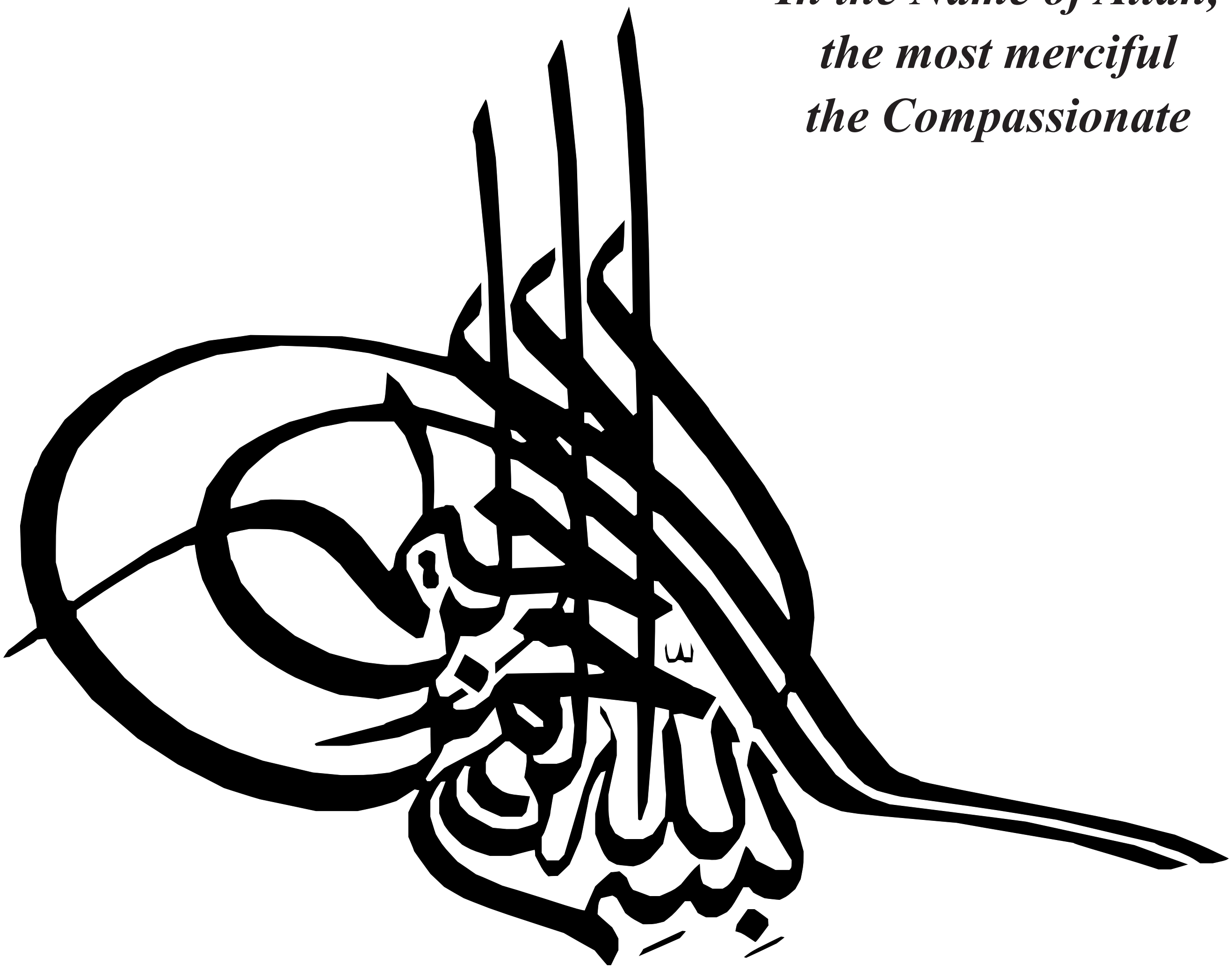
In the Name of Allah,
the most merciful
the Compassionate



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

CONTENTS

CRESCENT SUGAR MILLS & DISTILLERY LIMITED

CRESCENT SUGAR MILLS & DISTILLERY LIMITED AND ITS SUBSIDIARIES

GENERAL INFORMATION

PRINCIPAL & REGISTERED OFFICE

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

Sugar Division

New Lahore Road,
Nishatabad, Faisalabad.
Phones : (041) 8752111-4
E-mail : info@crescentsugar.com

Distillery Division

New Lahore Road,
Nishatabad, Faisalabad.
Phones : (041) 8752111-4
E-mail : info@crescentsugar.com

Textile Division

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

SUBSIDIARIES

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

Works

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

Company Activities

Spinning Unit

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
Mr. Naveed Gulzar

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.crescentsugar.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the shareholders of the Company will be held on Tuesday the 31st January, 2012 at 11.30 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 May 14, 2011.

2. To receive, consider and adopt Annual Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended September 30, 2011 together with the Directors' and Auditors' Reports thereon.

3. To appoint External Auditors and fix their remuneration.

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

REGISTERED OFFICE:
Crescent Sugar Mills & Distillery Limited
New Lahore Road, Nishatabad,
Faisalabad: Phone No. 8752111-13
Fax No. 8750366
Dated: January 07, 2012

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, 2012 to January 31, 2012 (both days inclusive). Transfers received at the Registered Office, New Lahore Road, Nishatabad, Faisalabad at the close of business on January 23, 2012 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) along with proxy form to the Company.

PRODUCTION DATA
2002-2011

	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.)
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
2001-2002	141	336,664	26,778	7.97	3.04	16,148	111	1,710,132	364	12,291,150

VISION

To continue to hold a highly prestigious profile amongst the national as well as international industry through producing international quality sugar, industrial alcohol, yarn and by products, 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 sugar, industrial alcohol and yarn 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 present their report and audited financial statements for the year ended September 30, 2011 together with the auditors' report thereon.

Financial Results

The financial results of the Company are summarized below:

	2011	2010
	(RUPEES IN THOUSAND)	
Profit/(Loss) after taxation from Continuing Operations	**82,332**	(55,990)
Loss after taxation from Discontinued Operations	**(34,779)**	-
Profit/(Loss) after taxation	**47,553**	(55,990)

Due to the stringent cash flow position of the company caused by the accumulation of heavy losses, the board has not recommended any dividend during the year.

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 is being consistently reviewed by the internal audit and other such procedures. The process of review will continue and any weakness in controls will be removed.
- 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.
- The value of investments of provident fund based on audited accounts of September 30, 2010 is Rupees 4.971 Million.
- 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. Mazhar Karim	1
Mr. Muhammad Anwar	3
Mr. Muhammad Arshad	4
Mr. Naveed Gulzar	2
Mr. Salman Rafi	Nil
Mr. Shahid Arshad	2
Mr. Jamal Nasim (Nominee NIT)	2

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

Directors

The new Board of the company has been elected in the extra ordinary general meeting held on May 14, 2011 for the next term of three years period commencing from May 18, 2011.

Financial Statements

Since the last few years the Sugar Unit of the company has been facing difficulty in procurement of raw material. Upon the recommendation of the board of directors and approval of the shareholders in the Annual General Meeting held on January 31, 2011 the operations of Sugar Unit have been suspended and approval has been given to dispose off its assets. Similarly the Distillery Unit has also been severely affected. In the Extra Ordinary General Meeting held on May 14, 2011 approval has been granted to dispose off the assets of Distillery Unit as well. In view of these facts and in compliance with the provisions of International Financial Reporting Standard (IFRS) 5 the assets of Sugar Unit and Distillery Unit have been classified as non-current assets held for sale.

Post Balance Sheet Events

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 of the board of directors to change the name of the company as now its major portion of revenues comprise of revenue from the Textile Units. The management is in the process of obtaining necessary approvals from the Securities & Exchange Commission of Pakistan.

Pattern of Shareholding

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

To the best of our knowledge, Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, auditors, and their spouses and minor children have not undertaken any trading of company's shares.

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.

Audit Committee

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

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, 2012.

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. Voluntary Delisting Committee of Karachi Stock Exchange (KSE) approved the offer of the sponsors to buy back the shares from minority shareholders for de-listing of the company. The sponsors have made the buy back of shares and 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 07, 2012

CHIEF EXECUTIVE OFFICER'S REVIEW

OVERALL 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. 47.553 million. During the previous year loss for the year was Rs. 55.990 million.

