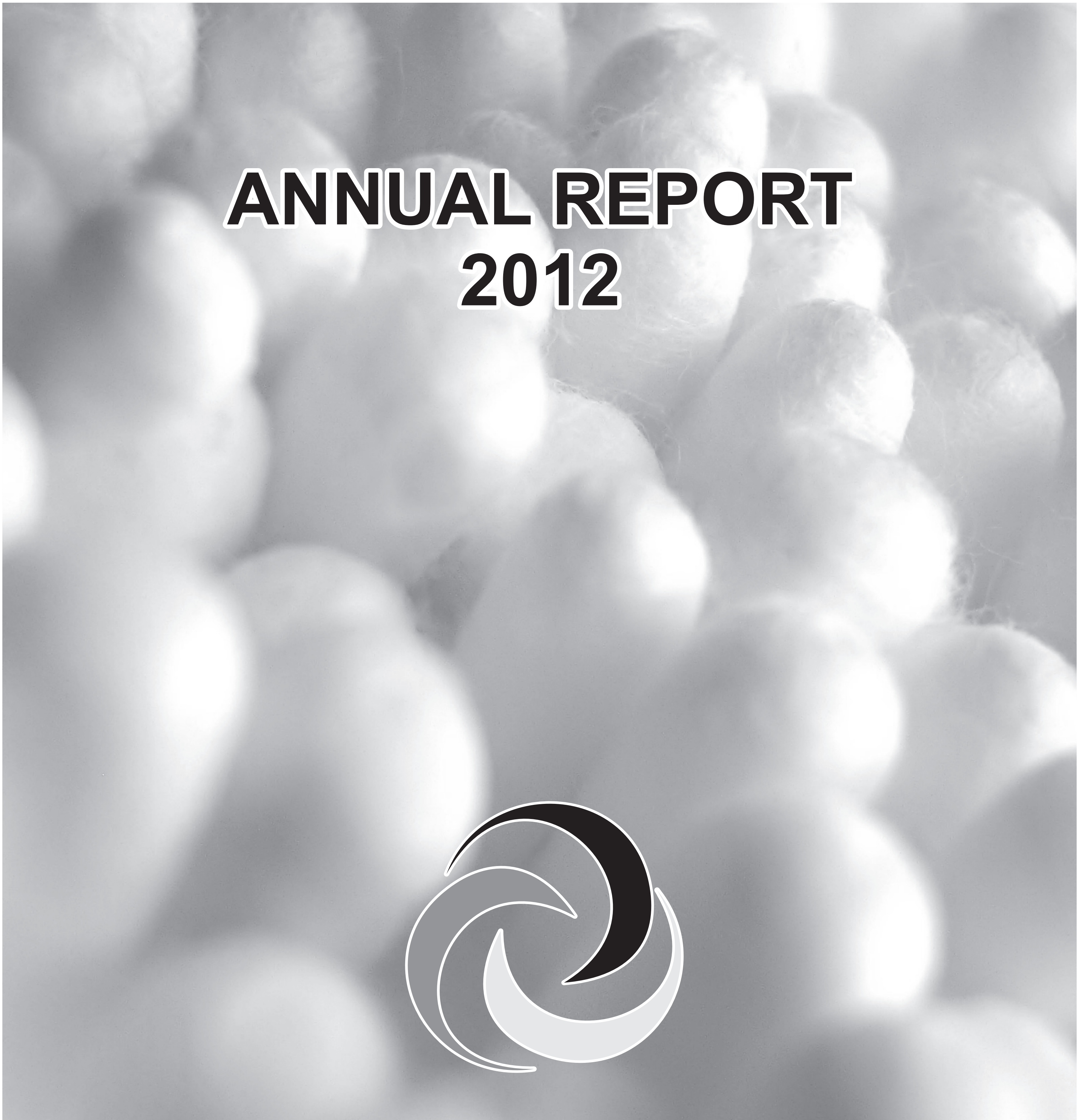

ANNUAL REPORT 2012

CRESCENT COTTON MILLS LIMITED

(Formerly Crescent Sugar Mills & Distillery Limited)

In the Name of Allah,
the most merciful
the Compassionate

بسم الله الرحمن الرحيم

شروع اللہ کے نام سے
جو بڑا مہربان نہایت رحم والا ہے

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CRESCENT COTTON MILLS LIMITED

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE

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

KARACHI OFFICE

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

WORKS

Spinning Unit # 1& 2

Kotla Kahlon,
8/9 Kilometers from
Shahkot towards Sheikupura,
Shahkot Distt. Sheikhupura.
Phones : (0563) 721622 & 721700
Fax : (0563) 721700

Spinning Unit # 3

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

SUBSIDIARY

CRESCOT MILLS LIMITED

PRINCIPAL & REGISTERED OFFICE

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

Chief Executive Officer

Mr. Naveed Gulzar

COMPANY PROFILE

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 54th Annual General Meeting of the shareholders of the Company will be held on Thursday the 31st January, 2013 at 11:00 a.m. at Registered Office of the Company New Lahore Road, Nishatabad, Faisalabad to transact the following business:

1. To confirm the minutes of Extra Ordinary General Meeting of the Company held on March 22, 2012.

2. To approve, as recommended by the Directors, the issue of Cash Dividend @12.5% i.e Rs. 1.25 per share for the year ended September 30, 2012.

3. To receive, consider and adopt Annual Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended September 30, 2012 together with the Directors' and Auditors' Reports thereon.

4. To appoint External Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and approve the De-listing of the Company from the Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited while retaining the listing of the Company on the Karachi Stock Exchange (Guarantee) Limited.

The following resolution is proposed to be passed as **special resolution**:

Resolved:

That the Board of Directors of the Company be and is hereby authorised and empowered to consider delisting of the shares of the Company from Lahore and Islamabad Stock Exchanges, if deemed beneficial for the Company and its shareholders in terms of section 9(5) of the Securities and Exchange Ordinance 1969 while retaining the listing on Karachi Stock Exchange (Guarantee) Limited

Resolved Further:

That the Chief Executive Officer and Company Secretary be and are hereby authorised to fulfil all requisite legal and procedural formalities for accomplishing the delisting of the Company's shares from Lahore and Islamabad Stock Exchanges and to make application, sign and submit requisite documents as may be reasonably required Lahore and Karachi Stock Exchanges so as to effectuate the delisting of the company's shares, and to take all actions and do necessary acts, deeds and things from implementation of this resolution including filing of appeals before the appropriate forum, if need be

6. To transact any other business with the permission of the chair.

REGISTERED OFFICE:

Crescent Cotton Mills Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Fax No. 8750366
Dated: January 08, 2013

On Behalf Of The Board

(Sami Ullah Ch.)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from January 24, 2013 to January 31, 2013 (both days inclusive) and Cash Dividend if approved, will be issued to such members whose names appear in the Company's Register of Members by the close of business on January 23, 2013. Transfers received at the Registered Office, New Lahore Road, Nishatabad, Faisalabad at the close of business on January 23, 2011 will be treated in time.

2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later then 48 hours before the time of holding the meeting.

3. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan:

a. For attending the meeting:

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

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

b. For appointing proxies

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

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

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

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

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

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company scheduled to be held on January 31, 2013.
The Company is listed on all three stock exchanges of Pakistan i.e. Karachi, Lahore and Islamabad Stock Exchanges (Guarantee) Limited. The Board of Directors of the view that there is no need to keep the Company listed on Lahore & Islamabad Stock Exchanges as it involves unnecessary expenditure (including) annual listing fees, printing cost etc) which is not interest of the Company and its shareholders. These expenditure would continue to increase in future if the company is not delisted from both these Stock Exchanges. It would be sufficient if the Company is listed on one Stock Exchange i.e Karachi Stock Exchange (Guarantee) Limited.
The directors of the Company have no direct or indirect interest in the above said special business that would require further disclosure, save their shareholdings in and remuneration by the Company.

PRODUCTION DATA
2003-2012

	SUGAR					MOLASSES	INDUSTRIAL ALCOHOL		COTTON YARN	
SEASON	DURATION OF SEASON (DAYS)	CANE CRUSHED (M. TONS)	SUGAR PRODUCED (M. TONS)	RECOVERY (PERCENT)	PROCESS LOSSES (PERCENT)	MOLASSES PRODUCED (M. TONS)	DAYS	INDUSTRIAL ALCOHOL PRODUCED (LITRES)	DAYS	COTTON YARN PRODUCED CONVERTED INTO 20/S (KGS.)
2011-2012	-	-	-	-	-	-	-	-	366	18,450,907
2010-2011	-	-	-	-	-	-	-	-	359	18,718,918
2009-2010	86	118,963	9,041	7.60	2.54	5,585	33	569,480	358	18,520,643
2008-2009	106	182,317	14,403	7.90	2.42	8,329	19	271,557	348	13,438,156
2007-2008	146	348,333	25,376	7.28	2.39	16,850	32	463,516	365	18,900,196
2006-2007	156	346,328	25,035	7.23	2.47	16,904	50	927,956	365	18,250,975
2005-2006	153	286,013	20,487	7.18	2.37	14,347	52	790,418	365	18,756,471
2004-2005	146	290,213	23,211	8.00	2.47	13,200	27	420,769	365	19,498,458
2003-2004	118	265,343	21,583	8.15	2.95	12,430	83	1,172,200	365	18,367,671
2002-2003	156	331,960	24,685	7.43	3.12	15,250	79	992,065	364	13,387,517

VISION

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

MISSION

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

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the year ended September 30, 2012 together with the auditors' report thereon.

Financial Results

The financial results of the Company are summarized below:

	(RUPEES IN THOUSAND) 2012	2011
Profit/(Loss) after taxation from Continuing Operations	**139,610**	82,332
Loss after taxation from Discontinued Operations	**17,965**	(34,779)
Profit/(Loss) after taxation	**157,575**	47,553

The board of directors in their meeting held on January 08, 2013 has proposed a cash dividend for the year ended September 30, 2012 of Rs. 1.25 per share (i.e. 12.50%) amounting to Rs. 26.722 million. The approval of the members for the cash dividend shall be obtained at the Annual General Meeting to be held on January 31, 2013. These financial statements do not include the effect of this proposed cash dividend.

Statement On Corporate And Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly it's state of affairs, the result of it's operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvement in the system.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Details of significant deviations in the Company's operating results during the current year are stated in the Chief Executive Officer's Review.
- Summarized key operating and financial data for last six years is annexed.
- There have been four (4) Board Meetings during the year and attendance of each director is stated under :-

NAME OF DIRECTOR (In alphabetical order)	MEETINGS ATTENDED
Mr. Abid Mahmood	4
Mr. Khalid Bashir	4
Mr. Muhammad Anwar	4
Mr. Muhammad Arshad	4
Mr. Naveed Gulzar	4
Mr. Salman Rafi	Nil
Mr. Shahid Arshad	4

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

Financial Statements

Consequent upon the discontinuance of operations of the Sugar Unit and Distillery their assets have been classified as non-current assets held for sale in compliance with the provisions of International Financial Reporting Standard (IFRS) 5.

Due to the fact that there will be no operation of Sugar as well as Distillery Units of the company, the management of the company has obtained approval from the Securities & Exchange Commission of Pakistan for change of name of the company from Crescent Sugar Mills & Distillery Limited to Crescent Cotton Mills Limited.

Pattern of Shareholding

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

During the year the detail of shares purchased/sold by Directors and their spouses and minor children is as under:-

SR.#	NAME OF DIRECTOR/ SPOUSE/MINOR	SHARES PURCHASED
1.	Mr. Abid Mahmood	36,000
2.	Mrs. Shireen Abid	58,454

Except that of the above directors/spouses/minor children, remaining directors, CFO, Company Secretary and their spouses and minor children have not traded in the shares of the Company.

Related parties

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

Corporate Governance

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

Committees Of The Board

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

Corporate Social Responsibility

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

External Auditors

The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending September 30, 2013.

Statement Of Compliance With Best Practices On Transfer Pricing

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

Consolidated financial statements

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

Crescot Mills Limited

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

For and on behalf of the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
January 08, 2013

CHIEF EXECUTIVE OFFICER'S REVIEW

FINANCIAL PERFORMANCE

The current financial year of the company has relatively been a better year as compared to the preceding years. For the year under review, the company earned a post tax profit of Rs. 157.575 million. During the previous year profit for the year was Rs. 47.553 million.

	2012		2011	
	Rs. In MLN	% TO SALES	Rs. In MLN	% TO SALES
Sales	4,246		4,531	
Gross profit	406	10	289	6
Profit from operations	221	5	146	3
Finance cost	68	2	64	1
Profit after tax from continuing operations	140	3	82	2
Profit/(loss) from discontinued operations	18		(35)	
Profit after taxation	158		47	

OPERATING PERFORMANCE

The year under review can be categorized in two parts. As reported earlier there was massive fluctuation in the prices of raw material in the last quarter of previous financial year ie July-September 2011 which eroded the profitability of the textile industry by nearly fifty percent due to which this industry had to bear massive financial loss.

The effects of this erosion carried into the first quarter of the current year and prices of raw material and end products were not stable which affected the revenues. However, things settled in the later parts of the current year and stability was noticed.

Performance of the Company during the year can be termed as satisfactory, the company earned profit of Rs. 140 Million from continuous operations after adjustment of taxes, 10-C Bonus and worker's profit participation fund which is nearly 1.5 percent of the sales of the Company. During the year, the management focused on increasing its share in the export market. Eighty percent of the goods produced by the company were exported which was sixty five percent in the previous year.

The results of the Company could have been much better if the Company was provided uninterrupted power supply. The spinning units of the company located in the province of Punjab had to suffer mainly due to power shortages and we lost massive production. Further the cost of fuel and power registered increase, the cost of fuel and power which was 6.50% of total sales last year increased to 8.55% in the current year. The cost of labour and other inputs also showed massive jump in the year under review.

FUTURE OUTLOOK

The unprecedented power outrages have affected the performance of the company's spinning units in the province of Punjab. The raw material rates are more or less stable and the demand for the company's products is also good and we hope we will have better performance this year also if there is no force margin.
The management of your company continues to make best efforts, through strategy of expanding and diversifying product range and targeting new and growing markets. Despite of various adverse factors, demand of Pakistani textile goods is improving with better margins. The company is focusing on improving efficiencies and minimizing costs to achieve better financial results in the forthcoming financial year.

SUBSIDIARY

CRESCOT MILLS LIMITED

As already reported, the company has ceased all its production activities and during the period under review, the company earned a profit of Rs. 2.818 million as compared to a loss of Rs. 2.005 million of last year. The company has been de-listed from the Karachi Stock Exchange with effect from July 28, 2005.

