012

7.1.1 Additions/transfer during the period/year

Plant and machinery	-	34,173	-	34,173
Building	-	604	-	604
Tools and equipment	-	17	-	17
Furniture and fixtures	172	612	172	612
Vehicles	-	2,531	-	2,531
Office equipment	50	663	50	663
	<u>222</u>	<u>38,600</u>	<u>222</u>	<u>38,600</u>

7.1.2 Deletions during the period/year

Plant and machinery	49	-	305	-
Vehicles	256	528	-	528
	<u>305</u>	<u>528</u>	<u>305</u>	<u>528</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/(loss) during the period/year	-	-	23,261	5,188
	-	-	164,202	140,941
	-	-	207,810	184,549
Available for sale:				
Unquoted - Subsidiary company	12,734	12,734	-	-
Quoted - Associated companies	502	1,256	-	-
Quoted - Others	716	716	717	716
Unquoted - Others	3,164	8,604	3,164	3,800
	17,116	23,310	3,881	4,516
Less: Impairment loss charged to profit and loss account	-	(6,194)	-	(636)
Add: Fair value adjustment	6,426	2,928	1,607	234
	<u>23,542</u>	<u>20,044</u>	<u>5,488</u>	<u>4,114</u>
	<u>23,542</u>	<u>20,044</u>	<u>213,298</u>	<u>188,663</u>

9. SHORT TERM INVESTMENTS – Available for sale

Quoted - Associated companies	29,745	29,745	-	-
Quoted - Others	7,742	7,742	7,742	7,742
	<u>37,487</u>	<u>37,487</u>	<u>7,742</u>	<u>7,742</u>
Less: Impairment loss charged to profit and loss account	-	-	-	-
Add: Fair value adjustment	54,119	51,577	7,591	4,536
	<u>91,606</u>	<u>89,064</u>	<u>15,333</u>	<u>12,278</u>

10. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND INVESTMENT PROPERTIES

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:

(a) Non-current assets classified as held for sale	(RUPEES IN THOUSAND)	
	THE COMPANY	
	31 December 2012	30 September 2012
Property, plant and equipment		
Plant and machinery	39,303	49,056
Tools and equipment	1,517	1,517
Electric installation	234	234
Service equipment	9	9
	<u>41,063</u>	<u>50,816</u>
Less :- Disposed of during the year		
Plant and machinery	-	9,753
Tools and equipment	-	-
Service equipment	-	-
	-	9,753
	<u>41,063</u>	<u>41,063</u>

Property, plant and equipment related to Sugar Unit and Distillery Unit have been presented as held for sale following the approval of the management of the Company and shareholders in Annual General Meeting held on 31 January 2011 and Extra Ordinary General Meeting held on May 14, 2011 respectively, regarding the disposal of plant and machinery and related equipment of Sugar and Distillery Units of the Company.

(b) Analysis of the result of discontinued operations	(RUPEES IN THOUSAND)	
	THE COMPANY	
	31 December 2012	31 December 2011
SALES	-	6,567
COST OF GOODS SOLD	-	(10,042)
GROSS LOSS	-	(3,475)
DISTRIBUTION COST	-	(691)
ADMINISTRATIVE EXPENSES	(6,461)	(6,120)
OTHER OPERATING EXPENSES	-	-
	<u>(6,461)</u>	<u>(6,811)</u>
	<u>(6,461)</u>	<u>(10,286)</u>
OTHER OPERATING INCOME	5,371	997
LOSS FROM DISCONTINUED OPERATION	(1,090)	(9,289)
FINANCE COST	(2)	(61)
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATIONS	(1,092)	(9,350)
PROVISION FOR TAXATION	(91)	(116)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	<u>(1,183)</u>	<u>(9,466)</u>

(c) Investment properties	(RUPEES IN THOUSAND)	
	THE COMPANY	
	31 December 2012	30 September 2012
Opening net book value	54,172	54,381
Transfer from property, plant and equipment	-	-
Fair value (loss)/gain	-	(209)
	<u>54,172</u>	<u>54,172</u>