SUGAR & DISTILLERY OPERATIONS

For the past few years due to difficulties in procurement of raw material i.e. sugarcane the operation of Sugar Unit has become very difficult and hence resulting in accumulation of heavy losses. In view of the persisting losses in Sugar Unit the management as well as the board of directors considered it prudent to stop all operations of this unit. The board of directors as well as the shareholders have approved disposal of the assets of Sugar Unit. Similarly the operations of Distillery Unit have also been suspended and disposal of its assets has been approved by the shareholders. A few assets of Sugar Unit have been sold during the current financial year.
Resultantly there has been no operation in the Sugar and Distillery Units of the company during the current financial year.

TEXTILE OUTLOOK

The Textile Units of the Company have been able to present impressive performance in the year under review. During the first three quarters of the current financial year most of the textile units made good profit. As the prices of cotton and other raw material kept on rising, both the domestic and international markets supported the rise in the prices and the demand of textile products kept on eventually rising. With the imposition of Sales Tax in March, 2011 (which was later on with drawn) the textile market took a severe shock and prices started reducing at a very fast pace. The real drama unfolded in the month of July 2011 with the arrival of new cotton for season 2011-12 into market. The prices of new cotton dropped to less than fifty percent of the peek prices in season 2010-2011. The decrease in prices of cotton caused severe turmoil in the market and prices of all textile products dropped massively causing huge inventory losses in the finished products. Our company was also no exception to this massive fluctuation of prices and had to suffer losses in the last quarter of the financial year hence eroding the profits made in the first three quarters of the year under review.

In the year under review we had to experience severe shortage of natural gas and electricity and about one week's production was lost due to power shortages. In the Province of Punjab we normally had to face gas shortage only during the winter months but this year the availability of gas during summer was not adequate and we had to face load management during summer months also. This factor increased our cost of productions which affected our profitability.

High rate of inflation, increase in wages and salaries and other input costs such as prices of raw materials and stores items increased, but despite all these negative factors the positive news was that cotton and polyester cotton yarn remained in demand and for the first time we observed that conversion margin on sale of yarn was available to us. Our Company has a very strong footing in the Asian international market and is able to sell its products without any difficulty to reliable customers and also has a very strong domestic market were mostly blended yarn is sold.

Despite of all hardships, the prudent policies adopted by the management of your company resulted in profitability during the year under review. With the Grace of Almighty Allah we have managed to post our highest export figures in the history of our company. In the year under review your company exported goods worth Rs. 2,953.283 million as compared to Rs. 1,068.161 million of last year. We are focused on producing better quality yarn with the available resources and expect that the Textile Units of our Company will continue to progress in the right direction.

FUTURE OUTLOOK

In the current year we are witnessing massive energy shortage. The availability of gas which was limited to around three days in November 2011 has been suspended for indefinite period till the end of December 2011. The supply of electricity is also not adequate and we are experiencing massive production losses. To further worsen the situation price of gas and power has been increased manifold. The cost of doing business is steadily going up with increase in fuel and power charges, increase in salaries and wages, financial charges and increase in prices of various other inputs. These accumulated hikes in costs are putting pressure on the profitability of the Company.

The price of cotton is almost half of the price as it was last year. This decrease in cotton prices has put severe pressure on the prices of end products and has also affected demand of end products which also remains at a lower ebb.

Presently there is un-precedent shortage of gas and the availability is very scarce these days. Despite all these negative factors the management of the company will try its best to perform better.

SUBSIDIARY

CRESCOT MILLS LIMITED

As already reported, the company has ceased all its production activities and during the period under review, the company incurred loss of Rs. 3.074 million as compared to a loss of Rs. 1.658 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 & on Behalf of the Board of Directors

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

Faisalabad
January, 07 2012

KEY OPERATING AND FINANCIAL DATA

(RUPEES IN MILLION)

	2011	2010	2009	2008	2007	2006
Summary of Profit and Loss Account						
Sales	4,583	3,285	2,072	2,433	2,271	2,131
Gross profit	264	172	33	115	88	122
Loss/(Profit) from operations	140	204	163	155	146	158
Finance cost	76	70	90	87	81	74
(Loss)/profit before taxation	48	(32)	(130)	(40)	(58)	(36)
Taxation	-	24	11	4	(6)	23
(Loss)/profit after taxation	48	(56)	(141)	(44)	(52)	(59)
Summary of Balance Sheet						
Property, plant and equipment	2,807	2,877	398	428	459	482
Other non-current assets	89	40	60	65	81	30
Stock in trade	246	164	170	310	231	203
Trade debts	70	58	65	75	75	57
Other current assets	305	362	306	422	606	398
Current assets	621	584	541	807	912	658
Total assets	3,517	3,501	999	1,300	1,452	1,170
Shareholders equity	34	26	111	358	618	385
Surplus on revaluation of operating fixed assets	2,523	2,513	-	-	-	-
Long term financing	15	30	45	49	82	118
Other non-current liabilities	14	9	9	8	8	25
Trade and other payables	285	283	230	249	195	144
Short trem borrowings	554	571	537	546	473	410
Other current liabilities	92	69	67	90	76	88
Current liabilities	931	923	834	885	744	642
Total equity and liabilities	3,517	3,501	999	1,300	1,452	1,170
Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	27	3	12	13	19	12
Net cash (used in) / generated from operating activities	(36)	(16)	29	24	13	88
Net cash used in investing activities	20	22	(5)	5	12	(131)
Net cash from / (used in) financing activities	(3)	18	(33)	(30)	(31)	50
Net increase / (decrease) in cash and cash equivalents	(19)	24	(9)	(1)	(6)	7
Cash and cash equivalents at the end of the year	8	27	3	12	13	19

PERFORMANCE INDICATORS

		2011	2010	2009	2008	2007	2006
Profitability Ratios							
Gross profit ratio	%	5.76	5.24	1.59	4.73	3.87	5.73
Net profit to sales	%	1.05	(1.70)	(6.81)	(1.81)	(2.29)	(2.77)
Return on equity	%	141.18	(215.38)	(127.03)	(12.29)	(8.41)	(15.32)
Return on capital employed	%	7.63	(5.08)	(20.65)	(6.36)	(9.21)	(5.72)
Liquidity Ratios							
Current ratio	Times	0.67	0.63	0.65	0.91	1.23	1.02
Quick ratio	Times	0.40	0.46	0.44	0.56	0.92	0.71
Cash to current liabilities	%	0.01	0.03	0.00	0.01	0.02	0.03
Activity / Turnover Ratios							
Inventory turnover	Times	21	19	8	9	10	20
Number of days in inventory	Days	17	20	43	43	36	18
Debtor turnover	Times	72	53	30	32	34	75
Number of days in receivables	Days	5	7	12	11	11	5
Creditors turnover	Times	15	12	9	10	13	28
Number of days in payables	Days	24	30	43	35	28	13
Total assets turnover	Times	1.31	1.46	1.80	1.77	1.73	3.64
Property, plant and equipment turnover	Times	1.61	2.01	5.02	5.49	4.83	8.84
Investment / Market Ratios							
Basic and diluted earning/(loss) per share	Rs.	2.22	(2.62)	(6.60)	(2.08)	(2.41)	(2.77)
Price earning ratio	Times	5.09	(2.52)	(0.87)	(3.63)	(5.29)	(3.83)
Market value per share							
- At the end of year	Rs.	11.30	6.59	5.75	7.55	12.75	10.60
- Highest during the year	Rs.	11.66	7.95	9.55	17.25	17.90	20.00
- Lowest during the year	Rs.	5.00	4.40	4.55	7.30	7.30	10.60
Break up value w/o surplus on revaluation	Rs.	1.59	1.22	5.19	16.75	28.91	18.01
Break up value with surplus on revaluation	Rs.	119.61	118.77	5.19	16.75	28.91	18.01
Capital Structure Ratios							
Financial leverage ratio	Times	17	23	5	2	1	1
Long term debt to equity ratio	%	44.12	115.38	40.54	13.69	13.27	30.65
Interest coverage ratio	Times	1.63	0.54	(0.44)	0.54	0.28	0.51

Form '34'