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
January 08, 2013

KEY OPERATING AND FINANCIAL DATA

(RUPEES IN MILLION)

	2012	2011	2010	2009	2008	2007
Summary of Profit and Loss Account						
Sales	4,260	4,583	3,285	2,072	2,433	2,271
Gross profit	401	264	172	33	115	88
Loss/(Profit) from operations	160	140	204	163	155	146
Finance cost	69	76	70	90	87	81
(Loss)/profit before taxation	172	48	(32)	(130)	(40)	(58)
Taxation	14	-	24	11	4	(6)
(Loss)/profit after taxation	158	48	(56)	(141)	(44)	(52)
Summary of Balance Sheet						
Property, plant and equipment	2,819	2,807	2,877	398	428	459
Other non-current assets	95	89	40	60	65	81
Stock in trade	496	246	164	170	310	231
Trade debts	90	70	58	65	75	75
Other current assets	536	305	362	306	422	606
Current assets	1,122	621	584	541	807	912
Total assets	4,036	3,517	3,501	999	1,300	1,452
Shareholders equity	226	34	26	111	358	618
Surplus on revaluation of operating fixed assets	2,523	2,523	2,513	-	-	-
Long term financing	-	15	30	45	49	82
Other non-current liabilities	21	14	9	9	8	8
Trade and other payables	589	285	283	230	249	195
Short trem borrowings	560	554	571	537	546	473
Other current liabilities	117	92	69	67	90	76
Current liabilities	1,266	931	923	834	885	744
Total equity and liabilities	4,036	3,517	3,501	999	1,300	1,452
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	8	27	3	12	13	19
Net cash (used in) / generated from operating activities	166	(36)	(16)	29	24	13
Net cash used in investing activities	21	20	22	(5)	5	12
Net cash from / (used in) financing activities	(17)	(3)	18	(33)	(30)	(31)
Net increase / (decrease) in cash and cash equivalents	170	(19)	24	(9)	(1)	(6)
Cash and cash equivalents at the end of the year	178	8	27	3	12	13

PERFORMANCE INDICATORS

		2012	2011	2010	2009	2008	2007
Profitability Ratios							
Gross profit ratio	%	9.41	5.76	5.24	1.59	4.73	3.87
Net profit to sales	%	3.71	1.05	(1.70)	(6.81)	(1.81)	(2.29)
Return on equity	%	69.91	141.18	(215.38)	(127.03)	(12.29)	(8.41)
Return on capital employed	%	27.33	7.63	(5.08)	(20.65)	(6.36)	(9.21)
Liquidity Ratios							
Current ratio	Times	0.89	0.67	0.63	0.65	0.91	1.23
Quick ratio	Times	0.49	0.40	0.46	0.44	0.56	0.92
Cash to current liabilities	%	0.14	0.01	0.03	0.00	0.01	0.02
Activity / Turnover Ratios							
Inventory turnover	Times	10	21	19	8	9	10
Number of days in inventory	Days	35	17	20	43	43	36
Debtor turnover	Times	53	72	53	30	32	34
Number of days in receivables	Days	7	5	7	12	11	11
Creditors turnover	Times	9	15	12	9	10	13
Number of days in payables	Days	41	24	30	43	35	28
Total assets turnover	Times	1.13	1.31	1.46	1.80	1.77	1.73
Property, plant and equipment turnover	Times	1.51	1.61	2.01	5.02	5.49	4.83
Investment / Market Ratios							
Basic and diluted earning/(loss) per share	Rs.	7.37	2.22	(2.62)	(6.60)	(2.08)	(2.41)
Price earning ratio	Times	3.26	5.09	(2.52)	(0.87)	(3.63)	(5.29)
Market value per share							
- At the end of year	Rs.	24.00	11.30	6.59	5.75	7.55	12.75
- Highest during the year	Rs.	25.24	11.66	7.95	9.55	17.25	17.90
- Lowest during the year	Rs.	10.50	5.00	4.40	4.55	7.30	7.30
Break up value w/o surplus on revaluation	Rs.	10.57	1.59	1.22	5.19	16.75	28.91
Break up value with surplus on revaluation	Rs.	128.59	119.61	118.77	5.19	16.75	28.91
Capital Structure Ratios							
Financial leverage ratio	Times	2	17	23	5	2	1
Long term debt to equity ratio	%	-	44.12	115.38	40.54	13.69	13.27
Interest coverage ratio	Times	3.49	1.63	0.54	(0.44)	0.54	0.28

Form '34'

PATTERN OF HOLDING OF SHARES
HELD BY SHAREHOLDERS AS AT SEPTEMBER 30, 2012

Shareholders	From	To	Total Shares
545	1	100	16,917
448	101	500	112,227
165	501	1000	117,086
202	1001	5000	419,282
35	5001	10000	253,612
15	10001	15000	191,767
6	15001	20000	100,502
6	20001	25000	133,864
3	25001	30000	83,093
4	30001	35000	125,693
10	35001	40000	384,189
2	40001	45000	81,972
3	45001	50000	141,154
1	50001	55000	54,137
2	55001	60000	111,467
4	60001	65000	249,651
4	65001	70000	268,784
4	75001	80000	310,764
1	80001	85000	81,634
2	85001	90000	178,098
1	90001	95000	90,920
1	95001	100000	99,818
1	105001	110000	109,002
3	110001	115000	335,791
1	115001	120000	117,780
1	120001	125000	121,100
1	130001	135000	134,284
6	135001	140000	822,219
1	140001	145000	144,825
1	145001	150000	150,000
2	150001	155000	303,866
2	155001	160000	315,132
2	160001	165000	324,288
1	165001	170000	166,784
2	175001	180000	360,000
2	195001	200000	395,480
3	215001	220000	655,737
1	220001	225000	224,660
1	255001	260000	257,812
2	275001	280000	555,070
1	330001	335000	334,111
1	350001	340000	338,354
1	380001	385000	384,491
2	400001	405000	803,877
1	405001	410000	406,438
1	445001	450000	446,064
1	495001	500000	500,000
1	505001	510000	506,295
1	510001	515000	510,600
1	520001	525000	524,358
1	530001	535000	532,225
1	540001	545000	543,046
1	560001	565000	562,307
1	585001	590000	589,969
1	795001	800000	795,513
1	975001	980000	975,944
1	1045001	1050000	1,048,579
1	1210001	1215000	1,211,224
1	1260001	1265000	1,263,622
1,517			**21,377,478**

Categories of Shareholders	Numbers	Shares Held	Percentage
FINANCIAL INSTITUTIONS	10	588,261	2.75
INDIVIDUALS	1,475	16,319,059	76.34
INSURANCE COMPANIES	2	362,286	1.70
INVESTMENT COMPANIES	3	5,050	0.02
JOINT STOCK COMPANIES	17	1,725,460	8.07
MUTUAL FUND	1	1,048,579	4.91
OTHERS	9	1,328,683	6.22
TOTAL	**1,517**	**21,377,478**	**100.00**

OTHERS

ABANDONED PROPERTY	1	62,222	0.29
ASSOCIATIONS	1	162	0.00
GOVERNMENT AUTHORITY.	1	1	0.00
WELFARE SOCIETY	1	22,250	0.11
TRUST	5	1,244,048	5.82
TOTAL	**9**	**1,328,683**	**6.22**

PATTERN OF HOLDING OF SHARES

Held By Shareholders as at September 30, 2012

Categories of shareholders	Numbers of Shares held	% to Capital
a) Directors, Chief Executive Officer, Their Spouse And Minor Children		
Chief Executive Officer/Director		
Mr. Muhamamd Arshad	**795,513**	3.72
Directors		
Mr. Muhamamd Anwar	**31,495**	0.15
Mr. Khalid Bashir	**277,037**	1.30
Mr. Abid Mahmood	**158,365**	0.74
Mr. Naveed Gulzar	**406,521**	1.90
Mr. Salman Rafi	**88,202**	0.41
Mr. Shahid Arshad	**401,920**	1.88
Director's Spouse and Their Minor Children		
Mrs. Abida Anwar	**39,510**	0.18
Mrs. Tanveer Khalid Bashir	**153,341**	0.72
Mrs. Shireen Abid	**218,624**	1.02
	2,570,528	**12.02**
b) Associated Companies, Undertaking & Related Parties		
The Crescent Textile Mills Limited	**975,944**	4.57
Jubilee Spinning & Weaving Mills Limited	**510,600**	2.39
Crescent Powertec Limited	**36,105**	0.17
Shams Textile Mills Limited	**166,784**	0.78
The Premier Insurance Limited	**200,000**	0.94
	1,889,433	**8.84**
c) NIT & ICP		
National Bank Of Pakistan, Trustee Wing.	**1,048,579**	4.91
National Bank Of Pakistan	**99,818**	0.47
National Investment Trust Limited	**446,064**	2.09
	1,594,461	**7.46**
d) Banks, DFIs, NBFI's	**42,379**	0.20
e) Insurance Companies	**162,386**	0.76
f) Other Companies (Public Sector Co. & Corporation)	**36,027**	0.17
g) Investment Companies	**5,050**	0.02
h) General Public (Local)	**11,761,218**	55.02
i) Executives	**944,302**	4.42
j) Trust	**1,238,480**	5.79
k) Mutual Fund	**1,048,579**	4.91
l) Others (Associations, Gov. Authority etc.)	**84,635**	0.40
	21,377,478	**100.00**

Shareholder More Than 10%

Nil		**Nil**

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

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

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

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

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

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

4. No casual vacancy occurred in the Board during the year ended September 30, 2012.

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

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

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

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

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

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

11. The Directors' Report for the year ended September 30, 2012 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

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

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of
the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
January 08, 2013

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **CRESCENT COTTON MILLS LIMITED** (formerly Crescent Sugar Mills and Distillery Limited) ("the Company") for the year ended 30 September 2012, to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

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

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

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

We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 September 2012.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mahmood

Faisalabad
January 08, 2013

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT COTTON MILLS LIMITED** (formerly Crescent Sugar Mills and Distillery Limited) as at 30 September 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) In our opinion:

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

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

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

(c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2012 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mahmood

Faisalabad
January 08, 2013

BALANCE SHEET AS AT

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2011: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**12,707**	(179,994)
Total equity		**226,482**	33,781
Surplus on revaluation of land and investment properties	5	**2,522,524**	2,522,524
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**-**	14,986
Employees' retirement benefits	7	**21,159**	13,938
		21,159	28,924
CURRENT LIABILITIES			
Trade and other payables	8	**588,791**	285,238
Accrued mark-up	9	**8,673**	12,968
Short term borrowings	10	**560,045**	554,057
Current portion of long term financing	6	**22,479**	31,463
Provision for taxation		**86,240**	48,570
		1,266,228	932,296
TOTAL LIABILITIES		**1,287,387**	961,220
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		**4,036,393**	3,517,525

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

30 SEPTEMBER 2012

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,765,530**	2,753,135
Investment properties	13	**54,172**	54,381
Long term investments	14	**20,044**	27,214
Long term deposits		**2,612**	3,036
Deferred income tax - asset	15	**72,101**	58,635
		2,914,459	2,896,401
CURRENT ASSETS			
Stores, spare parts and loose tools	16	**57,781**	58,518
Stock-in-trade	17	**496,164**	245,892
Trade debts	18	**90,332**	69,945
Loans and advances	19	**16,169**	35,035
Short term deposits, prepayments and balances with statutory authorities	20	**116,707**	71,215
Other receivables	21	**36,786**	28,591
Short term investments	22	**89,064**	52,962
Cash and bank balances	23	**177,868**	8,150
		1,080,871	570,308
Non-current assets held for sale	24	**41,063**	50,816
		1,121,934	621,124
TOTAL ASSETS		**4,036,393**	3,517,525

ABID MEHMOOD
DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	(RUPEES IN THOUSAND) 2012	2011
CONTINUING OPERATIONS:			
SALES	25	**4,246,955**	4,530,528
COST OF SALES	26	**(3,840,872)**	(4,241,679)
GROSS PROFIT		**406,083**	288,849
DISTRIBUTION COST	27	**(102,810)**	(94,011)
ADMINISTRATIVE EXPENSES	28	**(78,732)**	(59,990)
OTHER OPERATING EXPENSES	29	**(15,234)**	(13,281)
		(196,776)	(167,282)
		209,307	121,567
OTHER OPERATING INCOME	30	**11,781**	24,355
PROFIT FROM OPERATIONS		**221,088**	145,922
FINANCE COST	31	**(67,506)**	(64,207)
PROFIT BEFORE TAXATION		**153,582**	81,715
TAXATION	32	**(13,972)**	617
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		**139,610**	82,332
DISCONTINUED OPERATIONS:			
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	24	**17,965**	(34,779)
PROFIT AFTER TAXATION		**157,575**	47,553
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	33	**6.53**	3.85
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	33	**0.84**	(1.63)

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

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012	2011
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	**157,575**	47,553
OTHER COMPREHENSIVE INCOME / (LOSS)		
Surplus / (deficit) on remeasurement of available for sale investments to fair value	**35,126**	(22,054)
Surplus realized on disposal of available for sale investments	**-**	(18,002)
	35,126	(40,056)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**192,701**	7,497

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	2012 (RUPEES IN THOUSAND)	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	**287,322**	93,150
Finance cost paid		**(73,641)**	(85,519)
Income tax paid		**(37,630)**	(36,678)
Staff retirement gratuity paid		**(7,574)**	(6,620)
Workers' profit participation fund paid		**(2,579)**	-
Net decrease in long term deposits		**424**	-
Net cash from / (used in) operating activities		**166,322**	(35,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(42,605)**	(10,548)
Proceeds from sale of property, plant and equipment		**1,655**	3,387
Proceeds from non-current assets held for sale		**53,935**	26,995
Profit on deposits with banks received		**8,393**	-
Net cash from investing activities		**21,378**	19,834
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(23,970)**	(14,986)
Short term borrowings - net		**5,988**	11,841
Net cash used in financing activities		**(17,982)**	(3,145)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**169,718**	(18,978)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**8,150**	27,128
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 23)		**177,868**	8,150

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2012

(RUPEES IN THOUSAND)

	SHARE	CAPITAL RESERVES				REVENUE RESERVES				TOTAL
	CAPITAL	Premium on issue of shares	Plant modern-isation	Fair Value	Sub Total	General	Dividend equali-zation	(Accumu-lated loss)	Sub-Total	EQUITY
Balance as at 30 September 2010	213,775	5,496	12,000	59,435	76,931	96,988	4,000	(365,410)	(264,422)	26,284
Profit for the year	-	-	-	-	-	-	-	47,553	47,553	47,553
Other comprehensive loss for the year	-	-	-	(40,056)	(40,056)	-	-	-	-	(40,056)
Total comprehensive income for the year	-	-	-	(40,056)	(40,056)	-	-	47,553	47,553	7,497
Balance as at 30 September 2011	213,775	5,496	12,000	19,379	36,875	96,988	4,000	(317,857)	(216,869)	33,781
Profit for the year	-	-	-	-	-	-	-	157,575	157,575	157,575
Other comprehensive income for the year	-	-	-	35,126	35,126	-	-	-	-	35,126
Total comprehensive income for the year	-	-	-	35,126	35,126	-	-	157,575	157,575	192,701
Balance as at 30 September 2012	213,775	5,496	12,000	54,505	72,001	96,988	4,000	(160,282)	(59,294)	226,482

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. THE COMPANY AND ITS ACTIVITIES

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. On 02 May 2012, the name of the Company was changed from Crescent Sugar Mills and Distillery Limited to Crescent Cotton Mills Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

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

Taxation

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

Provision for doubtful debts

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

Employees retirement benefits

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

Inventories

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

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

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 October 2011 or later periods:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 July 2011). The new disclosure requirements apply to transfer of financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are part of the International Accounting Standards Board (IASB)'s comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. However, this amendment has no material impact on these financial statements.

IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2011). It clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. However, this amendment has no material impact on these financial statements.

e) Interpretations and amendments to published approved standards that are effective in current year but not relevant to the Company

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2011 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 October 2012 or later periods:

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

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

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

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

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

IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). The main change resulting from this amendment is the requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendment does not address which items are presented in OCI. However, this amendment is not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendment), 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2013). This amendment requires that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. However, this amendment is not expected to have a material impact on the Company's financial statements.

IAS 19 (Amendment), 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which is currently allowed under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

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

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

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

2.2 Foreign currencies

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

2 Staff retirement benefits

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

a) Defined benefit plan - Gratuity

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

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

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

Details of the scheme is given in Note 7 to these financial statements.

b) Defined contribution plan - Provident fund

The Company operates a funded provident fund scheme for employees of Sugar and Distillery divisions by the name of Crescent Sugar Mills and Distillery Limited - Employees' Provident Fund Trust. Equal monthly contributions are made to the fund by the Company and employees at the rate of 10% of basic salary.

2.4 Dividend and other appropriations

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

2.5 Taxation

Current

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

Deferred

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

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

2.6 Property, plant, equipment and depreciation

Operating fixed assets

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

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

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

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

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

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 12.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Derecognition

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

2.7 Investment properties

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

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

2.8 Investments

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

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

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

2.8.1 Investments at fair value through profit or loss

Investments at fair value through profit or loss includes financial assets held for trading designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. Transaction costs are charged to profit and loss account when incurred.

2.8.2 Held-to-maturity investments

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

2.8.3 Available for sale investments

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

Quoted

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

Unquoted

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

2.8.4 Investment in subsidiary company

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

2.9 Inventories

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

a) Stores, spare parts and loose tools

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

b) Stock-in-trade

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

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

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

2.10 Cash and cash equivalents

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

2.11 Non-current assets held for sale

Non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

2.12 Revenue recognition

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

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

2.13 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc.