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
11. COST OF SALES				
Raw material consumed	646,961	588,697	646,961	588,697
Cost of raw material sold	19,257	-	19,257	-
Salaries, wages and other benefits	61,553	46,490	61,553	46,490
Stores, spare parts and loose tools	28,710	23,231	28,710	23,231
Fuel and power	103,771	86,067	103,771	86,067
Outside weaving charges	102,069	35,381	102,069	35,381
Other manufacturing overheads	1,786	2,435	1,786	2,435
Insurance	1,390	902	1,390	902
Repair and maintenance	1,546	481	1,546	481
Depreciation	6,766	6,529	6,766	6,529
	<u>973,809</u>	<u>790,213</u>	<u>973,809</u>	<u>790,213</u>
Work-in-process:				
Opening stock	16,336	25,497	16,336	25,497
Closing stock	(17,082)	(17,883)	(17,082)	(17,883)
	<u>(746)</u>	<u>7,614</u>	<u>(746)</u>	<u>7,614</u>
Cost of goods manufactured	<u>973,063</u>	<u>797,827</u>	<u>973,063</u>	<u>797,827</u>
Cost of goods purchased	195,094	24,057	195,094	24,057
	<u>1,168,157</u>	<u>821,884</u>	<u>1,168,157</u>	<u>821,884</u>
Finished goods:				
Opening stock	126,612	101,357	126,612	101,357
Closing stock	(185,233)	(90,683)	(185,233)	(90,683)
	<u>(58,621)</u>	<u>10,674</u>	<u>(58,621)</u>	<u>10,674</u>
	<u>1,109,536</u>	<u>832,558</u>	<u>1,109,536</u>	<u>832,558</u>
12. OTHER OPERATING INCOME				
Gain on disposal of assets	401	-	401	-
Dividend income	13	-	13	-
Profit on deposits with banks	3,723	-	3,723	-
Stores, scrap and mud sales	227	207	227	207
	<u>4,364</u>	<u>207</u>	<u>4,364</u>	<u>207</u>
13. CASH UTILIZED IN OPERATIONS				
Profit before taxation	67,635	(1,706)	90,440	(15,054)
Adjustments for non-cash charges and other items:				
Depreciation	7,364	7,061	8,057	7,835
Provision for gratuity	2,053	804	2,053	804
Gain on disposal of property, plant and equipment	(401)	-	(401)	-
Credit balances added back	(3,876)	-	(3,876)	-
Impairment loss on investments	-	-	-	-
Share of profit from associated companies	-	-	(23,261)	12,653
Finance cost	15,727	17,283	15,727	17,433
Working capital changes (Note 13.1)	(89,327)	64,746	(89,548)	64,532
	<u>(825)</u>	<u>88,188</u>	<u>(809)</u>	<u>88,203</u>

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
13.1 Working capital changes				
Decrease / (increase) in current assets				
Stores, spare parts and loose tools	2,925	1,541	2,927	1,554
Stock-in-trade	(167,172)	(174,766)	(167,172)	(174,766)
Trade debts	31,625	(4,697)	31,625	(4,697)
Loans and advances	(5,117)	17,432	(5,117)	17,432
Prepayments and balances with statutory authorities	(6,464)	(2,796)	(6,464)	(2,797)
Other receivables	(15,306)	(1,375)	(15,307)	(1,375)
Increase in current liabilities				
Trade and other payables	70,182	229,407	69,960	229,181
	<u>(89,327)</u>	<u>64,746</u>	<u>(89,548)</u>	<u>64,532</u>

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, subsidiary company, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated companies are as under :

DESCRIPTION	THE COMPANY		CONSOLIDATED	
	31December 2012	31December 2011	31December 2012	31December 2011
Subsidiary Company				
Rental expense	264	240	-	-
Associated Companies				
Insurance charges	6,958	4,937	6,958	4,937

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding auditing annual financial statements of the Company for the year ended 30 September 2012.

16. DATE OF AUTHORIZATION


This condensed interim financial information was authorized for issue on January 31, 2013 by the Board of Directors of the Company.

17. CORRESPONDING FIGURES

Comparative figures have been re-arranged/reclassified, wherever necessary for the purpose of comparison. However, no significant rearrangements/reclassification has been made.

18. GENERAL

Figures have been rounded off to the nearest thousand Rupees.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

BOOK POST
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