PATTERN OF HOLDING OF SHARES
HELD BY SHAREHOLDERS AS AT SEPTEMBER 30, 2011

Shareholders	From	To	Total Shares
538	1	100	16,934
454	101	500	112,788
173	501	1000	122,213
219	1001	5000	468,914
41	5001	10000	289,871
16	10001	15000	205,043
7	15001	20000	119,251
5	20001	25000	113,342
3	25001	30000	81,008
5	30001	35000	157,620
11	35001	40000	420,189
2	40001	45000	81,972
4	45001	50000	189,835
3	50001	55000	157,087
2	55001	60000	111,467
4	60001	65000	249,651
4	65001	70000	268,784
3	75001	80000	233,083
3	80001	85000	245,302
3	85001	90000	264,665
2	90001	95000	184,738
2	100001	105000	203,827
1	105001	110000	109,002
3	110001	115000	337,204
2	120001	125000	242,965
1	130001	135000	132,733
6	135001	140000	822,219
1	140001	145000	144,825
3	150001	155000	456,661
1	155001	160000	156,767
3	160001	165000	484,458
2	165001	170000	336,784
2	175001	180000	360,000
2	195001	200000	398,160
2	215001	220000	437,113
1	240001	245000	242,307
1	255001	260000	257,812
1	275001	280000	278,033
1	290001	295000	292,090
1	295001	300000	296,811
1	310001	315000	310,010
1	350001	355000	353,500
1	380001	385000	384,491
1	400001	405000	401,920
1	405001	410000	406,438
1	445001	450000	446,064
1	495001	500000	500,000
1	510001	515000	510,600
1	520001	525000	524,358
1	525001	530000	527,962
1	540001	545000	543,046
1	560001	565000	562,307
1	585001	590000	588,842
1	795001	800000	795,513
1	975001	980000	975,944
1	1045001	1050000	1,048,579
1	1200001	1205000	1,203,152
1	1210001	1215000	1,211,224
1,556			**21,377,478**

Categories of Shareholders	Numbers	Shares Held	Percentage
FINANCIAL INSTITUTIONS	11	**588,261**	2.75
INDIVIDUALS	1,513	**16,316,085**	76.32
INSURANCE COMPANIES	2	362,286	1.70
INVESTMENT COMPANIES	3	**5,050**	0.02
JOINT STOCK COMPANIES	16	**1,724,934**	8.047
MODARABA	1	3,500	0.02
MUTUAL FUND	1	1,048,579	4.91
OTHERS	9	1,328,683	6.22
TOTAL	**1,556**	**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, 2011

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	**247,349**	1.16
Mr. Abid Mahmood	**122,365**	0.57
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	**160,170**	0.75
	2,446,386	**11.44**
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		
e) Insurance Companies	**587,496**	2.75
f) Other Companies (Public Sector Co. & Corporation)	**362,386**	1.70
g) Investment Companies	**1,724,994**	8.07
h) General Public (Local)	**5,050**	0.02
i) Executives	**9,407,753**	44.01
j) Trust	**978,757**	4.58
k) Mutual Fund	**1,244,048**	5.82
l) Modarbas	**1,048,579**	4.91
m) Others (Associations, Gov. Authority etc.)	**3,500**	0.02
	84,635	0.40
	21,377,478	**100.00**

Shareholder More Than 10% **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 :

- The company encourages representation of independent non-executive directors. At present the Board includes four executive directors and three non-executive directors.
- The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
- 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.
- No casual vacancy occurred in the Board during the year ended September 30, 2011.
- The company has prepared a “Statement of Ethics and Business Practices”, which has been signed by all the directors and employees of the company.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company.
- 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 an Executive Director have been taken by the Board.
- The meetings of the Board were presided over by the Chairman and in his absence, by a director proposed by the Board for this purpose. The Board met 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.
- The Board is arranging orientation course for its directors.
- 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.
- The Directors' Report for the year ended September 30, 2011 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.
- The financial statements of the company were duly endorsed by the CEO and CFO before approval by the Board.
- 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.
- The company has complied with all the corporate and financial reporting requirements of the code.
- The related party transactions have been placed before the audit committee and approved by the Board of Directors.
- The Board has formed an audit committee. It comprises of three members, majority of them are non-executive directors.
- 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.
- The Board has setup an effective internal audit function.
- 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.

- 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.

- The company has fully complied with the best practices on transfer pricing as contained in the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges.

- 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 07, 2012

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 SUGAR MILLS AND DISTILLERY LIMITED** ("the Company") for the year ended 30 September 2011, 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 2011.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Liaqat Ali Panwar

Faisalabad
January 07, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CRESCENT SUGAR MILLS AND DISTILLERY LIMITED** as at 30 September 2011 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 2011 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:
Liaqat Ali Panwar

Faisalabad
January 07, 2012

BALANCE SHEET AS AT

	NOTE	2011	2010
EQUITY AND LIABILITIES		(RUPEES IN THOUSAND)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2010: 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	**(179,994)**	(187,491)
Total equity		**33,781**	26,284
Surplus on revaluation of land and investment properties	5	**2,522,524**	2,513,042
NON-CURRENT LIABILITIES			
Long term financing	6	**14,986**	29,972
Employees' retirement benefits	7	**13,938**	9,421
		28,924	39,393
CURRENT LIABILITIES			
Trade and other payables	8	**285,238**	282,659
Accrued markup	9	**12,968**	22,012
Short term borrowings	10	**554,057**	571,200
Current portion of long term financing	6	**31,463**	22,479
Provision for taxation		**48,570**	24,060
		932,296	922,410
TOTAL LIABILITIES		**961,220**	961,803
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		**3,517,525**	3,501,129

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

30 SEPTEMBER 2011

	NOTE	2011	2010
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,753,135**	2,876,735
Investment properties	13	**54,381**	-
Long term investments	14	**27,214**	37,027
Long term deposits		**3,036**	3,164
Deferred income tax asset	15	**58,635**	-
		2,896,401	2,916,926
CURRENT ASSETS			
Stores, spare parts and loose tools	16	**58,518**	61,054
Stock-in-trade	17	**245,892**	164,332
Trade debts	18	**69,945**	58,024
Loans and advances	19	**35,035**	94,512
Short term deposits, prepayments and balances with statutory authorities	20	**71,215**	55,270
Other receivables	21	**28,591**	29,619
Short term investments	22	**52,962**	94,264
Cash and bank balances	23	**8,150**	27,128
Non-current assets held for sale	24	**50,816**	-
		621,124	584,203
TOTAL ASSETS		**3,517,525**	3,501,129

ABID MEHMOOD
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	NOTE	2011 (RUPEES IN THOUSAND)	2010 (RUPEES IN THOUSAND)
CONTINUING OPERATIONS:			
SALES	25	**4,530,528**	3,285,140
COST OF SALES	26	**(4,241,679)**	(3,112,800)
GROSS PROFIT		**288,849**	172,340
DISTRIBUTION COST	27	**(94,011)**	(45,622)
ADMINISTRATIVE EXPENSES	28	**(59,990)**	(84,227)
OTHER OPERATING EXPENSES	29	**(13,281)**	(29,487)
		(167,282)	(159,336)
		121,567	13,004
OTHER OPERATING INCOME	30	**24,355**	24,923
PROFIT FROM OPERATIONS		**145,922**	37,927
FINANCE COST	31	**(64,207)**	(69,857)
PROFIT / (LOSS) BEFORE TAXATION		**81,715**	(31,930)
PROVISION FOR TAXATION	32	**617**	(24,060)
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		**82,332**	(55,990)
DISCONTINUED OPERATIONS:			
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	24	**(34,779)**	-
PROFIT / (LOSS) AFTER TAXATION		**47,553**	(55,990)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	33	**3.85**	(2.62)
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	33	**(1.63)**	-

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	2011	2010
	(RUPEES IN THOUSAND)	
PROFIT / (LOSS) AFTER TAXATION	**47,553**	(55,990)
OTHER COMPREHENSIVE LOSS		
DEFICIT ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS TO FAIR VALUE	**(22,054)**	(24,205)
SURPLUS REALIZED ON DISPOSAL OF AVAILABLE FOR SALE INVESTMENTS	**(18,002)**	(4,911)
	(40,056)	(29,116)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**7,497**	(85,106)

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 2011

	NOTE	2011	2010
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	**93,150**	98,745
Finance cost paid		**(85,519)**	(80,988)
Income tax paid		**(36,678)**	(26,946)
Gratuity paid		**(6,620)**	(6,284)
Increase in long term deposits		**-**	(454)
Net cash used in operating activities		**(35,667)**	(15,927)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(10,548)**	(7,404)
Proceeds from sale of property, plant and equipment		**3,387**	8,708
Proceeds from sale of investments		**-**	20,446
Proceeds from non-current assets held for sale		**26,995**	-
Net cash from investing activities		**19,834**	21,750
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(14,986)**	(16,248)
Short term borrowings - net		**11,841**	34,443
Net cash (used in) / from financing activities		**(3,145)**	18,195
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(18,978)**	24,018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**27,128**	3,110
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 23)		**8,150**	27,128

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2011

(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
		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 2009	213,775	5,496	12,000	88,551	106,047	96,988	4,000	(309,420)	(208,432)	111,390
Total comprehensive loss for the year ended 30 September 2010	-	-	-	(29,116)	(29,116)	-	-	(55,990)	(55,990)	(85,106)
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
Total comprehensive income for the year ended 30 September 2011	-	-	-	(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

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 2011

1. THE COMPANY AND ITS OPERATIONS

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 Stock Exchanges in Pakistan. The Company is engaged in manufacturing and sale of sugar, distillate and yarn along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit. However, due to continuous difficulties in the procurement of sugarcane at Government notified rates, the Company has suspended the operations of sugar and distillery units and has approved to dispose of their plant and machinery. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

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 values 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 benefit

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 this 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 2010 or later periods.