Financial assets and liabilities are recognized at the time the Company becomes a party to contractual provisions of the instruments.

Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which is measured initially at fair value.

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

a) Borrowings

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

b) Trade and other receivables

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

c) Trade and other payables

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

2.14 Borrowing cost

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

2.15 Impairment

a) Financial assets

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

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

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

b) Non-financial assets

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

2.16 Offsetting

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

2.17 Provisions

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

2.18 Segment reporting

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

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

The Company has previously four reportable business segments: Sugar, Distillery, Spinning and Trading. However the Company has decided to dispose of the plant and machinery and related fixed assets of Sugar and Distillery segments.

Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2012	2011		2012	2011
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

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

	2012	2011
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Jubilee Spinning & Weaving Mills Limited	**510 600**	510 600
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**36 105**	36 105
	1 889 433	1 889 433

4. RESERVES

	2012	2011
	(RUPEES IN THOUSAND)	
Composition of reserves is as follows:		
Capital		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**54,505**	19,379
	72,001	36,875
Revenue		
General	**96,988**	96,988
Dividend equalization	**4,000**	4,000
Accumulated loss	**(160,282)**	(317,857)
	(59,294)	(216,869)
	12,707	(179,994)

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

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

	2012	2011
Balance as at 01 October	**19,379**	59,435
Fair value adjustment on investments:		
Deficit on revaluation of investments	**35,126**	(22,054)
Fair value gain realized on disposal of investments	**-**	(18,002)
	35,126	(40,056)
Balance as at 30 September	**54,505**	19,379

5. SURPLUS ON REVALUATION OF LAND AND INVESTMENT PROPERTIES

	2012	2011
Investment properties	**52,665**	52,665
Freehold land (Note 5.1)	**2,469,859**	2,469,859
	2,522,524	2,522,524

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

	2012	2011
	(RUPEES IN THOUSAND)	
6. LONG TERM FINANCING		
Financing from banking companies		
Secured:		
National Bank of Pakistan (Note 6.1)	**22,479**	37,465
Un-secured:		
Saudi Pak Industrial and Agricultural Investment Company Limited (Note 6.2)	**-**	8,984
	22,479	46,449
Less: Current portion shown under current liabilities	**22,479**	31,463
	-	14,986

6.1 This loan is obtained from National Bank of Pakistan payable in 10 equal half yearly installments started from 22 February 2008 with mark up at the rate of 6 months KIBOR plus 3% with floor of 7% and no cap (2011: 6 months KIBOR plus 3% with floor of 7% and no cap). Mark up is payable on quarterly basis. This facility is secured against charge over imported machinery and gas generators and first charge over fixed assets amounting to Rupees 316 million and personal guarantee of directors.

6.2 This loan has been fully repaid on 28 June 2012.

7. EMPLOYEES' RETIREMENT BENEFITS

7.1 General Description

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

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

	2012	2011
Present value of defined benefit obligations as at 30 September	**28,159**	20,441
Unrecognized actuarial loss	**(7,000)**	(6,503)
Recognized liability	**21,159**	13,938

7.3 Movement in present value of defined benefit obligation:

	2012	2011
Balance as at 01 October	**20,441**	12,302
Current service cost	**11,834**	9,496
Interest cost	**2,556**	1,476
Retirement benefits paid	**(7,574)**	(6,620)
Actuarial loss on present value	**902**	3,787
Balance as at 30 September	**28,159**	20,441

		2012	2011
		(RUPEES IN THOUSAND)	
7.4	**Movement in the net liability recognized:**		
	Opening balance	**13,938**	9,421
	Add: Provision for the year (Note 7.5)	**14,795**	11,137
		28,733	20,558
	Less: Paid during the year	**(7,574)**	(6,620)
		21,159	13,938
7.5	**Provision for the year**		
	Current service cost	**11,834**	9,496
	Interest cost	**2,556**	1,476
	Actuarial loss recognized	**405**	165
		14,795	11,137

		2012	2011
7.6	**Principal actuarial assumptions used:**		
	Discount rate used (% per annum)	**11.50 %**	12.50 %
	Expected rate of increase in salaries in future years (% per annum)	**10.50 %**	11.50 %
	Average expected remaining working life time of employees (years)	**10**	11

7.7 Trend Information:

(RUPEES IN THOUSAND)

	2012	2011	2010	2009	2008
Present value of defined benefit obligation	28,159	20,441	12,302	11,850	10,231
Experience adjustment on obligation	(902)	(3,787)	-	(1,065)	-

		2012	2011
		(RUPEES IN THOUSAND)	
8.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 8.1)	**220,476**	150,861
	Accrued liabilities (Note 8.2 and 8.3)	**107,327**	89,583
	Advances from customers	**245,899**	36,043
	Security deposits – interest free	**322**	322
	Income tax deducted at source	**3,768**	2,762
	Payable to Employees' Provident Fund Trust	**255**	252
	Unclaimed dividend	**1,565**	1,567
	Workers' profit participation fund (Note 8.4)	**9,179**	2,579
	Workers' welfare fund	**-**	1,269
		588,791	285,238

8.1 This includes balance of Rupees 0.097 million (2011: Rupees 8.474 million) due to a related party.

8.2 This includes insurance premium of Rupees Nil (2011: Rupees: 14.639 million) due to a related party.

8.3 This includes rental for leasehold premises of Rupees 4.813 million (2011: Rupees 3.973 million) due to Crescot Mills Limited, the subsidiary company.

8.4	Workers' profit participation fund	2012	2011
		(RUPEES IN THOUSAND)	
	Balance as on 01 October	**2,579**	-
	Add: Provision for the year (Note 29)	**9,040**	2,579
	Interest for the year (Note 31)	**139**	-
		11,758	2,579
	Less: Payments during the year	**2,579**	-
	Balance as on 30 September	**9,179**	2,579

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

9. ACCRUED MARK-UP

	2012	2011
Long term financing	**851**	1,584
Short term borrowings	**7,822**	11,384
	8,673	12,968

10. SHORT TERM BORROWINGS

	2012	2011
From banking companies - secured		
Cash finances and export finances (Note 10.1)	**329,967**	290,085
Others - unsecured		
Associated company (Note 10.2)	**7,566**	-
Other related parties (Note 10.3)	**118,307**	122,008
Temporary bank overdraft	**104,205**	141,964
	230,078	263,972
	560,045	554,057

10.1 These form part of total credit facility of Rupees 1,325 million (2011: Rupees 1,513 million) and carries mark-up at the rate of 3 months KIBOR plus 2.50 percent per annum (2011: 3 months KIBOR plus 2.50 per cent with a floor of 12 percent per annum). These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of directors. The rate of mark up ranges from 14.41 percent to 16.78 percent per annum (2011: 15.59 percent to 16.53 percent per annum).

10.2 This represents loan obtained from Riaz and Company (1962-Private) Limited, an associated company which is repayable on demand. It carries mark-up at the rate of 10 percent per annum (2011: Nil)

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

11. 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 (2011: 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.

ii) Guarantees of Rupees 35.993 million (2011: Rupees 35.993 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

b) **Commitments:**

i) There was no contract for capital expenditure as at 30 September 2012 (2011: Nil).

ii) Letter of credit for other than capital expenditure as at 30 September 2012 is Rupees 1.183 million (2011: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

	2012	2011
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 12.1)	**2,761,525**	2,753,135
Capital work-in-progress (Note 12.2)	**4,005**	-
	2,765,530	2,753,135

12.1 PROPERTY, PLANT AND EQUIPMENT

	Land-Freehold	Buildings and roads on freehold land	Plant and machinery	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 01 October 2010										
Cost / revalued amount	2,518,447	132,939	991,661	24,743	25,022	8,823	17,740	7,252	1,452	3,728,079
Accumulated depreciation	-	(96,784)	(692,141)	(17,621)	(17,841)	(5,907)	(12,784)	(6,835)	(1,431)	(851,344)
Net book value	2,518,447	36,155	299,520	7,122	7,181	2,916	4,956	417	21	2,876,735
Year ended 30 September 2011										
Opening net book value	2,518,447	36,155	299,520	7,122	7,181	2,916	4,956	417	21	2,876,735
Additions	-	-	7,794	-	16	223	2,334	181	-	10,548
Classified as non-current assets held for sale:										
Cost	-	-	(298,781)	(1,021)	(10,252)	-	-	-	(966)	(311,020)
Accumulated depreciation	-	-	245,638	787	8,193	-	-	-	954	255,572
	-	-	(53,143)	(234)	(2,059)	-	-	-	(12)	(55,448)
Transfer to investment properties:										
Cost / revalued amount	(43,183)	(5,179)	-	-	-	-	-	-	-	(48,362)
Accumulated depreciation	-	3,463	-	-	-	-	-	-	-	3,463
	(43,183)	(1,716)	-	-	-	-	-	-	-	(44,899)
Disposals:										
Cost	-	-	(2,573)	-	-	-	(4,928)	-	-	(7,501)
Accumulated depreciation	-	-	1,616	-	-	-	4,301	-	-	5,917
	-	-	(957)	-	-	-	(627)	-	-	(1,584)
Depreciation charge	-	(3,046)	(26,148)	(694)	(603)	(298)	(1,188)	(239)	(1)	(32,217)
Closing net book value	2,475,264	31,393	227,066	6,194	4,535	2,841	5,475	359	8	2,753,135
At 30 September 2011										
Cost / revalued amount	2,475,264	127,760	698,101	23,722	14,786	9,046	15,146	7,433	486	3,371,744
Accumulated depreciation	-	(96,367)	(471,035)	(17,528)	(10,251)	(6,205)	(9,671)	(7,074)	(478)	(618,609)
Net book value	2,475,264	31,393	227,066	6,194	4,535	2,841	5,475	359	8	2,753,135
Year ended 30 September 2012										
Opening net book value	2,475,264	31,393	227,066	6,194	4,535	2,841	5,475	359	8	2,753,135
Additions	-	604	34,173	-	17	612	2,531	663	-	38,600
Disposals:										
Cost	-	-	-	-	-	-	(2,512)	-	-	(2,512)
Accumulated depreciation	-	-	-	-	-	-	1,984	-	-	1,984
	-	-	-	-	-	-	(528)	-	-	(528)
Depreciation charge	-	(2,761)	(24,028)	(620)	(483)	(306)	(1,190)	(293)	(1)	(29,682)
Closing net book value	2,475,264	29,236	237,211	5,574	4,069	3,147	6,288	729	7	2,761,525
At 30 September 2012										
Cost / revalued amount	2,475,264	128,364	732,274	23,722	14,803	9,658	15,165	8,096	486	3,407,832
Accumulated depreciation	-	(99,128)	(495,063)	(18,148)	(10,734)	(6,511)	(8,877)	(7,367)	(479)	(646,307)
Net book value	2,475,264	29,236	237,211	5,574	4,069	3,147	6,288	729	7	2,761,525
Annual rate of depreciation (%)	-	5, 10	10	10	10,12	10	20	15,50	10,25	

12.1.1 If the freehold land was measured using the cost model, carrying amount would be Rupees 5.405 million.(2011: Rupees 5.405 million)

12.1.2 Depreciation charge for the year has been allocated as follows:

	2012	2011
	(RUPEES IN THOUSAND)	
Cost of sales (Note 26)	**27,414**	28,511
Administrative expenses (Note 28)	**1,469**	1,382
Discontinued operations (Note 24.1 and 24.2)	**798**	2,324
	29,681	32,217

12.1.3 Detail of operating fixed assets disposed of during the year is as follows:

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Suzuki Mehran LRQ-9228	310	219	91	265	174	Negotiation	Omega Traders, 10-Tata Factory, Factory Area, Faisalabad.
Honda City LZX-3900	489	329	160	690	530	Insurance claim	Premier Insurance Company Limited (an associated company)
Toyota Corolla LZO-4400	1,249	1,016	233	500	267	Negotiation	Hassan Enterprises, Mohallah Yousafabad, Faisalabad.
Santro Plus FDY-1480	464	420	44	200	156	Negotiation	Chiniot Enterprises, Koh-i-Noor Plaza, Faisalabad.
	2,512	1,984	528	1,655	1,127		

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

	2012	2011
	(RUPEES IN THOUSAND)	
Other operating income (Note 30)	**442**	308
Discontinued operations (Note24.1 and 24.2)	**685**	1,495
	1,127	1,803

12.2 CAPITAL WORK IN PROGRESS

	2012	2011
Plant and machinery	**4,005**	-

13. INVESTMENT PROPERTIES

Year ended 30 September

	2012	2011
Opening net book value	**54,381**	-
Transfer from property, plant and equipment	**-**	44,899
Fair value (loss)/gain	**(209)**	9,482
Closing net book value	**54,172**	54,381

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

	2012	2011
14. LONG TERM INVESTMENTS	(RUPEES IN	THOUSAND)
SUBSIDIARY COMPANY - UNQUOTED		
Crescot Mills Limited		
1 932 187 (2011: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held: 66.15% (2011: 66.15%)	**12,734**	14,746
AVAILABLE FOR SALE		
RELATED PARTIES:		
QUOTED		
Premier Insurance Limited		
363 380 (2011: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (2011: 0.60%)	**75**	75
Jubilee Spinning and Weaving Mills Limited		
474 323 (2011: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2011: 1.46%)	**1,181**	1,181
OTHERS:		
QUOTED		
Crescent Jute Products Limited		
201 933 (2011: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2011: 0.85%)	**100**	155
Crescent Fibres Limited		
71 820 (2011: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2011: 0.58%)	**615**	615
Crescent Spinning Mills Limited		
696 000 (2011: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2011: 4.59%)	**-**	870
Security Papers Limited		
364 (2011: 364) ordinary shares of Rupees 10 each fully paid.	**1**	1

UNQUOTED	2012	2011
	(RUPEES IN THOUSAND)	
Crescent Modaraba Management Company Limited		
119 480 (2011: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2011: 6.52%)	**664**	664
Premier Financial Services (Private) Limited		
2 500 (2011: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held : 11.11% (2011: 11.11%)	**2,500**	2,500
Crescent Bahuman Limited		
1 043 988 (2011: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2011: 1.28%)	**5,440**	10,440
	23,310	31,247
Less: Impairment loss charged to profit and loss account (Note 29.2)	**(6,194)**	(7,937)
Add: Fair value adjustment	**2,928**	3,904
	20,044	27,214

15. DEFERRED INCOME TAX-ASSET

	2012	2011
Taxable temporary differences		
Tax depreciation allowance	**(25,378)**	(40,227)
Deductible temporary differences		
Unused tax losses	**91,260**	92,372
Provision for gratuity	**2,103**	2,374
Provision for doubtful debts	**4,116**	4,116
	97,479	98,862
	72,101	58,635

16. STORES, SPARE PARTS AND LOOSE TOOLS

	2012	2011
Stores	**36,667**	29,913
Spare parts (Note 16.1)	**20,942**	28,433
Loose tools	**172**	172
	57,781	58,518

16.1 These include spare parts in transit of Rupees 0.648 million (2011: Nil).

16.2 Stores and spare parts include items which may result in fixed capital expenditure but are not distinguishable.

17. STOCK-IN-TRADE

	2012	2011
Raw material	**353,216**	102,192
Work-in-process	**16,336**	25,497
Finished goods	**125,475**	117,289
Waste	**1,137**	914
	496,164	245,892

17.1 Stock-in-trade of Rupees 1.137 million (2011: Rupees 193.829 million) is being carried at net realizable value.

17.2 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees Nil (2011: Rupees 37.632 million).

		2012	2011
		(RUPEES IN THOUSAND)	
18.	**TRADE DEBTS - Considered good**		
	Secured against letters of credit	**77,634**	46,592
	Unsecured (Note 18.1)	**12,698**	23,353
		90,332	69,945

18.1 This includes Rupees 0.099 million (2011: Rupees 0.099 million) receivable from Shakarganj Mills Limited, a related party.