International Accounting Standard (IAS) 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of the amendment does not affect the results or net assets of the Company as it is only concerned with presentation and disclosures.

IAS 7 (Amendment), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2010). The amendment provides clarification that only expenditure that results in a recognized asset in the balance sheet can be classified as a cash flow from investing activity. The clarification results in an improvement in the alignment of the classification of cash flows from investing activities in the cash flow statement and the presentation of recognized assets in the balance sheet. The application of the amendment does not affect the results or net assets of the Company as it is only concerned with presentation and disclosures.

IFRS 8 (Amendment), 'Operating Segments' (effective for annual periods beginning on or after 01 January 2010). The amendment is part of the International Accounting Standards Board's (IASB) annual improvements project published in April 2009. The amendment provides clarification that the requirement for disclosing a measure of segment assets is only required when the Chief Operating Decision Maker (CODM) reviews that information. The application of the amendment does not affect the results or net assets of the Company as it is only concerned with presentation and disclosures.

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 2010 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 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 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. The management of the Company is in the process of evaluating the impacts of the aforesaid amendment on the Company's financial statements.

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2013). This standard is the first step in the process to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Company's accounting for its financial assets.

IFRS 10 'Consolidated Financial Statements' (effective for annual period beginning on or after 01 January 2013). Concurrent with the issuance of IFRS 10, 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 'Disclosure of Interests in Other Entities' (effective for annual period beginning on or after 01 January 2013). IFRS 12 applies to entities that have an interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 establishes disclosure objectives and specifies minimum disclosures that an entity must provide to meet those objectives. IFRS 12 requires an entity to disclose information that helps users of its financial statements to evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2013). IFRS 13 establishes a single framework for measuring fair value where that is required by other standards. IFRS 13 applies to both financial and non-financial items measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). 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.

IAS 19 (Amendment) 'Employee Benefits' (effective for periods beginning on or after 01 January 2012). The amendment makes significant changes to the recognition and measurement of defined pension expense and termination benefits and to disclosure for all employee benefits.

There are other amendments resulting from annual improvements project initiated by International Accounting Standards Board in May 2010, specifically in IFRS 7 'Financial Instruments: Disclosures', IAS 1 'Presentation of Financial Statements' and IAS 24 'Related Party Disclosures' that are considered relevant to the Company's financial statements. 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 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.

2.2 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency using the rate of exchange prevailing at the balance sheet 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.

2.3 Employees retirement benefits

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

a) Defined benefit plan - Gratuity

The Company operates an unfunded gratuity scheme for all employees of spinning unit, subject to a minimum qualifying period of service. Provision is made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to profit and loss account. The most recent valuation was carried out as at 30 September 2011 using the projected unit credit method. The amount recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for current service cost and benefits paid during the year. Cumulative net unrecognized actuarial gains and losses at the end of previous years which exceed 10% of the present value of the Company's obligations are amortized over the expected average working lives of the participatory employees.

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 Liabilities against assets subject to finance lease

Leases, where the Company has substantially all the risks and rewards of ownership of assets are classified as finance leases. At inception, finance leases are recorded at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

2.5 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.

2.6 Taxation

Current

Provision for current tax is based on 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 current tax rates or tax rates after taking into account rebates and tax credits, if any. 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 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.

2.7 Property, plant and equipment

2.7.1 Owned

a) Cost / Revalued amount

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 referred to Note 2.15 and directly attributable cost of bringing the assets to working condition.

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 or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, 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 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 surplus 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 benefit 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 year in which they are incurred.

b) 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. 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 derecognized.

c) 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 de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.7.2 Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. Aggregate amount of obligation relating to assets subject to finance lease is accounted for at net present value of liabilities.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

2.8 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.

Subsequent gain or loss arising from a change in the fair value of investment properties is included in the 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.

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 investments in subsidiaries, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

2.9.1 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.

2.9.2 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 recognised minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognised 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 recognised in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

2.9.3 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.

2.9.4 Investment in subsidiaries

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

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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

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)	Fair price shop	-	Average invoice value plus other charges thereon
v)	By products	-	Net realizable value
vi)	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 from different sources is recognized as under:

• 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 bank deposits is accrued on time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.14 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 derecognition is charged to the 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 stated in Note 2.9:

a) Borrowings

Borrowings are recognized initially at fair value which is normally the proceeds received 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 debts 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 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.

2.16 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.

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 assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the 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 asset.

2.17 Related party transactions and transfer pricing

Transactions and contracts with related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

2.18 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is legally 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.

2.19 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.

2.20 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 income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has four reportable business segments: Sugar, Distillery, Spinning and Trading. However the Company has decided during the current year 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

2011	2010		2011	2010
(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:

	2011	2010
	(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**	-
	1 889 433	1 853 328

4. RESERVES

Composition of reserves is as follows:

	2011	2010
Capital		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**19,379**	59,435
	36,875	76,931
Revenue		
General	**96,988**	96,988
Dividend equalization	**4,000**	4,000
Accumulated loss	**(317,857)**	(365,410)
	(216,869)	(264,422)
	(179,994)	(187,491)

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:

	2011	2010
	(RUPEES IN THOUSAND)	
Balance as at 01 October	**59,435**	88,551
Fair value adjustment on investments:		
Deficit on revaluation of investments	**(22,054)**	(24,205)
Fair value gain realized on disposal of investments	**(18,002)**	(4,911)
	(40,056)	(29,116)
Balance as at 30 September	**19,379**	59,435

5. SURPLUS ON REVALUATION OF LAND AND INVESTMENT PROPERTIES

	2011	2010
Investment properties	**52,641**	-
Freehold land (Note 5.1)	**2,469,883**	2,413.042
	2,522,524	2,513,042

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.

6. LONG TERM FINANCING

	2011	2010
Financing from banking companies		
Secured:		
National Bank of Pakistan (Note 6.1)	**37,465**	52,451
Un-secured:		
Saudi Pak Industrial and Agricultural Investment Company Limited (Note 6.2)	**8,984**	-
	46,449	52,451
Less: Current portion shown under current liabilities	**31,463**	22,479
	14,986	29,972

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 (2010: 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 obtained previously from Saudi Pak Industrial and Agricultural Investment Company Limited as short term finance was rescheduled at Rupees 45 million on 08 November 2010. As agreed, the Company transferred the investments of shares in other companies at the market value of Rupees 20 million on the date of such transfer whereas the remaining balance of Rupees 25 million was payable in eighteen equal monthly installments of Rupees 1.389 million starting from January 2011 uptill June 2012. In pursuant of the above mentioned settlement, this finance is grouped in long term financing. As the remaining repayment period is less than one year, therefore the fair value of the carrying amount of this financing under IAS-39 is not calculated.

	2011	2010
	(RUPEES IN THOUSAND)	

7. EMPLOYEES' RETIREMENT BENEFITS

	2011	2010
Opening balance	**9,421**	8,807
Add: Provision for the year (Note 7.1)	**11,137**	6,898
	20,558	15,705
Less: Payments made during the year	**(6,620)**	(6,284)
	13,938	9,421

7.1 Provision for the year:

	2011	2010
Current service cost	**9,496**	5,357
Interest cost	**1,476**	1,379
Actuarial gains recognized	**165**	162
	11,137	6,898

7.2 Movement in present value of defined benefit obligation:

	2011	2010
Balance as at 01 October	**12,302**	11,850
Current service cost	**9,496**	5,357
Interest cost	**1,476**	1,379
Retirement benefits paid	**(6,620)**	(6,284)
Actuarial loss on present value	**3,787**	-
Balance as at 30 September	**20,441**	12,302

7.3 Reconciliation of present value of defined benefit obligations and liability recognized:

	2011	2010
Present value of defined benefit obligations as at 30 September	**20,441**	12,302
Unrecognized actuarial loss	**(6,503)**	(2,881)
Recognized liability	**13,938**	9,421

7.4 Principal actuarial assumptions used:

	2011	2010
Discount rate used (% per annum)	12.50 %	12 %
Expected rate of increase in salaries in future years (% per annum)	11.50 %	11 %
Average expected remaining working life time of employees (years)	11	10

7.5 Trend Information:

(RUPEES IN THOUSAND)

	2011	2010	2009	2008	2007
Present value of defined benefit obligation	20,441	12,302	11,850	10,231	10,404
Experience adjustment on obligation	(3,787)	-	(1,065)	-	(372)

8. TRADE AND OTHER PAYABLES

	2011 (RUPEES IN THOUSAND)	2010 (RUPEES IN THOUSAND)
Creditors (Note 8.1)	**150,861**	185,603
Accrued liabilities (Note 8.2 and 8.3)	**89,583**	77,001
Advances from customers	**36,043**	15,664
Security deposits – Interest free	**322**	647
Sales tax payable	**-**	345
Income tax deducted at source	**2,762**	1,434
Payable to Employees' Provident Fund Trust	**252**	398
Unclaimed dividend	**1,567**	1,567
Workers' profit participation fund (Note 8.4)	**2,579**	-
Workers' welfare fund	**1,269**	-
	285,238	282,659

8.1 This includes aggregate balance of Rupees 8.474 million (2010: 6.783 million) due to related parties.

8.2 This includes insurance premium of Rupees 14.639 million (2010: Rupees: 11.132 million) due to a related party.

8.3 This includes rental for leasehold premises of Rupees 3.973 million (2010: Rupees 3.096 million) due to Crescot Mills Limited, a subsidiary company.

8.4 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers.

9. ACCRUED MARKUP

	2011	2010
Long term financing	**1,584**	2,356
Short term borrowings	**11,384**	19,656
	12,968	22,012

10. SHORT TERM BORROWINGS

	2011	2010
From banking companies - secured		
Cash finances and export finances (Note 10.1)	**290,085**	391,724
Other short term finance (Note 10.2)	**-**	37,968
	290,085	429,692
Others - unsecured		
Related parties (Note 10.3)	**122,008**	114,949
Temporary bank overdraft	**141,964**	26,559
	263,972	141,508
	554,057	571,200

10.1 These form part of total credit facility of Rupees 1,513 million (2010: Rupees 605 million) and carries mark-up at the rate of 3 Months KIBOR plus 2.50 percent per annum with a floor of 12 percent per annum (2010: KIBOR plus 2.5 per cent per annum). These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of directors. The rates of mark up ranges from 15.59 percent to 16.53 percent per annum (2010: 14.79 percent to 15.10 percent per annum).

10.2 This finance has been rescheduled and classified as long term financing in Note 6.

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 (2010: 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) Aggregate amount of guarantees issued by the banks on behalf of the Company in favour of Sui Northern Gas Pipelines Limited is Rupees 35.993 million (2010: Rupees 30.559 million).

b) Commitments:

i) There was no contract for capital expenditure as at 30 September 2011 (2010: Nil).

ii) There was no contract for other than capital expenditure as at 30 September 2011 (2010: Rupees 2.293 million).

12 PROPERTY, PLANT AND EQUIPMENT

(RUPEES IN THOUSAND)

	OWNED										LEASED		
	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	Plant and machinery	Vehicles	Total
At 01 October 2009													
Cost	5,408	132,939	944,159	24,743	23,171	8,604	16,759	7,033	1,452	1,164,268	50,665	1,013	51,678
Accumulated depreciation	-	(93,359)	(641,988)	(16,829)	(16,869)	(5,596)	(11,155)	(6,515)	(1,428)	(793,739)	(23,739)	(545)	(24,284)
Net book value	5,408	39,580	302,171	7,914	6,302	3,008	5,604	518	24	370,529	26,926	468	27,394
Year ended 30 September 2010													
Opening net book value	5,408	39,580	302,171	7,914	6,302	3,008	5,604	518	24	370,529	26,926	468	27,394
Additions	-	-	5,558	-	1,851	219	7	219	-	7,854	-	-	-
Effect of revaluation in March 2010	2,513,042	-	-	-	-	-	-	-	-	2,513,042	-	-	-
Transfer													
Cost	-	-	50,665	-	-	-	1,013	-	-	51,678	(50,665)	(1,013)	(51,678)
Accumulated depreciation	-	-	(23,739)	-	-	-	(545)	-	-	(24,284)	23,739	545	24,284
	-	-	26,926	-	-	-	468	-	-	27,394	(26,926)	(468)	(27,394)
Disposals:													
Cost	(3)	-	(8,721)	-	-	-	(39)	-	-	(8,763)	-	-	-
Accumulated depreciation	-	-	7,055	-	-	-	20	-	-	7,075	-	-	-
	(3)	-	(1,666)	-	-	-	(19)	-	-	(1,688)	-	-	-
Depreciation charge	-	(3,425)	(33,469)	(792)	(972)	(311)	(1,104)	(320)	(3)	(40,396)	-	-	-
Closing net book value	2,518,447	36,155	299,520	7,122	7,181	2,916	4,956	417	21	2,876,735	-	-	-
At 30 September 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	-	-	-
Annual rate of depreciation (%)	-	5, 10	10	10	10,12	10	20	15,50	10,25		10	20	

12.1 If the freehold land was measured using the cost model, carrying amount would be Rupees 5.405 million.(2010: Rupees 5.405 million)

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

	2011	2010
	(RUPEES IN THOUSAND)	
Cost of sales (Note 26)	**28,511**	37,980
Administrative expenses (Note 28)	**1,382**	2,416
Discontinued operations (Note 24.1 and 24.2)	**2,324**	-
	32,217	40,396

12.3 **Detail of operating fixed asset, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:**

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyers
Plant and machinery						
Machine Coner	2,500	1,596	904	1,250	Negotiation	Ahmed Spinning Mills Limited, Sheikh Sultan Trust Building, Karachi.
Generator 25 HP	73	20	53	15	Negotiation	Zahid Traders, Shop No. P-35, Railway Road, Faisalabad.
Vehicles						
Mitsubishi Pajero Jeep LOS-2822	925	851	74	150	Negotiation	Mr. Abdul Ghaffar, House No. 102, Gulistan Colony No. 1, Faisalabad.
Toyota Corolla FDV-6666	932	873	59	250	Negotiation	Mr. Abid Hussain, House No. B-425, Gulfishan Colony, Faisalabad.
Daihatsu Coure FSH-3803	470	355	115	300	Negotiation	Mr. Asif Iqbal, House No. 95 P, Gulshan Colony, Madanpura, Faisalabad.
Toyota Corolla FDZ-800	1,175	994	181	500	Negotiation	Mr. Shahbaz Munir, House No. 57, Block-D, Ghulam Muhammad Abad, Faisalabad.
Suzuki Cultus LRH-678	628	533	95	372	Negotiation	Mr. Asif Yar, House No. 424, Stadium Road, Sargodha.
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	798	695	103	550		
	7,501	5,917	1,584	3,387		

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

	2011	2010
	(RUPEES IN THOUSAND)	
Other operating income (Note 30)	**308**	7,020
Discontinued operations (Note24.1 and 24.2)	**1,495**	-
	1,803	7,020

13. INVESTMENT PROPERTIES

Year ended 30 September

	2011	2010
Opening net book value	**-**	-
Transfer from property, plant and equipment	**44,899**	-
Fair value gain	**9,482**	-
Closing net book value	**54,381**	-

13.1 The fair value of the investment properties (carrying value of Rupees 1.740 million) has been determined by independent valuer on the basis of professional 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.