18.2 'As at 30 September 2012, trade debts of Rupees 10.186 million (2011: Rupees 19.875 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2012	2011
Upto 1 month	**29**	3,665
1 to 6 months	**2,883**	3,025
More than 6 months	**7,274**	13,185
	10,186	19,875

19. LOANS AND ADVANCES

	2012	2011
Considered good:		
Employees - Interest free	**1,649**	998
Against expenses	**5,416**	5,043
Against salary (Note 19.1)	**7,065**	6,041
Advances to suppliers / contractors	**9,101**	28,994
Letters of credit	**3**	-
	16,169	35,035

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

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

	2012	2011
Margin deposit	**691**	9,095
Prepayments	**715**	747
Balances with statutory authorities:		
Advance Income tax	**103,467**	55,673
Sales tax and excise duty refundable	**11,834**	5,700
	115,301	61,373
	116,707	71,215

21. OTHER RECEIVABLES

	2012	2011
Considered good:		
Profit on deposits with banks receivable	**379**	-
Others	**36,407**	28,591
	36,786	28,591
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	36,786	28,591

	2012	2011
	(RUPEES IN THOUSAND)	
22. SHORT TERM INVESTMENTS - Available for sale		
RELATED PARTIES:		
QUOTED		
Shakarganj Mills Limited 2 865 830 (2011: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (2011: 4.12%)	**11,836**	11,836
The Crescent Textile Mills Limited 2 681 875 (2011: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (2011: 5.45%)	**17,909**	17,909
OTHERS:		
QUOTED		
Crescent Steel and Allied Products Limited 13 147 (2011 : 13 147) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2011: 0.02%)	**33**	33
Samba Bank Limited 4 973 666 (2011: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2011: 0.35%)	**7,709**	9,002
	37,487	38,780
Less: Impairment loss charged to profit and loss account	**-**	(1,293)
Add: Fair value adjustment	**51,577**	15,475
	89,064	52,962

23. CASH AND BANK BALANCES

	2012	2011
With banks :		
On current accounts	**7,547**	5,071
Term deposit receipts (Note 23.1)	**168,500**	-
On deposit account	**-**	2
	176,047	5,073
Cash in hand	**1,821**	3,077
	177,868	8,150

23.1 These represent deposits with banking companies having maturity period of one month and carry rate of profit ranges from 6% to 11.50% per annum (2011: Nil)

24. 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:

24.1 Non-current assets classified as held for sale

	2012	2011
	(RUPEES IN THOUSAND)	
Property, plant and equipment - Sugar Unit (Note 24.1.1)	**40,469**	50,222
Property, plant and equipment - Distillery Unit (Note 24.1.2)	**594**	594
	41,063	50,816

24.1.1 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 signed an agreement with a party, Messrs SAF and Company on 12 December 2011 for sale of major portion of non-current assets held for sale. Fair value of the plant and machinery and related equipment is Rupees 420 million. The transaction is expected to be completed during next financial year.

Non-current assets classified as held for sale

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

	2012	2011
Transferred from property, plant and equipment during the year:		
Plant and machinery	**48,466**	52,553
Electric installations	**234**	234
Tools and equipment	**1,513**	2,055
Service equipment	**9**	12
Less: Disposed of during the year:	**50,222**	54,854
Plant and machinery	**9,753**	4,087
Tools and equipment	**-**	542
Service equipment	**-**	3
	9,753	4,632
Carrying value of non-current assets held for sale as at 30 September	**40,469**	50,222

The non-current assets held for sale were disposed of during the year to various parties against sale consideration of Rupees 53.935 million (2011: Rupees 26.995 million) resulting in a net gain of Rupees 44.182 million (2011: Rupees 22.363 million).

24.1.2 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 signed an agreement with a party, Mr. Muhammad Ibrahim on 25 April 2012 for the sale of entire non-current assets held for sale. Fair value of the plant and machinery and related equipment is Rupees 46.500 million. The transaction is expected to be completed within the next financial year.

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:

	2012	2011
Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**590**	590
Tools and equipment	**4**	4
	594	594

	2012	2011
	(RUPEES IN THOUSAND)	

24.2 Analysis of the result of discontinued operations

Profit / (loss) after taxation from discontinued operations

	2012	2011
Sugar Unit (Note 24.2.1)	**23,953**	(33,506)
Distillery Unit (Note 24.2.2)	**(5,988)**	(1,273)
	17,965	(34,779)

24.2.1 Analysis of result of discontinued operation

	2012	2011
SALES	**-**	44,291
COST OF SALES	**-**	(69,182)
GROSS LOSS	**-**	(24,891)
DISTRIBUTION COST	**-**	(16)
ADMINISTRATIVE EXPENSES	**(23,474)**	(23,529)
OTHER OPERATING EXPENSES *	**(234)**	(128)
	(23,708)	(23,673)
	(23,708)	(48,564)
OTHER OPERATING INCOME **	**49,642**	28,042
PROFIT / (LOSS) FROM DISCONTINUED OPERATION	**25,934**	(20,522)
FINANCE COST	**(1,979)**	(12,268)
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	**23,955**	(32,790)
PROVISION FOR TAXATION	**(2)**	(716)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	**23,953**	(33,506)

* It includes loss on remeasurement of fair value of investment properties amounting to Rupees 0.209 million (2011: Nil) and security deposits written off amounting to Rupees Nil (2011: Rupees 0.128 million).

** It includes gain on disposal of non-current assets held for sale amounting to Rupees 44.182 million (2011: Rupees 22.363 million), gain on disposal of property, plant and equipment amounting to Rupees 0.685 million (2011: Rupees 1.495 million), rental income of the building on freehold land amounting to Rupees 4.487 million (2011: Rupees 3.005 million) and credit balances written back amounting to Rupees Nil (2011: Rupees 0.432 million).

		2012	2011
		(RUPEES IN THOUSAND)	
24.2.2	**Analysis of result of discontinued operation**		
	SALES	**13,431**	8,119
	COST OF SALES	**(17,980)**	(8,011)
	GROSS (LOSS) / PROFIT	**(4,549)**	108
	DISTRIBUTION COST	**(1,434)**	(1,222)
	ADMINISTRATIVE EXPENSES	**(15)**	(78)
		(1,449)	(1,300)
		(5,998)	(1,192)
	OTHER OPERATING INCOME *	**77**	-
	LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	**(5,921)**	(1,192)
	PROVISION FOR TAXATION	**(67)**	(81)
	LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	**(5,988)**	(1,273)

* It includes credit balances written back amounting to Rupees 0.077 million (2011: Nil).

24.3 Cash flows of discontinued operations

	2012	2011
Sugar Unit (Note 24.3.1)	**168,946**	(17,960)
Distillery Unit (Note 24.3.2)	**-**	-
	168,946	(17,960)

24.3.1 Analysis of the cash flows of discontinued operation

	2012	2011
Operating cash flows	**188,149**	(38,262)
Investing cash flows	**54,825**	47,378
Financing cash flows	**(74,028)**	(27,076)
	168,946	(17,960)

24.3.2 Analysis of the cash flows of discontinued operations

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

25. SALES

	2012	2011
Local (Note 25.1)	**829,210**	1,577,245
Export (Note 25.2 and 25.3)	**3,417,745**	2,953,283
	4,246,955	4,530,528

25.1 Local

	2012	2011
Yarn	**774,694**	1,533,715
Polyester	**24,763**	1,562
Waste	**29,753**	41,968
	829,210	1,577,245

25.2 Export

	2012	2011
Yarn	**1,634,566**	1,905,953
Cloth	**1,783,179**	1,047,330
	3,417,745	2,953,283

25.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 13.631 million (2011: Rupees 82.653 million) has been included in export sales.

	2012	2011
	(RUPEES IN THOUSAND)	
26. COST OF SALES		
Raw material consumed	**2,360,172**	3,230,809
Cost of polyester sold	**31,637**	1,055
Salaries, wages and benefits (Note 26.1)	**213,365**	180,076
Stores, spare parts and loose tools consumed	**104,568**	81,810
Fuel and power	**363,340**	292,547
Outside weaving charges	**297,221**	136,309
Other manufacturing overheads	**4,642**	4,074
Insurance	**3,640**	3,849
Repair and maintenance	**4,018**	2,561
Depreciation (Note 12.1.2)	**27,414**	28,511
	3,410,017	3,961,601
Work-in-process		
Opening stock	**25,497**	17,382
Closing stock	**(16,336)**	(25,497)
	9,161	(8,115)
Cost of goods manufactured	**3,419,178**	3,953,486
Finished goods		
Opening stock	**101,357**	25,536
Closing stock	**(126,612)**	(101,357)
	(25,255)	(75,821)
	3,393,923	3,877,665
Cost of goods purchased for resale	**446,949**	364,014
	3,840,872	4,241,679

26.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 13.351 million (2011: Rupees 9.466 million).

	2012	2011
	(RUPEES IN THOUSAND)	
27. DISTRIBUTION COST		
Insurance	**2,835**	619
Freight and forwarding	**53,105**	45,972
Commission to selling agents	**38,904**	43,421
Loading and handling	**4,694**	3,647
Others	**3,272**	352
	102,810	94,011

	2012	2011
	(RUPEES IN THOUSAND)	

28. ADMINISTRATIVE EXPENSES

	2012	2011
Salaries, wages and benefits (Note 28.1)	**43,011**	32,425
Workers' welfare	**1,493**	1,113
Traveling and conveyance	**3,934**	1,989
Insurance	**814**	957
Rent, rates and taxes	**1,924**	1,734
Entertainment	**1,633**	1,691
Subscription	**282**	233
Communication	**2,144**	1,531
Vehicles' running	**5,630**	4,390
Advertisement	**-**	4
Repair and maintenance	**7,048**	5,364
Utilities	**5,333**	4,562
Printing and stationery	**1,231**	911
Books and periodicals	**25**	10
Auditors' remuneration:		
Statutory audit	**500**	500
Other certifications including half yearly review	**50**	50
Out of pocket expenses	**17**	17
	567	567
Legal and professional	**1,430**	294
Miscellaneous	**764**	833
Depreciation (Note 12.1.2)	**1,469**	1,382
	78,732	59,990

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.444 million (2011: Rupees 1.671 million).

29. OTHER OPERATING EXPENSES

	2012	2011
Donations	**-**	203
Workers' profit participation fund (Note 8.4)	**9,040**	2,579
Workers' welfare fund	**-**	1,269
Impairment loss on investments (Note 29.1)	**6,194**	9,230
	15,234	13,281

29.1 Impairment loss on investments

	2012	2011
Long term investments (Note 14)	**6,194**	7,937
Short term investments	**-**	1,293
	6,194	9,230

	2012	2011
	(RUPEES IN THOUSAND)	

30. OTHER OPERATING INCOME

	2012	2011
Income from financial assets		
Profit on deposits with banks	**8,772**	-
Dividend income on investments (Note 30.1)	**376**	4,598
Gain on sale of investments	**-**	18,171
	9,148	22,769
Income from non financial assets		
Reversal of workers' welfare fund (Note 30.2)	**1,269**	-
Sale of scrap	**922**	1,278
Gain on sale of property, plant and equipment (Note 12.1.4)	**442**	308
	2,633	1,586
	11,781	24,355

30.1 Dividend income:

	2012	2011
From related parties		
Premier Insurance Limited	**363**	454
The Crescent Textile Mills Limited	**-**	4,023
	363	4,477
Others		
Security Papers Limited	**-**	2
Crescent Fibres Limited	**-**	73
Crescent Steel and Allied Products Limited	**13**	46
	13	121
	376	4,598

30.2 Provision of previous year reversed in these financial statements based on the order of Lahore High Court.

31. FINANCE COST

	2012	2011
Mark-up on:		
Long term financing	**7,829**	10,124
Short term borrowings (Note 31.1)	**44,989**	44,588
Workers' profit participation fund (Note 8.4)	**139**	-
	52,957	54,712
Bank charges and commission	**14,549**	9,495
	67,506	64,207

It includes Rupees 0.684 million (2011: Nil) charged as mark-up by associated company.

32. TAXATION

	2012	2011
Current		
- For the year (Note 32.1)	**38,324**	45,770
- Prior year	**(10,886)**	12,248
	27,438	58,018
Deferred (Note 15)	**(13,466)**	(58,635)
	13,972	(617)

32.1 Provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other operating income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 September 2012 are Rupees 260.744 million (2011: Rupees 263.921 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of presumptive and minimum taxation.

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

There is no dilutive effect on the basic earnings / (loss) per share which is based on :

		2012	2011
Continuing operation			
Profit for the year after taxation	(Rupees in thousand)	**139,610**	82,332
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**6.53**	3.85
Discontinued operations			
Profit / (loss) for the year after taxation	(Rupees in thousand)	**17,965**	(34,779)
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings / (loss) per share	(Rupees)	**0.84**	(1.63)

34. CASH GENERATED FROM OPERATIONS

	2012 (RUPEES IN THOUSAND)	2011 (RUPEES IN THOUSAND)
Profit before taxation	**171,616**	47,733
Adjustments for non cash charges and other items:		
Depreciation	**29,681**	32,217
Provision for staff retirement gratuity	**14,795**	11,137
Gain on sale of property, plant and equipment	**(1,127)**	(1,803)
Gain on sale of non-current assets held for sale	**(44,182)**	(22,363)
Gain on sale of investments	**-**	(18,171)
Credit balances written back	**(77)**	(432)
Debit balances written off	**-**	128
Impairment loss on investments	**6,194**	9,230
Loss on remeasurement of fair value of investment properties	**209**	-
Profit on deposits with banks	**(8,772)**	-
Finance cost	**69,485**	76,475
Reversal of workers' welfare fund	**(1,269)**	-
Provision for workers' profit participation fund	**9,040**	2,579
Provision for workers' welfare fund	**-**	1,269
Working capital changes (Note 34.1)	**41,729**	(44,849)
	287,322	93,150

34.1 Working capital changes

	2012	2011
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	**737**	2,536
Stock-in-trade	**(250,272)**	(81,560)
Trade debts	**(20,387)**	(11,921)
Loans and advances	**18,866**	59,477
Prepayments and balances with statutory authorities	**2,302**	(13,572)
Other receivables	**(7,816)**	1,028
	298,299	(837)
Increase / (decrease) in trade and other payables	**41,729**	(44,849)

35. NON ADJUSTING EVENT AFTER THE REPORTING PERIOD

35.1 The Board of Directors of the Company has decided in their meeting held on 30 January 2012 to purchase a running spinning unit. On 08 December 2012, a memorandum of understanding was signed between the Company and the seller to purchase whole spinning unit including land, building, plant and machinery and other related equipment for Rupees 215 million. However, this event has been considered as non adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

35.2 Board of Directors of the Company has proposed a cash dividend for the shareholders of the Company for the year ended 30 September 2012 amounting to Rupees 1.25 per share (2011: Nil) at their meeting held on 08 January 2013. However, this event has been considered as non-adjusting event under IAS 10 and has not been recognized in these financial statements.

36. TRANSACTIONS WITH RELATED PARTIES

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

	2012	2011
	(RUPEES IN THOUSAND)	
Subsidiary company		
Rental expense	968	960
Stores consumed by Company	31	105
Associated companies		
Sales	-	15,279
Dividend income	363	4,477
Service charges	5,150	5,230
Loan received	7,566	-
Mark-up expense	684	-
Other related parties		
Loan received from directors / sponsors	17,342	17,513
Loan repaid to directors / sponsors	21,043	10,455
Company's contribution to Employees' Provident Fund Trust	1,521	1,563

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	2012	2012	2012	2011	2012	2011
Managerial remuneration	**4,800**	4,800	**7,200**	4,445	**8,810**	8,202
Allowances:						
Housing	**2,160**	2,160	**3,240**	2,000	**3,964**	3,691
Utilities	**480**	-	**720**	-	**252**	-
Group Insurance	**-**	-	**9**	-	**3**	-
Reimbursable expenses	**184**	44	**336**	168	**345**	256
Contribution to Employees' Provident Fund Trust	**480**	480	**720**	444	**252**	373
	8,104	7,484	**12,225**	7,057	**13,626**	12,522
Number of persons	**1**	1	**3**	3	**6**	5

37.1 Aggregate amount charged in the financial statements for meeting fee to two directors (2011: four directors) was Rupees 90,000 (2011: Rupees 190,000).