	2011	2010
14. LONG TERM INVESTMENTS	(RUPEES IN	THOUSAND)
SUBSIDIARY COMPANY - UNQUOTED		
Crescot Mills Limited 1 932 187 (2010: 1 932 187) ordinary shares of Rupees 10 each fully paid. Equity held: 66.15% (2010: 66.15%)	**14,746**	22,182
AVAILABLE FOR SALE		
RELATED PARTIES:		
QUOTED		
Crescent Jute Products Limited Nil (2010: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held Nil (2010: 0.85%)	**-**	303
Premier Insurance Limited 363 380 (2010: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (2010: 0.60%)	**75**	75
Jubilee Spinning and Weaving Mills Limited 474 323 (2010: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2010: 1.46%)	**1,181**	1,229
UNQUOTED		
Premier Financial Services (Private) Limited Nil (2010: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held : Nil (2010: 11.11%)	**-**	2,500
OTHERS:		
QUOTED		
Crescent Jute Products Limited 201 933 (2010: Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2010: Nil)	**155**	-
Crescent Fibres Limited 71 820 (2010: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2010: 0.58%)	**615**	615
Crescent Spinning Mills Limited 696 000 (2010: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2010: 4.59%)	**870**	870
Security Papers Limited 364 (2010: 50 364) ordinary shares of Rupees 10 each fully paid.	**1**	15

UNQUOTED	2011	2010
	(RUPEES IN THOUSAND)	
Crescent Modaraba Management Company Limited		
119 480 (2010: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.52% (2010: 6.52%)	**664**	1,195
Premier Financial Services (Private) Limited		
2 500 (2010: Nil) ordinary shares of Rupees 1,000 each fully paid. Equity held : 11.11% (2010: Nil)	**2,500**	-
Crescent Bahuman Limited		
1 043 988 (2010: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2010: 1.28%)	**10,440**	10,440
	31,247	39,424
Less: Impairment loss charged to profit and loss account (Note 29.2)	**(7,937)**	(8,162)
Add: Fair value adjustment	**3,904**	5,765
	27,214	37,027

15. DEFERRED INCOME TAX ASSET

	2011	2010
Taxable temporary differences		
Tax depreciation allowance	**(40,227)**	(50,577)
Deductible temporary differences		
Unused tax losses	**92,372**	135,224
Provision for gratuity	**2,374**	1,610
Provision for doubtful debts	**4,116**	4,116
	98,862	140,950
	58,635	90,373

15.1 Deferred income tax asset as at 30 September 2010 was not recognized in the financial statements as the temporary differences were not expected to reverse in foreseeable future because taxable profits were not be probably available at that time against which the temporary differences could be utilized.

16. STORES, SPARE AND LOOSE TOOLS

	2011	2010
Stores	**29,913**	38,409
Spare parts	**28,433**	22,483
Loose tools	**172**	162
	58,518	61,054

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

17. STOCK-IN-TRADE

	2011	2010
Raw material	**102,192**	49,720
Work-in-process	**25,497**	41,525
Finished goods	**117,289**	72,306
Waste/By-products	**914**	726
Other stocks	**-**	55
	245,892	164,332

17.1 Stock-in-trade of Rupees 193.829 million (2010: Rupees 0.726 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 37.632 million (2010: Rupees Nil).

	2011	2010
	(RUPEES IN THOUSAND)	
18. TRADE DEBTS - Considered good		
Secured against letters of credit	**46,592**	30,641
Unsecured (Note 18.1 and 18.2)	**23,353**	27,383
	69,945	58,024

18.1 As at 30 September 2011, trade debts of Rupees 19.875 million (2010 : Rupees 18.140 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:

Upto 1 month	**3,665**	1,399
1 to 6 months	**3,025**	3,332
More than 6 months	**13,185**	13,409
	19,875	18,140

18.2 This includes Rupees 0.099 million (2010: 0.099 million) due from Shakarganj Mills Limited, a related party.

19. LOANS AND ADVANCES

Considered good:		
Employees - Interest free	**998**	349
Against expenses	**5,043**	4,474
Against salary (Note 19.1)	**6,041**	4,823
Advances to suppliers / contractors	**28,994**	89,678
Letters of credit	**-**	11
	35,035	94,512

19.1 These represent advances given to employees for meeting their personal expenditure and are secured against payable retirement benefits of the employees.

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

Margin deposit	**9,095**	-
Prepayments	**747**	1,000
Balances with statutory authorities:		
Advance Income tax	**55,673**	53,300
Sales tax and excise duty refundable	**5,700**	970
	61,373	54,270
	71,215	55,270

21. OTHER RECEIVABLES

Considered good:		
Export rebate	**509**	204
Others	**28,082**	29,415
	28,591	29,619
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	28,591	29,619

	2011	2010
	(RUPEES IN THOUSAND)	
22. SHORT TERM INVESTMENTS - Available for sale		
RELATED PARTIES:		
QUOTED		
Shakarganj Mills Limited 2 865 830 (2010: 2 865 830) ordinary shares of Rupees 10 each fully paid, Equity held 4.12% (2010: 4.12%)	**11,836**	23,271
The Crescent Textile Mills Limited 2 681 875 (2010: 2 681 875) ordinary shares of Rupees 10 each fully paid, Equity held 5.45% (2010: 5.45%)	**17,909**	17,909
Crescent Steel and Allied Products Limited Nil (2010 : 742 422) ordinary shares of Rupees 10 each fully paid, Equity held Nil (2010: 1.31%)	**-**	1,846
OTHERS:		
QUOTED		
Crescent Steel and Allied Products Limited 13 147 (2010 : Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2010: Nil)	**33**	-
Samba Bank Limited 4 973 666 (2010: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2010: 0.57%)	**9,002**	18,403
	38,780	61,429
Less: Impairment loss charged to profit and loss account (Note 29.2)	**(1,293)**	(20,835)
Add: Fair value adjustment	**15,475**	53,670
	52,962	94,264

23. CASH AND BANK BALANCES

	2011	2010
Cash with banks :		
Current accounts	**5,071**	24,128
Deposit account	**2**	2
	5,073	24,130
Cash in hand	**3,077**	2,998
	8,150	27,128

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:

	2011	2010
	(RUPEES IN THOUSAND)	

(a) Non-current assets classified as held for sale

	2011	2010
Property, plant and equipment - Sugar Unit (Note 24.1)	50,222	-
Property, plant and equipment - Distillery Unit (Note 24.2)	594	-
	50,816	-

(b) Analysis of the result of discontinued operations

Loss after taxation from discontinued operations

	2011	2010
Sugar Unit (Note 24.1)	(33,506)	-
Distillery Unit (Note 24.2)	(1,273)	-
	(34,779)	-

Cash flows of discontinued operations

	2011	2010
Sugar Unit (Note 24.1)	(17,960)	-
Distillery Unit (Note 24.2)	-	-
	(17,960)	-

A breakup of the constituents of non-current assets held for sale and discontinued operations is given as follows:

24.1 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 management of the Company and shareholders 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 is in process to take all necessary steps including negotiation and signing of documents, deeds, papers, agreements and all other documents as may be necessary for the completion of the transaction. Fair value of the plant and machinery and related equipment is Rupees 420 million. The management is hopeful of completing the sale transactions during the 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 during the year are as follows:

	2011	2010
Transferred from property, plant and equipment during the year:		
Plant and machinery	52,553	-
Electric installations	234	-
Tools and equipment	2,055	-
Service equipment	12	-
Less: Disposed of during the year:	54,854	-
Plant and machinery	4,087	-
Tools and equipment	542	-
Service equipment	3	-
	4,632	-
Carrying value of non-current assets held for sale as at 30 September	50,222	-

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

Analysis of result of discontinued operation

	2011	2010
	(RUPEES IN THOUSAND)	
SALES	44,291	-
COST OF SALES	(69,182)	-
GROSS LOSS	(24,891)	-
DISTRIBUTION COST	(16)	-
ADMINISTRATIVE EXPENSES	(23,529)	-
OTHER OPERATING EXPENSES *	(128)	-
	(23,673)	-
	(48,564)	-
OTHER OPERATING INCOME **	28,042	-
LOSS FROM DISCONTINUED OPERATION	(20,522)	-
FINANCE COST	(12,268)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(32,790)	-
PROVISION FOR TAXATION	(716)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(33,506)	-

* It includes security deposits written off amounting to Rupees 0.128 million.

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

Analysis of the cash flows of discontinued operation

	2011	2010
Cash flows from operating activities	(38,262)	-
Cash flows from investing activities	47,378	-
Cash flows from financing activities	(27,076)	-
	(17,960)	-

24.2 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 management of the Company and shareholders 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 is in process to take all necessary steps including disposal of remaining stock-in-trade, negotiation and signing of documents, deeds, papers, agreements and all other documents as may be necessary for the completion of the transaction. Fair value of the plant and machinery and related equipment is Rupees 30 million. The management is hopeful of completing the sale transaction within the next twelve months from the reporting date.

Non-current assets classified as held for sale

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

	2011	2010
	(RUPEES IN THOUSAND)	
Transferred from property, plant and equipment during the year:		
Plant and machinery	590	-
Tools and equipment	4	-
	594	-

Analysis of result of discontinued operation

	2011	2010
SALES	8,119	-
COST OF SALES	(8,011)	-
GROSS PROFIT	108	-
DISTRIBUTION COST	(1,222)	-
ADMINISTRATIVE EXPENSES	(78)	-
	(1,300)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(1,192)	-
PROVISION FOR TAXATION	(81)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(1,273)	-

Analysis of the cash flows of discontinued operations

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

25 SALES

	2011	2010
Local (Note 25.1)	1,577,245	2,216,979
Export (Note 25.2 and 25.3)	2,953,283	1,068,161
	4,530,528	3,285,140

25.1 Local

	2011	2010
Yarn	1,533,715	2,180,279
Polyester	1,562	-
Molasses (by product)	-	30,244
Waste	41,968	38,329
	1,577,245	2,248,852
Less: Sales tax / SED	-	31,873
	1,577,245	2,216,979

25.2 Export

	2011	2010
Yarn	1,905,953	1,068,161
Cloth	1,047,330	-
	2,953,283	1,068,161

25.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 82.653 million (2010: Rupees 8.038 million) has been included in export sales.

	2011	2010
	(RUPEES IN THOUSAND)	

26. COST OF SALES

	2011	2010
Raw material consumed	**3,230,809**	2,469,967
Cost of polyester sold	**1,055**	-
Salaries, wages and benefits (Note 26.1)	**180,076**	179,473
Stores, spare parts and loose tools consumed	**81,810**	96,354
Fuel and power	**292,547**	263,168
Outside weaving charges	**136,309**	-
Other manufacturing overheads	**4,074**	5,772
Insurance	**3,849**	3,683
Repair and maintenance	**2,561**	14,574
Depreciation (Note 12.2)	**28,511**	37,980
	3,961,601	3,070,971
Work-in-process		
Opening stock	**17,382**	25,688
Closing stock	**(25,497)**	(41,525)
	(8,115)	(15,837)
Cost of goods manufactured	**3,953,486**	3,055,134
Finished goods		
Opening stock	**25,536**	69,195
Closing stock	**(101,357)**	(73,032)
	(75,821)	(3,837)
	3,877,665	3,051,297
Cost of goods purchased for resale	**364,014**	61,503
	4,241,679	3,112,800

26.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 9.466 million (2010: Rupees 6.753 million).

	2011	2010
	(RUPEES IN THOUSAND)	

27 DISTRIBUTION COST

	2011	2010
Insurance	**619**	281
Freight and forwarding	**45,972**	24,930
Commission to selling agents	**43,421**	15,091
Others	**3,999**	5,320
	94,011	45,622

28. ADMINISTRATIVE EXPENSES

	2011	2010
	(RUPEES IN THOUSAND)	
Salaries, wages and benefits (Note 28.1)	**32,425**	51,324
Workers' welfare	**1,113**	1,545
Traveling and conveyance	**1,989**	2,920
Insurance	**957**	1,217
Rent, rates and taxes	**1,734**	2,480
Entertainment	**1,691**	1,596
Subscription	**233**	597
Communication	**1,531**	1,592
Vehicles' running	**4,390**	5,129
Advertisement	**4**	67
Repair and maintenance	**5,364**	6,131
Utilities	**4,562**	970
Printing and stationery	**911**	806
Books and periodicals	**10**	33
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	**294**	2,600
Miscellaneous	**833**	2,237
Depreciation (Note 12.2)	**1,382**	2,416
	59,990	84,227

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.671 million (2010: Rupees 1.905 million).

29. OTHER OPERATING EXPENSES

	2011	2010
Donations (Note 29.1)	**203**	-
Workers' participation fund	**2,579**	-
Workers' welfare fund	**1,269**	-
Impairment loss on investments (Note 29.2)	**9,230**	28,997
Debit balances written off	**-**	490
	13,281	29,487

29.1 There is no interest of any director or his spouse in donees' fund.

29.2 Impairment loss on investments

	2011	2010
Long term investments (Note 14)	**7,937**	8,162
Short term investments (Note 22)	**1,293**	20,835
	9,230	28,997

		2011	2010
		(RUPEES IN THOUSAND)	
30	**OTHER OPERATING INCOME**		
	Income from financial assets		
	Dividend income (Note 30.1)	**4,598**	2,823
	Gain on sale of investments	**18,171**	10,082
	Credit balances written back	**-**	3,542
		22,769	16,447
	Income from non financial assets		
	Sale of scrap and mud	**1,278**	1,315
	Gain on disposal of property, plant and equipment (Note 12.4)	**308**	7,020
	Others	**-**	141
		1,586	8,476
		24,355	24,923
30.1	**Dividend income:**		
	From related parties		
	Premier Insurance Limited	**454**	316
	Crescent Steel and Allied Products Limited	**-**	2,255
	The Crescent Textile Mills Limited	**4,023**	-
		4,477	2,571
	From other than related parties		
	Security Papers Limited	**2**	252
	Crescent Fibres Limited	**73**	-
	Crescent Steel and Allied Products Limited	**46**	-
		121	252
		4,598	2,823
31	**FINANCE COST**		
	Mark-up on:		
	Long term financing	**10,124**	8,581
	Short term borrowings	**44,588**	56,304
		54,712	64,885
	Bank charges and commission	**9,495**	4,972
		64,207	69,857
32	**PROVISION FOR TAXATION**		
	Current tax		
	Current year (Note 32.1)	**45,770**	22,056
	Prior year	**12,248**	2,004
		58,018	24,060
	Deferred income tax (Note 15)	**(58,635)**	-
		(617)	24,060

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 2011 are Rupees 263.921 million (2010: Rupees 386.354 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable.

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

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

		2011	2010
Continuing operation			
Profit / (loss) for the year after taxation	(Rupees in thousand)	**82,332**	(55,990)
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings / (loss) per share	(Rupees)	**3.85**	(2.62)
Discontinued operations			
Loss for the year after taxation	(Rupees in thousand)	**(34,779)**	-
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	-
Loss per share	(Rupees)	**(1.63)**	-

34. CASH GENERATED FROM OPERATIONS

	2011	2010
	(RUPEES IN THOUSAND)	
Profit / (loss) before taxation	**47,733**	(31,930)
Adjustments for non cash charges and other items:		
Depreciation	**32,217**	40,396
Provision for gratuity	**11,137**	6,898
Gain on disposal of property, plant and equipment	**(308)**	(7,020)
Gain on sale of non-current assets held for sale	**(23,858)**	-
Gain on sale of investments	**(18,171)**	(10,082)
Credit balances written back	**(432)**	(3,542)
Debit balances written off	**128**	490
Impairment loss on investments	**9,230**	28,997
Finance cost	**76,475**	69,857
Working capital changes (Note 34.1)	**(41,001)**	4,681
	93,150	98,745

34.1 Working capital changes

	2011	2010
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	**2,536**	3,099
Stock-in-trade	**(81,560)**	6,110
Trade debts	**(11,921)**	6,923
Loans and advances	**59,477**	(71,955)
Prepayments and balances with statutory authorities	**(13,572)**	(1,188)
Other receivables	**1,028**	5,198
Increase in trade and other payables	**3,011**	56,494
	(41,001)	4,681

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated companies, staff retirement fund and key management personnel. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relation with the Company	Nature of Transactions	2011	2010
		(RUPEES IN THOUSAND)	
Associated companies	Sales	**15,279**	17,224
	Dividend income	**4,477**	2,571
	Insurance charges	**5,230**	4,695
Subsidiary company	Rental expense	**960**	960
	Stores consumed by Company	**105**	39
Directors and Sponsors	Loan received	**17,513**	26,310
	Loan repaid	**10,455**	19,484
		(Number)	
Associated Companies	Bonus shares received	**-**	47 397
		(Rupees in thousand)	
Employees' Provident Fund Trust	Amount contributed	**1,563**	1,760

36. 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	
	2011	2010	2011	2010	2011	2010
Managerial remuneration	**4,800**	4,800	**4,445**	3,069	**8,202**	8,472
Allowances:						
Housing	**2,160**	2,160	**2,000**	1,381	**3,691**	3,813
Contribution to Employees' Provident Fund Trust	**480**	480	**444**	307	**373**	450
Group Insurance	**-**	29	**-**	6	**-**	18
Reimbursable expenses	**44**	95	**168**	132	**256**	136
	7,484	7,564	**7,057**	4,895	**12,522**	12,889
Number of persons	**1**	1	**3**	1	**5**	5

36.1 The aggregate amount charged in these financial statements as fees to four directors for attending four Board meetings and five Audit Committee meetings is Rupees 190,000 (2010: Rupees 110,000).