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

Company maintained vehicles.

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

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2012	**2011**
Trade debts - USD	**821,516**	534,314
Loan and advances - USD	**-**	7,961
Trade and other payables - USD	**(47,595)**	(250,178)
Short term borrowings	**(229,145)**	-
Net exposure - USD	**544,776**	292,097

The following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	**89.10**	85.38
Reporting date rate	**94.50**	87.20

Sensitivity analysis

'If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 2.445 million (2011: Rupees 1.186 million) higher / lower, mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) **Other price risk**

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

Sensitivity analysis

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

Index	Impact on profit / (loss) after taxation		Impact on other comprehensive loss (fair value reserve)	
	2012	**2011**	**2012**	**2011**
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**21**	364	**4,639**	2,595
KSE 100 (5% decrease)	**(21)**	(404)	**(4,639)**	(2,551)

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

(iii) **Interest rate risk**

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

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

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

	2012	**2011**
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**168,500**	-
Financial liabilities		
Short term borrowings	**7,566**	-
Floating rate instruments		
Financial liabilities		
Long term financing	**22,479**	37,465
Short term borrowings	**329,967**	290,085

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 3.348 million (2011: Rupees 3.049 million) lower / higher, as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of liabilities outstanding at balance sheet date were outstanding for the whole year.

b) Credit risk

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

	2012	2011
	(RUPEES IN THOUSAND)	
Investments	**96,374**	65,430
Loans and advances	**5,416**	5,043
Deposits	**3,303**	12,131
Trade debts	**90,332**	69,945
Other receivables	**36,786**	28,591
Bank balances	**176,047**	5,073
	408,258	186,213

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

	Rating			2012	2011
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**73,179**	1,432
Allied Bank Limited	A1+	AA+	PACRA	**32**	125
Bank Alfalah Limited	A1+	AA	PACRA	**98,520**	65
Faysal Bank Limited	A1+	AA	PACRA	**20**	25
Habib Bank Limited	A-1+	AA+	JCR-VIS	**790**	72
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**427**	245
MCB Bank Limited	A1+	AA+	PACRA	**50**	2,420
NIB Bank Limited	A1+	AA -	PACRA	**78**	55
Silkbank Limited	A-2	A -	JCR-VIS	**-**	42
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**24**	172
United Bank Limited	A-1+	AA+	JCR-VIS	**1,596**	25
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	**-**	24
Meezan Bank Limited	A-1+	AA-	JCR-VIS	**174**	46
The Bank of Punjab	A1+	AA -	PACRA	**-**	18
Askari Bank Limited	A1+	AA	PACRA	**88**	79
KASB Bank Limited	A3	BBB	PACRA	**-**	15
Bank Al-Habib Limited	A1+	AA+	PACRA	**1,069**	213
				176,047	5,073

The Company's exposure to credit risk related to trade debts is disclosed in Note 18.

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

C) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2012, the Company had Rupees 995 million (2011: 1,223 million) available unavailed borrowing limits from financial institutions and Rupees 177.868 million (2011: 8.150 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 September 2012:

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

Contractual maturities of financial liabilities as at 30 September 2011:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Long term financing	46,449	55,961	25,504	13,555	16,902	-
Trade and other payables	242,333	242,333	242,333	-	-	-
Accrued mark-up	12,968	12,968	12,968	-	-	-
Short term borrowings	554,057	595,703	335,352	260,351	-	-
	855,807	906,965	616,157	273,906	16,902	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 September. The rates of interest / mark up have been disclosed in Note 6 and Note 10 to these financial statements.

Carrying amount of long term financing as at 30 September 2012 includes overdue installment of principal amounting to Rupees 7.493 million (2011: Rupees 7.493 million).

38.2 Fair values of financial assets and liabilities

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

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 September 2012				
Assets				
Available for sale financial assets	93,210	-	-	93,210
As at 30 September 2011				
Assets				
Available for sale financial assets	58,838	-	-	58,838

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as on 30 September 2012.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The Company has no such type of financial instruments as on 30 September 2012.

38.3 Financial instruments by categories

	2012			2011		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
As at 30 September						
Assets as per balance sheet						
Investments	**-**	**96,374**	**96,374**	-	65,430	65,430
Loans and advances	**5,416**	**-**	**5,416**	5,043	-	5,043
Deposits	**3,303**	**-**	**3,303**	12,131	-	12,131
Trade debts	**90,332**	**-**	**90,332**	69,945	-	69,945
Other receivables	**36,407**	**-**	**36,407**	28,082	-	28,082
Cash and bank balances	**177,868**	**-**	**177,868**	8,150	-	8,150
	313,326	**96,374**	**409,700**	123,351	65,430	188,781

	2012	2011
	Financial Liabilities At Amortized Cost	
	(RUPEES IN THOUSAND)	
As at 30 September		
Liabilities as per balance sheet		
Long term financing	**22,479**	46,449
Accrued mark-up	**8,673**	12,968
Short term borrowings	**560,045**	554,057
Trade and other payables	**329,690**	242,333
	920,887	855,807

38.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in Note 6 and Note 10 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2012	2011
Borrowings	Rupees in thousand	**582,524**	600,506
Total equity	Rupees in thousand	**226,482**	33,781
Total capital employed	Rupees in thousand	**809,006**	634,287
Gearing ratio	Percentage	**72.00**	94.67

39. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	SPINNING		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales	3,530,943	4,313,829	1,783,179	1,047,330	(1,067,167)	(830,631)	4,246,955	4,530,528
Cost of sales	(3,238,666)	(4,064,097)	(1,669,373)	(1,008,213)	1,067,167	830,631	(3,840,872)	(4,241,679)
Gross profit	292,277	249,732	113,806	39,117	-	-	406,083	288,849
Distribution cost	(50,608)	(67,389)	(52,202)	(26,622)	-	-	(102,810)	(94,011)
Administrative expenses	(74,229)	(59,861)	(4,503)	(129)	-	-	(78,732)	(59,990)
	(124,837)	(127,250)	(56,705)	(26,751)	-	-	(181,542)	(154,001)
	167,440	122,482	57,101	12,366	-	-	224,541	134,848
Other operating income	11,781	24,355	-	-	-	-	11,781	24,355
Finance cost	(64,595)	(61,554)	(2,911)	(2,653)	-	-	(67,506)	(64,207)
Profit before taxation and unallocated expenses	114,626	85,283	54,190	9,713	-	-	168,816	94,996
Other operating expenses							(15,234)	(13,281)
Taxation							(13,972)	617
Profit after taxation from continuing operations							139,610	82,332
Profit / (loss) after taxation from discontinued operations							17,965	(34,779)
Profit after taxation							157,575	47,553

39.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		SPINNING		TRADING		TOTAL-COMPANY	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total assets for reportable segments	2,109,726	2,299,839	648	17,757	1,759,452	1,052,327	53,403	38,151	3,923,229	3,408,074
Unallocated assets:										
Non-current assets classified as held for sale									41,063	50,816
Deferred income tax asset									72,101	58,635
Total assets as per balance sheet									4,036,393	3,517,525
Total liabilities for reportable segments	513,749	332,298	495	673	657,076	557,439	29,827	22,240	1,201,147	912,650
Unallocated liabilities:										
Provision for taxation									86,240	48,570
Total liabilities as per balance sheet									1,287,387	961,220

* The Company has discontinued the operations of Sugar and Distillery units during the year ended 30 September 2011.

39.2 Geographical Information

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

	2012	2011
	(RUPEES IN THOUSAND)	
Asia	**3,417,745**	2,953,283
Pakistan	**829,210**	1,577,245
	4,246,955	4,530,528

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

39.4 Revenue from major customers

Revenue from major customers of Company's Trading segment represents Rupees 1,536.333 million (2011: Rupees 511.425 million) and Spinning segment represents Rupees Nil (2011: Rupees 630.873 million).

40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2012	2011
Spinning:			
100% plant capacity converted to 20s count based on 3 shifts per day for 1098 shifts (2011: 1095 shifts)	Kgs.	**20 441 637**	20 385 786
Actual production converted to 20s count based on 3 shifts per day for 1098 shifts (2011: 1095 shifts)	Kgs.	**18 450 907**	18 718 918

Embroidery:

Capacity of such unit cannot be determined due to nature of its operations.

40.1 Reason for low production

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

41. DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on January 08, 2013 by the Board of Directors of the Company.

42. CORRESPONDING FIGURES

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

43. 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 LIMITED
(FORMERLY CRESCENT SUGAR MILLS AND DISTILLERY LIMITED)
AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

YEAR ENDED 30 SEPTEMBER 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of CRESCENT COTTON MILLS LIMITED [formerly Crescent Sugar Mills and Distillery Limited] (the Holding Company) and its Subsidiary Company, Crescot Mills Limited as at 30 September 2012 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Crescent Cotton Mills Limited [formerly Crescent Sugar Mills and Distillery Limited] and its Subsidiary Company, Crescot Mills Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements present fairly the financial position of Crescent Cotton Mills Limited [formerly Crescent Sugar Mills and Distillery Limited] and its Subsidiary Company, Crescot Mills Limited as at 30 September 2012 and the results of their operations for the year then ended.

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

riaz ahmad & co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mahmood

Faisalabad
January 08, 2013

CONSOLIDATED BALANCE SHEET

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2011: 30 000 000) ordinary shares of Rupees 10 each		**300,000**	300,000
Issued, subscribed and paid up share capital	3	**213,775**	213,775
Reserves	4	**97,449**	(79,661)
Total equity		**311,224**	134,114
Surplus on revaluation of property, plant and equipment and investment properties	5	**2,541,309**	2,543,278
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**5,000**	19,986
Deferred income tax liability	7	**9,420**	10,480
Employees' retirement benefits	8	**21,159**	13,938
		35,579	44,404
CURRENT LIABILITIES			
Trade and other payables	9	**593,046**	290,337
Accrued mark-up	10	**18,675**	22,370
Short term borrowings	11	**560,045**	554,057
Current portion of long term financing	6	**22,479**	31,463
Provision for taxation		**86,302**	53,220
		1,280,547	951,447
TOTAL LIABILITIES		**1,316,126**	995,851
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**4,168,659**	3,673,243

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AS AT 30 SEPTEMBER 2012

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	**2,795,729**	2,786,695
Investment properties	14	**54,172**	54,381
Long term investments - associates	15	**184,549**	179,361
Long term investments - available for sale	16	**4,114**	4,812
Long term deposits		**3,134**	3,558
Deferred income tax - asset	17	**72,101**	58,635
		3,113,800	3,087,442
CURRENT ASSETS			
Stores, spare parts and loose tools	18	**62,204**	62,983
Stock-in-trade	19	**496,164**	245,892
Trade debts	20	**90,332**	69,945
Loans and advances	21	**16,169**	35,035
Short term deposits, prepayments and balances with statutory authorities	22	**116,778**	71,258
Other receivables	23	**38,927**	30,621
Short term investments	24	**12,278**	8,024
Cash and bank balances	25	**180,944**	11,227
		1,013,796	534,985
Non-current assets held for sale	26	**41,063**	50,816
		1,054,859	585,801
TOTAL ASSETS		**4,168,659**	3,673,243

ABID MEHMOOD
DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	(RUPEES IN THOUSAND) 2012	2011
CONTINUING OPERATIONS:			
SALES	27	**4,246,955**	4,530,528
COST OF SALES	28	**(3,840,872)**	(4,241,679)
GROSS PROFIT		**406,083**	288,849
DISTRIBUTION COST	29	**(102,810)**	(94,011)
ADMINISTRATIVE EXPENSES	30	**(80,899)**	(62,540)
OTHER OPERATING EXPENSES	31	**(9,681)**	(7,413)
		(193,390)	(163,964)
		212,693	124,885
OTHER OPERATING INCOME	32	**11,529**	20,028
PROFIT FROM OPERATIONS		**224,222**	144,913
FINANCE COST	33	**(68,107)**	(64,809)
		156,115	80,104
SHARE OF PROFIT / (LOSS) IN ASSOCIATED COMPANIES		**5,551**	(47,233)
PROFIT BEFORE TAXATION		**161,666**	32,871
TAXATION	34	**(8,492)**	555
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		**153,174**	33,426
DISCONTINUED OPERATIONS:			
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	26	**17,965**	(34,779)
PROFIT / (LOSS) AFTER TAXATION		**171,139**	(1,353)
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	35	**7.17**	1.56
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	35	**0.84**	(1.63)

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012	2011
	(RUPEES IN THOUSAND)	
PROFIT / (LOSS) AFTER TAXATION	**171,139**	(1,353)
OTHER COMPREHENSIVE INCOME / (LOSS)		
Surplus on remeasurement of available for sale investments to fair value	**4,193**	101
Surplus realized on disposal of available for sale investments	**-**	(1,985)
	4,193	(1,884)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**175,332**	(3,237)

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**287,052**	88,762
Finance cost paid		**(73,642)**	(85,521)
Income tax paid		**(37,723)**	(36,767)
Staff retirement gratuity paid		**(7,574)**	(6,620)
Workers' profit participation fund paid		**(2,579)**	-
Increase in long term deposits		**424**	-
Net cash generated from / (used in) operating activities		**165,958**	(40,146)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(42,605)**	(10,548)
Proceeds from sale of property, plant and equipment		**1,655**	3,387
Proceeds from sale of non-current assets held for sale		**53,935**	26,995
Profit on deposits with banks received		**8,393**	-
Dividend received from associated companies		**363**	4,477
Net cash from investing activities		**21,741**	24,311
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(23,970)**	(14,986)
Short term borrowings - net		**5,988**	11,841
Net cash used in financing activities		**(17,982)**	(3,145)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**169,717**	(18,980)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**11,227**	30,207
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 25)		**180,944**	11,227

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2012

(RUPEES IN THOUSAND)

	SHARE	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
	CAPITAL	Premium on issue of shares	Plant modern-isation	Fair Value	Sub Total	General	Dividend equali-zation	(Accumu-lated loss)	Sub-Total	
Balance as at 30 September 2010	213,775	5,496	12,000	2,461	19,957	44,975	4,000	(148,411)	(99,436)	134,296
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	3,055	3,055	3,055
Loss for the year	-	-	-	-	-	-	-	(1,353)	(1,353)	(1,353)
Other comprehensive loss for the year	-	-	-	(1,884)	(1,884)	-	-	-	-	(1,884)
Total comprehensive loss for the year	-	-	-	(1,884)	(1,884)	-	-	(1,353)	(1,353)	(3,237)
Balance as at 30 September 2011	213,775	5,496	12,000	577	18,073	44,975	4,000	(146,709)	(97,734)	134,114
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	-	-	1,778	1,778	1,778
Profit for the year	-	-	-	-	-	-	-	171,139	171,139	171,139
Other comprehensive income for the year	-	-	-	4,193	4,193	-	-	-	-	4,193
Total comprehensive income for the year	-	-	-	4,193	4,193	-	-	171,139	171,139	175,332
Balance as at 30 September 2012	213,775	5,496	12,000	4,770	22,266	44,975	4,000	26,208	75,183	311,224

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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. On 02 May 2012, the name of the Company was changed from Crescent Sugar Mills and Distillery Limited to Crescent Cotton Mills Limited (CCML).

Crescot Mills Limited

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

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

Taxation

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

Provision for doubtful debts

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

Employees retirement benefits

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

Inventories

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

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

Following amendments to published approved standards are mandatory for the Group's accounting periods beginning on or after 01 October 2011:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 July 2011). The new disclosure requirements apply to transfer of financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are part of the International Accounting Standards Board (IASB)'s comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. However, this amendment has no material impact on these consolidated financial statements.

IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2011). It clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the consolidated statement of changes in equity or in the notes to the consolidated financial statements. However, this amendment has no material impact on these consolidated financial statements.

e) Interpretations and amendments to published approved standards that are effective in current year but not relevant to the Group

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2011 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 October 2012:

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

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

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2013). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS

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

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

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

IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). The main change resulting from this amendment is the requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendment does not address which items are presented in OCI. However, this amendment is not expected to have a material impact on the Group's consolidated financial statements.

IAS 16 (Amendment), 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2013). This amendment requires that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. However, this amendment is not expected to have a material impact on the Group's consolidated financial statements.

IAS 19 (Amendment), 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which is currently allowed under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

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

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

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

2.2 Basis of consolidation

a) Subsidiary

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

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

Intragroup balances and transactions have been eliminated.

The financial statements of the Subsidiary Company are prepared upto 30 June 2012 using consistent accounting policies except as specifically mentioned in these notes. Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

b) Associates

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

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

Modifications in Auditors' Report of Subsidiary Company

Crescot Mills Limited – Emphasis

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

2.3 Employees retirement benefits

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

a) Defined benefit plan - Gratuity

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

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

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

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

b) Defined contribution plan - Provident fund

The Holding Company operates a funded provident fund scheme for employees of Sugar and Distillery divisions by the name of Crescent Sugar Mills and Distillery Limited - Employees' Provident Fund Trust. Equal monthly contributions are made to the fund by the Holding Company and its employees at the rate of 10% of basic salary.

2.4 Dividend and other appropriations

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

2.5 Taxation

Current

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

Deferred

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

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

2.6 Property, plant, equipment and depreciation

Operating fixed assets

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

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

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

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

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

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

Depreciation

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

Derecognition

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

2.7 Investment properties

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

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

2.8 Foreign currencies

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

2.9 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis
.
Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is measured initially at fair value.

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

a) Investments at fair value through profit or loss

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

b) Held-to-maturity

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

c) Available for sale

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

Quoted

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

Unquoted

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

2.10 Inventories

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

a) Stores, spare parts and loose tools

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

b) Stock-in-trade

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

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

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

2.11 Cash and cash equivalents

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

2.12 Non-current assets held for sale

Non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

2.13 Revenue recognition

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

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

2.14 Financial instruments

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

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

a) Borrowings

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

b) Trade and other receivables

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

c) Trade and other payables

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

2.15 Provisions

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

2.16 Borrowing cost

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

2.17 Impairment

a) Financial assets

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

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

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

b) Non-financial assets

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

2.18 Off setting

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

2.19 Segment reporting

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

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

The Group has previously four reportable business segments: Sugar, Distillery, Spinning and Trading. However the Group has decided to dispose of the plant and machinery and related fixed assets of Sugar and Distillery segments.

Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2012	2011		2012	2011
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
5 509 767	5 509 767	Ordinary shares of Rupees 10 each fully paid in cash	**55,098**	55,098
15 709 697	15 709 697	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**157,097**	157,097
158 014	158 014	Ordinary shares of Rupees 10 each fully paid up issued to a financial institution against its right of option for conversion of debentures pursuant to a loan agreement	**1,580**	1,580
21 377 478	21 377 478		**213,775**	213,775

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

	2012	2011
	(NUMBER OF SHARES)	
The Crescent Textile Mills Limited	**975 944**	975 944
Jubilee Spinning & Weaving Mills Limited	**510 600**	510 600
Shams Textile Mills Limited	**166 784**	166 784
Premier Insurance Limited	**200 000**	200 000
Crescent Powertec Limited	**36 105**	36 105
	1 889 433	1 889 433

4. RESERVES

Composition of reserves is as follows:

	2012	2011
	(RUPEES IN THOUSAND)	
Capital		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**4,770**	577
	22,266	18,073
Revenue		
General	**44,975**	44,975
Dividend equalization	**4,000**	4,000
Unappropriated profit / (accumulated loss)	**26,208**	(146,709)
	75,183	(97,734)
	97,449	(79,661)

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

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

	2012	2011
	(RUPEES IN THOUSAND)	
Balance as at 01 October	**577**	2,461
Fair value adjustment on investments:		
Surplus / (deficit) on revaluation of investments	**4,193**	101
Fair value gain realized on disposal of investments	**-**	(1,985)
	4,193	(1,884)
Balance as at 30 September	**4,770**	577

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

	2012	2011
Investment properties:	**52,665**	52,665
Property, plant and equipment (Note 5.1)	**2,488,644**	2,490,613
	2,541,309	2,543,278

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

6. LONG TERM FINANCING

	2012	2011
Financing from banking companies:		
Secured		
Holding Company		
National Bank of Pakistan (Note 6.1)	**22,479**	37,465
Subsidiary Company		
Samba Bank Limited (Note 6.2)	**5,000**	5,000
	27,479	42,465
Un-secured		
Holding Company		
Saudi Pak Industrial and Agricultural Investment Company Limited	**-**	8,984
	27,479	51,449
Less: Current portion shown under current liabilities	**22,479**	31,463
	5,000	19,986

6.1 This loan is obtained from National Bank of Pakistan payable in 10 equal half yearly installments started from 22 February 2008 with mark up at the rate of 6 months KIBOR plus 3% with floor of 7% and no cap (2011: 6 months KIBOR plus 3% with floor of 7% and no cap). Mark up is payable on quarterly basis. This facility is secured against charge over imported machinery and gas generators and first charge over fixed assets amounting to Rupees 316 million and personal guarantee of directors.

6.2 This represents over due balance of long term loan obtained from Samba Bank Limited and is secured against demand promissory note. It carries mark-up at the rate of 12 percent per annum (2011: 12 percent per annum).

7. DEFERRED INCOME TAX LIABILITY

	2012	2011
	(RUPEES IN THOUSAND)	
Opening balance	**10,480**	11,549
Less:		
Adjustment of deferred income tax liability related to surplus on revaluation of plant and machinery	**103**	-
Deferred income tax liability on incremental depreciation charged during the year transferred to profit and loss account	**957**	1,069
	1,060	1,069
	9,420	10,480

The Subsidiary Company has recognized deferred income tax liability retrospectively on surplus on revaluation of property, plant and equipment during the year.

8. EMPLOYEES' RETIREMENT BENEFITS

8.1 General Description

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

	2012	2011
	(RUPEES IN THOUSAND)	
8.2 The amount included in the balance sheet is as follows:		
Present value of defined benefit obligations as at 30 September	**28,159**	20,441
Unrecognized actuarial loss	**(7,000)**	(6,503)
Recognized liability	**21,159**	13,938

8.3 Movement in present value of defined benefit obligation:

	2012	2011
Balance as at 01 October	**20,441**	12,302
Current service cost	**11,834**	9,496
Interest cost	**2,556**	1,476
Retirement benefits paid	**(7,574)**	(6,620)
Actuarial loss on present value	**902**	3,787
Balance as at 30 September	**28,159**	20,441

8.4 Movement in the net liability recognized:

	2012	2011
Opening balance	**13,938**	9,421
Add: Provision for the year (Note 8.5)	**14,795**	11,137
	28,733	20,558
Less: Paid during the year	**(7,574)**	(6,620)
	21,159	13,938

		2012	2011
		(RUPEES IN THOUSAND)	
8.5	**Provision for the year**		
	Current service cost	**11,834**	9,496
	Interest cost	**2,556**	1,476
	Actuarial loss recognized	**405**	165
		14,795	11,137

		2012	2011
8.6	**Principal actuarial assumptions used:**		
	Discount rate used (% per annum)	**11.50 %**	12.50 %
	Expected rate of increase in salaries in future years (% per annum)	**10.50 %**	11.50 %
	Average expected remaining working life time of employees (years)	**10**	11

8.7 Trend Information:

(RUPEES IN THOUSAND)

	2012	2011	2010	2009	2008
Present value of defined benefit obligation	28,159	20,441	12,302	11,850	10,231
Experience adjustment on obligation	(902)	(3,787)	-	(1,065)	-

		2012	2011
		(RUPEES IN THOUSAND)	
9.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 9.1)	**224,893**	151,531
	Accrued liabilities (Note 9.2)	**105,277**	92,124
	Advances from customers	**247,787**	37,931
	Security deposits – interest free	**322**	322
	Income tax deducted at source	**3,768**	2,762
	Payable to Employees' Provident Fund Trust	**255**	252
	Unclaimed dividend	**1,565**	1,567
	Workers' profit participation fund (Note 9.3)	**9,179**	2,579
	Workers' welfare fund	**-**	1,269
		593,046	290,337

9.1 This includes aggregate balance of Rupees 0.097 million (2011: Rupees 8.474 million) due to a related party.

9.2 This includes insurance premium of Rupees Nil (2011: Rupees: 14.639 million) due to a related party.

		2012	2011
9.3	**Workers' profit participation fund**		
	Balance as on 01 October	**2,579**	-
	Add: Provision for the year (Note 31)	**9,040**	2,579
	Interest for the year (Note 33)	**139**	-
		11,758	2,579
	Less: Payments during the year	**2,579**	-
	Balance as on 30 September	**9,179**	2,579

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

	2012	2011
	(RUPEES IN THOUSAND)	
10. ACCRUED MARK-UP		
Long term financing	**10,853**	10,986
Short term borrowings	**7,822**	11,384
	18,675	22,370
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Cash finances and export finances (Note 11.1)	**329,967**	290,085
Others - unsecured		
Associated company (Note 11.2)	**7,566**	-
Other related parties (Note 11.3)	**118,307**	122,008
Temporary bank overdraft	**104,205**	141,964
	230,078	263,972
	560,045	554,057

11.1 These form part of total credit facility of Rupees 1,325 million (2011: Rupees 1,513 million) and carries mark-up at the rate of 3 months KIBOR plus 2.50 percent per annum (2011: 3 months KIBOR plus 2.50 per cent per annum with a floor of 12 percent per annum). These are secured against charge, pledge and hypothecation over fixed and current assets of the Holding Company and personal guarantee of directors. The rates of mark up ranges from 14.41 percent to 16.78 percent per annum (2011: 15.59 percent to 16.53 percent per annum).

11.2 This represents loan obtained from Riaz and Company (1962-Private) Limited, an associated company which is repayable on demand. It carries mark-up at the rate of 10 percent per annum (2011: Nil)

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

12. CONTINGENCIES AND COMMITMENTS

Holding Company

a) Contingencies:

i) Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (2011: 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.

ii) Guarantees of Rupees 35.993 million (2011: Rupees 35.993 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

b) Commitments:

i) There was no contract for capital expenditure as at 30 September 2012 (2011: Nil).

ii) Letter of credit for other than capital expenditure as at 30 September 2012 is Rupees 1.183 million (2011: Nil).

Subsidiary Company

Contingencies:

The Company is contingently liable for a claim of Rupees 0.215 million (2011: Rupees 0.215 million) not acknowledged by the Company in respect of card clothing machine demanded by Customs Authorities in 1987 against which a letter of guarantee has been issued by bank in favour of Collector.

Commitments:

There was no capital and other commitment as at balance sheet date (2011: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

	2012	2011
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 13.1)	**2,791,724**	2,786,695
Capital work-in-progress (Note 13.2)	**4,005**	-
	2,795,729	2,786,695

13.1 PROPERTY, PLANT AND EQUIPMENT

	Land-Freehold	Buildings and roads on freehold land	Buildings and roads on leasehold land	Plant and machinery	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total
At 01 October 2010											
Cost / revalued amount	2,518,447	132,939	48,364	999,468	27,190	27,164	9,779	19,688	7,782	1,452	3,792,273
Accumulated depreciation	-	(96,784)	(13,952)	(697,909)	(19,845)	(19,910)	(6,771)	(14,654)	(7,294)	(1,431)	(878,550)
Net book value	2,518,447	36,155	34,412	301,559	7,345	7,254	3,008	5,034	488	21	2,913,723
Year ended 30 September 2011											
Opening net book value	2,518,447	36,155	34,412	301,559	7,345	7,254	3,008	5,034	488	21	2,913,723
Additions	-	-	-	7,794	-	16	223	2,334	181	-	10,548
Classified as non-current assets held for sale:											
Cost	-	-	-	(298,781)	(1,021)	(10,252)	-	-	-	(966)	(311,020)
Accumulated depreciation	-	-	-	245,638	787	8,193	-	-	-	954	255,572
	-	-	-	(53,143)	(234)	(2,059)	-	-	-	(12)	(55,448)
Transfer to investment properties:											
Cost / revalued amount	(43,183)	(5,179)	-	-	-	-	-	-	-	-	(48,362)
Accumulated depreciation	-	3,463	-	-	-	-	-	-	-	-	3,463
	(43,183)	(1,716)	-	-	-	-	-	-	-	-	(44,899)
Disposals:											
Cost	-	-	-	(2,573)	-	-	-	(4,928)	-	-	(7,501)
Accumulated depreciation	-	-	-	1,616	-	-	-	4,301	-	-	5,917
	-	-	-	(957)	-	-	-	(627)	-	-	(1,584)
Depreciation charge	-	(3,046)	(3,163)	(26,352)	(716)	(610)	(307)	(1,204)	(246)	(1)	(35,645)
Closing net book value	2,475,264	31,393	31,249	228,901	6,395	4,601	2,924	5,537	423	8	2,786,695
At 30 September 2011											
Cost / revalued amount	2,475,264	127,760	48,364	705,908	26,169	16,928	10,002	17,094	7,963	486	3,435,938
Accumulated depreciation	-	(96,367)	(17,115)	(477,007)	(19,774)	(12,327)	(7,078)	(11,557)	(7,540)	(478)	(649,243)
Net book value	2,475,264	31,393	31,249	228,901	6,395	4,601	2,924	5,537	423	8	2,786,695
Year ended 30 September 2012											
Opening net book value	2,475,264	31,393	31,249	228,901	6,395	4,601	2,924	5,537	423	8	2,786,695
Additions	-	604	-	34,173	-	17	612	2,531	663	-	38,600
Disposals:											
Cost	-	-	-	-	-	-	-	(2,512)	-	-	(2,512)
Accumulated depreciation	-	-	-	-	-	-	-	1,984	-	-	1,984
	-	-	-	-	-	-	-	(528)	-	-	(528)
Depreciation charge	-	(2,761)	(2,860)	(24,182)	(640)	(490)	(314)	(1,202)	(299)	(1)	(32,749)
Impairment loss	-	-	-	(294)	-	-	-	-	-	-	(294)
Closing net book value	2,475,264	29,236	28,389	238,598	5,755	4,128	3,222	6,338	787	7	2,791,724
At 30 September 2012											
Cost / revalued amount	2,475,264	128,364	48,364	740,081	26,169	16,945	10,614	17,113	8,626	486	3,472,026
Accumulated depreciation	-	(99,128)	(19,975)	(501,189)	(20,414)	(12,817)	(7,392)	(10,775)	(7,839)	(479)	(680,008)
Impairment loss	-	-	-	(294)	-	-	-	-	-	-	(294)
Net book value	2,475,264	29,236	28,389	238,598	5,755	4,128	3,222	6,338	787	7	2,791,724
Annual rate of depreciation (%)											
Holding company	-	5, 10	-	10	10	10,12	10	20	15,50	10,25	
Subsidiary company	-	-	5, 10	10	10	10	10	20	10	-	

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

(RUPEES IN THOUSAND)

	Cost	Accumulated Depreciation	Book Value
Holding Company			
Freehold land	5,405	-	5,405
Subsidiary Company			
Building on leasehold land			
- Mills	11,504	10,568	936
- Others	2,633	2,092	541

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

	2012	2011
	(RUPEES IN THOUSAND)	
Cost of sales (Note 28)	**27,414**	28,511
Administrative expenses (Note 30)	**4,536**	4,810
Discontinued operations (Note 26.1 and 26.2)	**798**	2,324
	32,748	35,645

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

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain	Mode of disposal	Particulars of Purchaser
Vehicles							
Suzuki Mehran LRQ-9228	310	219	91	265	174	Negotiation	Omega Traders, 10-Tata Factory, Factory Area, Faisalabad.
Honda City LZX-3900	489	329	160	690	530	Insurance claim	Premier Insurance Company Limited (an associated company)
Toyota Corolla LZO-4400	1,249	1,016	233	500	267	Negotiation	Hassan Enterprises, Mohallah Yousafabad, Faisalabad.
Santro Plus FDY-1480	464	420	44	200	156	Negotiation	Chiniot Enterprises, Koh-i-Noor Plaza, Faisalabad.
	2,512	1,984	528	1,655	1,127		

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

	2012	2011
	(RUPEES IN THOUSAND)	
Other operating income (Note 32)	**442**	308
Discontinued operations (Note26.1 and 26.2)	**685**	1,495
	1,127	1,803

13.2 CAPITAL WORK IN PROGRESS

	2012	2011
Plant and machinery	**4,005**	-

14. INVESTMENT PROPERTIES

	2012	2011
Year ended 30 September		
Opening net book value	**54,381**	-
Transfer from property, plant and equipment	**-**	44,899
Fair value (loss) / gain	**(209)**	9,482
Closing net book value	**54,172**	54,381

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

15. LONG TERM INVESTMENTS-ASSOCIATES

(RUPEES IN THOUSAND)

	2012			2011		
	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET	COST	SHARE OF POST ACQUISITION PROFIT	NET
QUOTED						
Shakarganj Mills Limited 2 865 830 (2011: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (2011: 4.12%)	**24,395**	**69,441**	**93,836**	24,395	57,216	81,611
The Crescent Textile Mills Limited 2 681 875 (2011: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (2011: 5.45%)	**17,909**	**68,946**	**86,855**	17,909	75,327	93,236
Premier Insurance Limited 363 380 (2011: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (2011: 0.60%)	**75**	**3,783**	**3,858**	75	4,181	4,256
Jubilee Spinning and Weaving Mills Limited 474 323 (2011: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2011: 1.46%)	**1,229**	**(1,229)**	**-**	1,229	(971)	258
	43,608	**140,941**	**184,549**	43,608	135,753	179,361

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

15.2 INFORMATION ABOUT ASSOCIATES

RUPEES IN THOUSAND

	ASSETS		LIABILITIES		REVENUE		PROFIT/(LOSS)AFTER TAXATION	
	2012	2011	2012	2011	2012	2011	2012	2011
QUOTED								
Shakarganj Mills Limited Nine months ended 30 June 2012 (Un-audited)	**10,937,940**	10,985,852	**10,339,997**	10,276,595	**10,972,552**	10,264,568	**296,731**	245,524
The Crescent Textile Mills Limited Year ended 30 June 2012	**13,212,985**	12,616,421	**9,130,925**	8,463,148	**12,728,719**	14,759,257	**(117,089)**	(118,645)
Premier Insurance Limited Six months ended 30 June 2012 (Un-audited)	**3,473,154**	3,247,085	**1,701,590**	1,419,142	**255,435**	212,602	**(5,881)**	60,990
Jubilee Spinning and Weaving Mills Limited Year ended 30 June 2012	**796,491**	870,471	**273,986**	250,124	**217,253**	783,739	**(109,922)**	(113,764)

	2012	2011
	(RUPEES IN	THOUSAND)
16. LONG TERM INVESTMENTS - Available for sale		
QUOTED		
Crescent Jute Products Limited		
201 933 (2011: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2011: 0.85%)	**100**	1,293
Crescent Fibres Limited		
71 820 (2011: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2011: 0.58%)	**615**	615
Crescent Spinning Mills Limited		
696 000 (2011: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2011: 4.59%)	**-**	870
Security Papers Limited		
364 (2011: 364) ordinary shares of Rupees 10 each fully paid.	**1**	1
UNQUOTED		
Crescent Modaraba Management Company Limited		
119 480 (2011: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2011: 6.52%)	**664**	664
Premier Financial Services (Pvt.) Limited		
2 500 (2011: 2 500) ordinary shares of Rupees 1000 each fully paid. Equity held 11.11% (2011: 11.11%)	**2,500**	2,500
Crescent Bahuman Limited		
1 043 988 (2011: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2011: 1.28%)	**636**	636
	4,516	6,579
Less: Impairment loss charged to profit and loss account (Note 31.1)	**(636)**	(2,062)
Add: Fair value adjustment	**234**	295
	4,114	4,812

17. DEFERRED INCOME TAX - ASSET

	2012	2011
Taxable temporary differences		
Tax depreciation allowance	**(25,378)**	(40,227)
Deductible temporary differences		
Unused tax losses	**91,260**	92,372
Provision for gratuity	**2,103**	2,374
Provision for doubtful debts	**4,116**	4,116
	97,479	98,862
	72,101	58,635

		2012	2011
		(RUPEES IN THOUSAND)	
18.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	**38,326**	31,581
	Spare parts (Note 18.1)	**23,590**	31,116
	Loose tools	**293**	293
		62,209	62,990
	Stores, spare parts and loose tools written off (Note 31)	**(5)**	(7)
		62,204	62,983

18.1 These include spare parts in transit of Rupees 0.648 million (2011: Rupees Nil).

18.2 Stores and spare parts include items which may result in fixed capital expenditure but are not distinguishable at this stage.

		2012	2011
19.	**STOCK-IN-TRADE**		
	Raw material	**353,216**	102,192
	Work-in-process	**16,336**	25,497
	Finished goods	**125,475**	117,289
	Waste	**1,137**	914
		496,164	245,892

19.1 Stock-in-trade of Rupees 1.137 million (2011: Rupees 193.829 million) is being carried at net realizable value.

19.2 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees Nil (2011: Rupees 37.632 million).

		2012	2011
20.	**TRADE DEBTS - Considered good**		
	Secured against letters of credit	**77,634**	46,592
	Unsecured (Note 20.1)	**12,698**	23,353
		90,332	69,945

20.1 This includes Rupees 0.099 million (2011: Rupees 0.099 million) due from Shakarganj Mills Limited, a related party.

20.2 As at 30 September 2012, trade debts of Rupees 10.186 million (2011 : Rupees 19.875 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

		2012	2011
	Upto 1 month	**29**	3,665
	1 to 6 months	**2,883**	3,025
	More than 6 months	**7,274**	13,185
		10,186	19,875

		2012	2011
21.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - Interest free		
	Against expenses	**1,649**	998
	Against salary (Note 21.1)	**5,416**	5,043
		7,065	6,041
	Advances to suppliers / contractors	**9,101**	28,994
	Letters of credit	**3**	-
		16,169	35,035

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

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

	2012	2011
	(RUPEES IN THOUSAND)	
Margin deposit	**691**	9,095
Prepayments	**715**	747
Balances with statutory authorities:		
Advance income tax	**103,538**	55,716
Sales tax and excise duty refundable	**11,834**	5,700
	115,372	61,416
	116,778	71,258

23. OTHER RECEIVABLES

	2012	2011
Considered good:		
Profit on deposits with banks receivable	**2,520**	2,030
Others	**36,407**	28,591
	38,927	30,621
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	38,927	30,621

24. SHORT TERM INVESTMENTS - Available for sale

QUOTED

	2012	2011
Crescent Steel and Allied Products Limited		
13 147 (2011: 13 147) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2011: 0.02%)	**33**	33
Samba Bank Limited		
4 973 666 (2011: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2011: 0.35%)	**7,709**	9,002
	7,742	9,035
Less: Impairment loss charged to profit and loss account	**-**	(1,293)
Add: Fair value adjustment	**4,536**	282
	12,278	8,024

25. CASH AND BANK BALANCES

	2012	2011
With banks :		
On current accounts	**7,823**	5,348
Term deposit receipts (Note 25.1)	**171,300**	2,800
On deposit account	**-**	2
	179,123	8,150
Cash in hand	**1,821**	3,077
	180,944	11,227

25.1 These represent deposits with banking companies having maturity period of one month and carry rate of profit ranges from 6% to 11.50% per annum (2011: 5.36% per annum).

26. NON-CURRENT ASSETS HELD FOR SALE

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

	2012	2011
	(RUPEES IN THOUSAND)	
26.1 Non-current assets classified as held for sale		
Property, plant and equipment - Sugar Unit (Note 26.1.1)	**40,469**	50,222
Property, plant and equipment - Distillery Unit (Note 26.1.2)	**594**	594
	41,063	50,816

26.1.1 Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit has been presented as held for sale following the approval of the Board of Directors and shareholders of the 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 signed an agreement with a party, Messrs SAF and Company on 12 December 2011 for sale of major portion of non-current assets held for sale. Fair value of the plant and machinery and related equipment is Rupees 420 million. The transaction is expected to be completed during next financial year.

Non-current assets classified as held for sale

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

Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**48,466**	52,553
Electric installations	**234**	234
Tools and equipment	**1,513**	2,055
Service equipment	**9**	12
	50,222	54,854
Less: Book value of assets sold:		
Plant and machinery	**9,753**	4,087
Tools and equipment	**-**	542
Service equipment	**-**	3
	9,753	4,632
Carrying value of non-current assets held for sale as at 30 September	**40,469**	50,222

The non-current assets held for sale were disposed of during the year to various parties against sale consideration of Rupees 53.935 million (2011: Rupees 26.995 million) resulting in a net gain of Rupees 44.182 million (2011: Rupees 22.363 million).

26.1.2 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 signed an agreement with a party, Mr. Muhammad Ibrahim on 25 April 2012 for the sale of entire non-current assets held for sale. Fair value of the plant and machinery and related equipment is Rupees 46.500 million. The transaction is expected to be completed within the next financial year.

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:

Book value of assets transferred from property, plant and equipment:		
Plant and machinery	**590**	590
Tools and equipment	**4**	4
	594	594

	2012	2011
	(RUPEES IN THOUSAND)	

26.2 Analysis of the result of discontinued operations

Profit / (loss) after taxation from discontinued operations

	2012	2011
Sugar Unit (Note 26.2.1)	**23,953**	(33,506)
Distillery Unit (Note 26.2.2)	**(5,988)**	(1,273)
	17,965	(34,779)

26.2.1 Analysis of result of discontinued operation

	2012	2011
SALES	**-**	44,291
COST OF SALES	**-**	(69,182)
GROSS LOSS	**-**	(24,891)
DISTRIBUTION COST	**-**	(16)
ADMINISTRATIVE EXPENSES	**(23,474)**	(23,529)
OTHER OPERATING EXPENSES *	**(234)**	(128)
	(23,708)	(23,673)
	(23,708)	(48,564)
OTHER OPERATING INCOME **	**49,642**	28,042
PROFIT / (LOSS) FROM DISCONTINUED OPERATION	**25,934**	(20,522)
FINANCE COST	**(1,979)**	(12,268)
PROFIT / (LOSS) BEFORE TAXATION FROM DISCONTINUED OPERATION	**23,955**	(32,790)
PROVISION FOR TAXATION	**(2)**	(716)
PROFIT / (LOSS) AFTER TAXATION FROM DISCONTINUED OPERATION	**23,953**	(33,506)

* It includes loss on remeasurement of fair value of investment properties amounting to Rupees 0.209 million (2011: Nil) and security deposits written off amounting to Rupees Nil (2011: Rupees 0.128 million).

** It includes gain on disposal of non-current assets held for sale amounting to Rupees 44.182 million (2011: Rupees 22.363 million), gain on disposal of property, plant and equipment amounting to Rupees 0.685 million (2011: Rupees 1.495 million), rental income of the building on freehold land amounting to Rupees 4.487 million (2011: Rupees 3.005 million) and credit balances written back amounting to Rupees Nil (2011: Rupees 0.432 million).

		2012	2011
		(RUPEES IN THOUSAND)	

26.2.2 Analysis of result of discontinued operation

	2012	2011
SALES	**13,431**	8,119
COST OF SALES	**(17,980)**	(8,011)
GROSS (LOSS) / PROFIT	**(4,549)**	108
DISTRIBUTION COST	**(1,434)**	(1,222)
ADMINISTRATIVE EXPENSES	**(15)**	(78)
	(1,449)	(1,300)
	(5,998)	(1,192)
OTHER OPERATING INCOME *	**77**	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	**(5,921)**	(1,192)
PROVISION FOR TAXATION	**(67)**	(81)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	**(5,988)**	(1,273)

* It includes credit balances written back amounting to Rupees 0.077 million (2011: Nil).

26.3 Cash flows of discontinued operations

	2012	2011
Sugar Unit (Note 26.3.1)	**168,946**	(17,960)
Distillery Unit (Note 26.3.2)	**-**	-
	168,946	(17,960)

26.3.1 Analysis of the cash flows of discontinued operation

	2012	2011
Operating cash flows	**188,149**	(38,262)
Investing cash flows	**54,825**	47,378
Financing cash flows	**(74,028)**	(27,076)
	168,946	(17,960)

26.3.2 Analysis of the cash flows of discontinued operations

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

27. SALES

	2012	2011
Local (Note 27.1)	**829,210**	1,577,245
Export (Note 27.2 and 27.3)	**3,417,745**	2,953,283
	4,246,955	4,530,528

27.1 Local

	2012	2011
Yarn	**774,694**	1,533,715
Polyester	**24,763**	1,562
Waste	**29,753**	41,968
	829,210	1,577,245

27.2 Export

	2012	2011
Yarn	**1,634,566**	1,905,953
Cloth	**1,783,179**	1,047,330
	3,417,745	2,953,283

27.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 13.631 million (2011: Rupees 82.653 million) has been included in export sales.

	2012	2011
	(RUPEES IN THOUSAND)	

28. COST OF SALES

	2012	2011
Raw material consumed	**2,360,172**	3,230,809
Cost of polyester sold	**31,637**	1,055
Salaries, wages and benefits (Note 28.1)	**213,365**	180,076
Stores, spare parts and loose tools consumed	**104,568**	81,810
Fuel and power	**363,340**	292,547
Outside weaving charges	**297,221**	136,309
Other manufacturing overheads	**4,642**	4,074
Insurance	**3,640**	3,849
Repair and maintenance	**4,018**	2,561
Depreciation (Note 13.1.2)	**27,414**	28,511
	3,410,017	3,961,601
Work-in-process		
Opening stock	**25,497**	17,382
Closing stock	**(16,336)**	(25,497)
	9,161	(8,115)
Cost of goods manufactured	**3,419,178**	3,953,486
Finished goods		
Opening stock	**101,357**	25,536
Closing stock	**(126,612)**	(101,357)
	(25,255)	(75,821)
	3,393,923	3,877,665
Cost of goods purchased for resale	**446,949**	364,014
	3,840,872	4,241,679

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 13.351 million (2011: Rupees 9.466 million).

	2012	2011
	(RUPEES IN THOUSAND)	

29. DISTRIBUTION COST

	2012	2011
Insurance	**2,835**	619
Freight and forwarding	**53,105**	45,972
Commission to selling agents	**38,904**	43,421
Loading and handling	**4,694**	3,647
Others	**3,272**	352
	102,810	94,011

30. ADMINISTRATIVE EXPENSES

	2012 (RUPEES IN THOUSAND)	2011 (RUPEES IN THOUSAND)
Salaries, wages and benefits (Note 30.1)	**43,011**	32,425
Workers' welfare	**1,493**	1,113
Traveling and conveyance	**3,940**	1,992
Insurance	**814**	957
Rent, rates and taxes	**964**	774
Entertainment	**1,633**	1,691
Subscription	**282**	233
Communication	**2,144**	1,531
Vehicles' running	**5,630**	4,390
Advertisement	**-**	4
Repair and maintenance	**7,048**	5,364
Utilities	**5,333**	4,562
Printing and stationery	**1,231**	911
Books and periodicals	**25**	10
Auditors' remuneration:		
Statutory audit	**530**	530
Other certifications including half yearly review	**50**	50
Out of pocket expenses	**17**	17
	597	597
Legal and professional	**1,454**	346
Miscellaneous	**764**	830
Depreciation (Note 13.1.2)	**4,536**	4,810
	80,899	62,540

30.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.444 million (2011: Rupees 1.671 million).

31. OTHER OPERATING EXPENSES

	2012	2011
Donations	**-**	203
Stores and spare parts written off (Note 18)	**5**	7
Workers' profit participation fund (Note 9.3)	**9,040**	2,579
Workers' welfare fund	**-**	1,269
Impairment loss on investments (Note 31.1)	**636**	3,355
	9,681	7,413

31.1 Impairment loss on investments

	2012	2011
Long term investments (Note 16)	**636**	2,062
Short term investments	**-**	1,293
	636	3,355

	2012	2011
	(RUPEES IN THOUSAND)	

32. OTHER OPERATING INCOME

	2012	2011
Income from financial assets		
Profit on deposits with banks	**8,883**	150
Dividend income from other investments	**13**	121
Gain on sale of investments	**-**	18,171
	8,896	18,442
Income from non financial assets		
Reversal of workers' welfare fund (Note 32.1)	**1,269**	-
Sale of scrap and mud	**922**	1,278
Gain on disposal of property, plant and equipment (Note 13.1.4)	**442**	308
	2,633	1,586
	11,529	20,028

32.1 Provision of previous year reversed in these financial statements based on the order of Lahore High Court.

33. FINANCE COST

	2012	2011
Mark-up on:		
Long term financing	**8,429**	10,724
Short term borrowings (Note 33.1)	**44,989**	44,588
Workers' profit participation fund (Note 9.3)	**139**	-
	53,557	55,312
Bank charges and commission	**14,550**	9,497
	68,107	64,809

It includes Rupees 0.684 million (2011: Nil) charged as mark-up by associated company.

34. TAXATION

	2012	2011
Current		
- For the year (Note 34.1)	**38,386**	45,832
- Prior year	**(15,471)**	12,248
	22,915	58,080
Deferred (Note 34.2)	**(14,423)**	(58,635)
	8,492	(555)

34.1 The Holding Company's provision for current taxation represents the tax deducted against export sales, minimum tax on local sales and tax on different heads of other operating income under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 September 2012 are Rupees 260.744 million (2011: Rupees 263.921 million). The Subsidiary Company's provision for taxation represents the tax liability under section 155 of the Income Tax Ordinance, 2001. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, in view of presumptive and minimum taxation.

34.2 This includes deferred income tax asset charged Rupees 13.466 million and deferred income tax liability recognised amounting to Rupees 0.957 million as given in Note 17 and Note 7 respectively.

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

There is no dilutive effect on the basic earnings / (loss) per share which is based on :

		2012	2011
Continuing operation			
Profit for the year after taxation	(Rupees in thousand)	**153,174**	33,426
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**7.17**	1.56
Discontinued operations			
Profit / (loss) for the year after taxation	(Rupees in thousand)	**17,965**	(34,779)
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings / (loss) per share	(Rupees)	**0.84**	(1.63)

36. CASH GENERATED FROM OPERATIONS

	2012	2011
	(RUPEES IN THOUSAND)	
Profit / (loss) before taxation	**179,700**	(1,111)
Adjustments for non cash charges and other items:		
Depreciation	**32,748**	35,645
Provision for staff retirement gratuity	**14,795**	11,137
Gain on disposal of property, plant and equipment	**(1,127)**	(308)
Gain on sale of non-current assets held for sale	**(44,182)**	(23,858)
Gain on sale of investments	**-**	(18,171)
Share of loss from associated companies	**(5,551)**	47,233
Credit balances written back	**(77)**	(432)
Debit balances written off	**-**	128
Stores and spare parts written off	**5**	7
Impairment loss on investments	**636**	3,355
Loss on remeasurement of fair value of investment properties	**209**	-
Profit on deposits with banks	**(8,883)**	(150)
Finance cost	**70,086**	77,077
Reversal of workers' welfare fund	**(1,269)**	-
Provision for workers' profit participation fund	**9,040**	2,579
Provision for workers' welfare fund	**-**	1,269
Working capital changes (Note 36.1)	**40,922**	(45,638)
	287,052	88,762

36.1 Working capital changes

Decrease / (increase) in current assets		
Stores, spare parts and loose tools	**774**	2,638
Stock-in-trade	**(250,272)**	(81,560)
Trade debts	**(20,387)**	(11,921)
Loans and advances	**18,866**	59,477
Prepayments and balances with statutory authorities	**2,302**	(13,572)
Other receivables	**(7,816)**	1,028
	297,455	(1,728)
Increase / (decrease) in trade and other payables	**40,922**	(45,638)

37. NON ADJUSTING EVENT AFTER THE REPORTING PERIOD

37.1 The Board of Directors of the Holding Company has decided in their meeting held on 30 January 2012 to purchase a running spinning unit. On 08 December 2012, a memorandum of understanding was signed between the Holding Company and the seller to purchase whole spinning unit including land, building, plant and machinery and other related equipment for Rupees 215 million. However, this event has been considered as non adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these consolidated financial statements.

37.2 Board of Directors of the Holding Company has proposed a cash dividend for the shareholders of the Holding Company for the year ended 30 September 2012 amounting to Rupees 1.25 per share (2011: Nil) at their meeting held on 08 January 2013. However, this event has been considered as non-adjusting event under IAS 10 and has not been recognized in these consolidated financial statements. Company.

38. TRANSACTIONS WITH RELATED PARTIES

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

	2012	2011
	(RUPEES IN THOUSAND)	
Associated companies		
Sales	**-**	15,279
Dividend income	**363**	4,477
Service charges	**5,150**	5,230
Loan received	**7,566**	-
Mark-up expense	**684**	-
Other related parties		
Loan received from directors / sponsors	**17,342**	17,513
Loan repaid to directors / sponsors	**21,043**	10,455
Company's contribution to Employees' Provident Fund Trust	**1,521**	1,563

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

(RUPEES IN THOUSAND)

Description	Chief Executive Officer		Directors		Executives	
	2012	2012	2012	2011	2012	2011
Managerial remuneration	**4,800**	4,800	**7,200**	4,445	**8,810**	8,202
Allowances:						
Housing	**2,160**	2,160	**3,240**	2,000	**3,964**	3,691
Utilities	**480**	-	**720**	-	**252**	-
Group Insurance	**-**	-	**9**	-	**3**	-
Reimbursable expenses	**184**	44	**336**	168	**345**	256
Contribution to Employees' Provident Fund Trust	**480**	480	**720**	444	**252**	373
	8,104	7,484	**12,225**	7,057	**13,626**	12,522
Number of persons	**1**	1	**3**	3	**6**	5

39.1 Aggregate amount charged in the financial statements for meeting fee to two directors (2011: four directors) was Rupees 90,000 (2011: Rupees 190,000).

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

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

39.4 No remuneration was paid to Directors and Chief Executive Officer of the SubsidiaryCompany.

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2012	**2011**
Trade debts - USD	**821,516**	534,314
Loan and advances - USD	**-**	7,961
Trade and other payables - USD	**(47,595)**	(250,178)
Short term borrowings	**(229,145)**	-
Net exposure - USD	**544,776**	292,097

The following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	**89.10**	85.38
Reporting date rate	**94.50**	87.20

Sensitivity analysis

'If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit / (loss) after taxation for the year would have been Rupees 2.445 million higher / lower (2011: Rupees 1.273 million lower / higher), mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) **Other price risk**

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

Sensitivity analysis

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

Index	Impact on profit / (loss) after taxation		Impact on other comprehensive loss (fair value reserve)	
	2012	**2011**	**2012**	**2011**
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**-**	391	**661**	61
KSE 100 (5% decrease)	**-**	(391)	**(661)**	(61)

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

(iii) **Interest rate risk**

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

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

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

	2012	**2011**
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	**168,500**	2,800
Financial liabilities		
Long term financing	**5,000**	5,000
Short term borrowings	**7,566**	-
Floating rate instruments		
Financial liabilities		
Long term financing	**22,479**	37,465
Short term borrowings	**329,967**	290,085

Fair value sensitivity analysis for variable rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

'If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit / (loss) after taxation for the year would have been Rupees 3.348 million lower / higher (2011: Rupees 3.276 million higher / lower), as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of liabilities outstanding at balance sheet date were outstanding for the whole year.

b) Credit risk

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

	2012	2011
	(RUPEES IN THOUSAND)	
Investments	**16,392**	12,836
Loans and advances	**5,416**	5,043
Deposits	**3,825**	12,653
Trade debts	**90,332**	69,945
Other receivables	**38,927**	30,621
Bank balances	**179,123**	8,150
	334,015	139,248

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

	Rating			2012	2011
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**73,228**	1,481
Allied Bank Limited	A1+	AA+	PACRA	**32**	125
Bank Alfalah Limited	A1+	AA	PACRA	**101,346**	2,891
Faysal Bank Limited	A1+	AA	PACRA	**20**	25
Habib Bank Limited	A-1+	AA+	JCR-VIS	**811**	93
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**427**	245
MCB Bank Limited	A1+	AA+	PACRA	**50**	2,420
NIB Bank Limited	A1+	AA -	PACRA	**78**	55
Silkbank Limited	A-2	A -	JCR-VIS	**-**	42
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**24**	172
United Bank Limited	A-1+	AA+	JCR-VIS	**1,771**	200
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	**-**	24
Meezan Bank Limited	A-1+	AA-	JCR-VIS	**174**	46
The Bank of Punjab	A1+	AA -	PACRA	**-**	18
Askari Bank Limited	A1+	AA	PACRA	**88**	79
KASB Bank Limited	A3	BBB	PACRA	**-**	15
Bank Al-Habib Limited	A1+	AA+	PACRA	**1,074**	219
				179,123	8,150

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

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

C) Liquidity risk

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

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2012, the Group had Rupees 995 million (2011: 1,223 million) available unavailed borrowing limits from financial institutions and Rupees 180.944 million (2011: 11.227 million) cash and bank balances. The management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 September 2012:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Long term financing	27,479	29,436	16,379	8,057	-	-
Trade and other payables	332,057	332,057	332,057	-	-	-
Accrued mark-up	18,675	18,675	18,675	-	-	-
Short term borrowings	560,045	595,703	335,352	260,351	-	-
	938,256	975,871	702,463	268,408	-	-

Contractual maturities of financial liabilities as at 30 September 2011:

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Non-derivative financial liabilities:						
Long term financing	51,449	61,261	25,804	13,555	21,902	-
Trade and other payables	245,544	245,544	245,544	-	-	-
Accrued mark-up	22,370	22,370	22,370	-	-	-
Short term borrowings	554,057	595,703	335,352	260,351	-	-
	873,420	924,878	629,070	273,906	21,902	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 September. The rates of interest / mark up have been disclosed in Note 6 and Note 11 to these financial statements.

Carrying amount of long term financing as at 30 September 2012 includes overdue installment of principal amounting to Rupees 12.493 million (2011: Rupees 12.493 million).

40.2 Fair values of financial assets and liabilities

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

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
As at 30 September 2012				
Assets				
Available for sale financial assets	13,228	-	-	13,228
As at 30 September 2011				
Assets				
Available for sale financial assets	8,740	-	-	8,740

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

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

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The Group has no such type of financial instruments as on 30 September 2012.

40.3 Financial instruments by categories

	2012			2011		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
	(RUPEES IN THOUSAND)					
As at 30 September						
Assets as per balance sheet						
Investments	**-**	**16,392**	**16,392**	-	12,836	12,836
Loans and advances	**5,416**	**-**	**5,416**	5,043	-	5,043
Deposits	**3,825**	**-**	**3,825**	12,653	-	12,653
Trade debts	**90,332**	**-**	**90,332**	69,945	-	69,945
Other receivables	**38,927**	**-**	**38,927**	30,621	-	30,621
Cash and bank balances	**180,944**	**-**	**180,944**	11,227	-	11,227
	319,444	**16,392**	**335,836**	129,489	12,836	142,325

	2012	2011
	Financial Liabilities At Amortized Cost	
	(RUPEES IN THOUSAND)	
As at 30 September		
Liabilities as per balance sheet		
Long term financing	**27,479**	51,449
Accrued mark-up	**18,675**	22,370
Short term borrowings	**560,045**	554,057
Trade and other payables	**332,057**	245,544
	938,256	873,420

40.4 Capital risk management

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

		2012	2011
Borrowings	Rupees in thousand	**587,524**	605,506
Total equity	Rupees in thousand	**311,224**	134,114
Total capital employed	Rupees in thousand	**898,748**	739,620
Gearing ratio	Percentage	**65.37**	81.87

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

41. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	SPINNING		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales	3,530,943	4,313,829	1,783,179	1,047,330	(1,067,167)	(830,631)	4,246,955	4,530,528
Cost of sales	(3,238,666)	(4,064,097)	(1,669,373)	(1,008,213)	1,067,167	830,631	(3,840,872)	(4,241,679)
Gross profit	292,277	249,732	113,806	39,117	-	-	406,083	288,849
Distribution cost	147,482	(67,389)	(44,672)	(26,622)	-	-	102,810	(94,011)
Administrative expenses	85,402	(62,411)	(4,503)	(129)	-	-	80,899	(62,540)
	(232,884)	(129,800)	(49,175)	(26,751)	-	-	(183,709)	(156,551)
	59,393	119,932	64,631	12,366	-	-	222,374	132,298
Finance cost	(65,196)	(62,156)	(2,911)	(2,653)	-	-	(68,107)	(64,809)
Profit before taxation and unallocated income and expenses	(5,803)	57,776	61,720	9,713	-	-	165,796	87,517
Other operating expenses							(9,681)	(7,413)
Other operating income							11,529	20,028
Share of profit / (loss) of associated companies							5,551	(47,233)
Taxation							(8,492)	555
Profit after taxation from continuing operation							153,174	33,426
Profit / (loss) after taxation from discontinued operations							17,965	(34,779)
Profit / (loss) after taxation							171,139	(1,353)

41.1 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		SPINNING		TRADING		TOTAL-COMPANY	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total assets for reportable segments	2,109,935	2,299,839	648	17,757	1,706,960	1,028,684	53,403	38,151	3,870,946	3,384,431
Unallocated assets:										
Long term investments - associates									184,549	179,361
Non-current assets classified as held for sale									41,063	50,816
Deferred income tax - asset									72,101	58,635
Total assets as per balance sheet									4,168,659	3,673,243
Total liabilities for reportable segments	513,749	328,551	495	673	676,333	580,687	29,827	22,240	1,220,404	932,151
Unallocated liabilities:										
Deferred income tax liability									9,420	10,480
Provision for taxation									86,302	53,220
Total liabilities as per balance sheet									1,316,126	995,851

* The Group has discontinued the operations of Sugar and Distillery units during the year ended 30 September 2011.

41.2 Geographical Information

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

	2012	2011
	(RUPEES IN THOUSAND)	
Asia	**3,417,745**	2,953,283
Pakistan	**829,210**	1,577,245
	4,246,955	4,530,528

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

41.4 Revenue from major customers

Revenue from major customers of Group's Trading segment represents Rupees 1,536.333 million (2011: Rupees 511.425 million) and Spinning segment represents Rupees Nil (2011: Rupees 630.873 million).

42. PLANT CAPACITY AND ACTUAL PRODUCTION

		2012	2011
Holding Company:			
Spinning			
100% plant capacity converted to 20s count based on 3 shifts per day for 1098 shifts (2011: 1095 shifts)	Kgs.	**20 441 637**	20 385 786
Actual production converted to 20s count based on 3 shifts per day for 1098 shifts (2011: 1095 shifts)	Kgs.	**18 450 907**	18 718 918

Embroidery

Capacity of such unit cannot be determined due to nature of its operations.

Subsidiary Company:

Crescot Mills Limited has ceased its operations since August 1998.

42.1 Reason for low production

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

43. DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on January 08, 2013 by the Board of Directors of the Group.

44. CORRESPONDING FIGURES

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

45. 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 Limited

(Formerly Crescent Sugar Mills & Distillery Limited)

FORM OF PROXY

I/ We ______________________________ of ______________

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

do hereby appoint ______________________________ of ______________

or failing him ______________________________ of ______________

who is also a member of the Company vide Registered Folio No. ______________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11:00 a.m. on Thursday the January 31, 2013 at the Registered Office of the Company, New Lahore Road, Nishatabad, Faisalabad or at any adjournment thereof.

As witness my/our hand this ______________________day of ______________2013.

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

____

Witness Signature

Name: ______________

Address: ______________

____

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