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

36.3 Two executives were elected as directors in May 2011, so their remuneration for four months as director is included.

37. FINANCIAL RISK MANAGEMENT

37.1 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 financial performance.

'Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company'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 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 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 uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2011	2010
Trade debts - USD	**534,314**	357,074
Loan and advances - USD	**7,961**	-
Trade and other payables - USD	**(250,178)**	(106,474)
Net exposure - USD	**292,097**	250,600

The following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	**85.38**	84.20
Reporting date rate	**87.20**	86.00

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 1.186 million higher / lower (2010: Rupees 1.078 million lower / higher), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected / forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly bases, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities / payments to assets / receipts, using source inputs in foreign currency. The Company maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay / settle / rollover the Company's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities.

(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 / (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 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)	
	2011	2010	2011	2010
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**364**	1,098	**2,595**	4,049
KSE 100 (5% decrease)	**(404)**	(1,152)	**(2,551)**	(3,995)

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. The Company's interest rate risk arises from long term financing and short term borrowings. Financial instruments obtained at variable rates expose the Company to cash flow interest rate risk.

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

	2011	2010
	(RUPEES IN THOUSAND)	
Floating rate instruments		
Financial liabilities		
Long term financing	**37,465**	52,451
Short term borrowings	**290,085**	429,692

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 3.049 million lower / higher (2010: Rupees 4.442 million higher / lower), as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming that amounts of liabilities outstanding at balance sheet date were outstanding for 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:

	2011	2010
	(RUPEES IN THOUSAND)	
Investments	**63,418**	109,109
Loans and advances	**5,043**	4,474
Deposits	**12,131**	3,164
Trade debts	**69,945**	58,024
Other receivables	**28,082**	29,415
Bank balances	**5,073**	24,130
	183,692	228,316

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			2011	2010
Banks	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**1,432**	222
Allied Bank Limited	A1+	AA	PACRA	**125**	1,870
Bank Alfalah Limited	A1+	AA	PACRA	**65**	8,154
Faysal Bank Limited	A1+	AA	PACRA	**25**	66
Habib Bank Limited	A-1+	AA+	JCR-VIS	**72**	563
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**245**	5,901
MCB Bank Limited	A1+	AA+	PACRA	**2,420**	1,172
NIB Bank Limited	A1+	AA -	PACRA	**55**	1,794
Silkbank Limited	A-2	A -	JCR-VIS	**42**	42
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**172**	174
United Bank Limited	A-1+	AA+	JCR-VIS	**25**	3,400
Al-Baraka Bank (Pakistan) Limited	A-2	A	PACRA	**24**	23
Meezan Bank Limited	A-1+	AA-	JCR-VIS	**46**	179
The Bank of Punjab	A1+	AA -	PACRA	**18**	18
Askari Bank Limited	A1+	AA	PACRA	**79**	59
KASB Bank Limited	A-2	A-	PACRA	**15**	15
Bank Al-Habib Limited	A1+	AA+	PACRA	**213**	478
				5,073	24,130

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. The Company's exposure to credit risk and impairment losses related to trade debts as disclosed in Note 18.

C) Liquidity

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

Contractual maturities of financial liabilities including interest payments as at 30 September 2011:

	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	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	-

Contractual maturities of financial liabilities as at 30 September 2010:

	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	52,451	69,075	19,132	10,968	20,130	18,845
Trade and other payables	264,818	264,818	264,818	-	-	-
Accrued mark-up	22,012	22,012	22,012	-	-	-
Short term borrowings	571,200	604,850	447,171	157,679	-	-
	910,481	960,755	753,133	168,647	20,130	18,845

The amount disclosed in the table are undiscounted cash flows

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 2011 includes overdue installment of principal amounting to Rupees 7.493 million (2010: Rupees 7.493 million).

Liquidity risk Management
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 2011, the Company had Rupees 1,214 million (2010: 175 million) available unavailed borrowing limits from financial institutions and Rupees 8.150 million (2010: 27.128 million) cash and bank balances. Management believes the liquidity risk to be low.

37.2 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 2011				
Assets				
Available for sale financial assets	51,826	-	-	51,826
As at 30 September 2010				
Assets				
Available for sale financial assets	94,974	-	-	94,974

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 2011.

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 2011.

37.3 Financial instruments by categories

	2011			2010		
	Loan and receivable	Available for sale	Total	Loan and receivable	Available for sale	Total
As at 30 September	(RUPEES IN THOUSAND)					
Assets as per balance sheet						
Investments	**-**	**63,418**	**63,418**	-	109,109	109,109
Loans and advances	**5,043**	**-**	**5,043**	4,474	-	4,474
Deposits	**12,131**	**-**	**12,131**	3,164	-	3,164
Trade debts	**69,945**	**-**	**69,945**	58,024	-	58,024
Other receivables	**28,082**	**-**	**28,082**	29,415	-	29,415
Cash and bank balances	**8,150**	**-**	**8,150**	27,128	-	27,128
	123,351	**63,418**	**186,769**	122,205	109,109	231,314

	2011	2010
	Financial Liabilities At Amortized Cost	
As at 30 September	(RUPEES IN THOUSAND)	
Liabilities as per balance sheet		
Long term financing	**46,449**	52,451
Accrued mark-up	**12,968**	22,012
Short term borrowings	**554,057**	571,200
Trade and other payables	**242,333**	264,818
	855,807	910,481

37.4 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'.

		2011	2010
Borrowings	Rupees in thousand	**600,506**	623,651
Total equity	Rupees in thousand	**33,781**	26,284
Total capital employed	Rupees in thousand	**634,287**	649,935
Gearing ratio	Percentage	**94.67**	95.96

38. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		SPINNING		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales	-	601,350	-	16,272	4,313,829	2,686,092	1,047,330	-	(830,631)	(18,574)	4,530,528	3,285,140
Cost of sales	-	(714,437)	-	(14,376)	(4,064,097)	(2,402,561)	(1,008,213)	-	830,631	18,574	(4,241,679)	(3,112,800)
Gross profit / (loss)	-	(113,087)	-	1,896	249,732	283,531	39,117	-	-	-	288,849	172,340
Distribution cost	-	(470)	-	(1,237)	(67,389)	(43,915)	(26,622)	-	-	-	(94,011)	(45,622)
Administrative expenses	-	(39,473)	-	(80)	(59,861)	(44,674)	(129)	-	-	-	(59,990)	(84,227)
	-	(39,943)	-	(1,317)	(127,250)	(88,589)	(26,751)	-	-	-	(154,001)	(129,849)
	-	(153,030)	-	579	122,482	194,942	12,366	-	-	-	134,848	42,491
Other operating income	-	20,683	-	-	24,355	4,240	-	-	-	-	24,355	24,923
Finance cost	-	(23,640)	-	-	(61,554)	(46,217)	(2,653)	-	-	-	(64,207)	(69,857)
Profit / (loss) before taxation and unallocated expenses	-	(155,987)	-	579	85,283	152,965	9,713	-	-	-	94,996	(2,443)
Other operating expenses											(13,281)	(29,487)
Taxation											617	(24,060)
Profit / (loss) after taxation from continuing operation											82,332	(55,990)
Loss after taxation from discontinued operations											(34,779)	-
Profit / (loss) after taxation											47,553	(55,990)

38.1 Reconciliation of reportable segment assets and liabilities:

	SUGAR 2011	SUGAR 2010	DISTILLERY 2011	DISTILLERY 2010	SPINNING 2011	SPINNING 2010	TRADING 2011	TRADING 2010	TOTAL-COMPANY 2011	TOTAL-COMPANY 2010
Segment assets	2,299,839	2,528,105	17,757	23,766	1,052,327	949,258	38,151	-	3,408,074	3,501,129
Non-current assets classified as held for sale									50,816	-
Deferred income tax asset									58,635	
Total assets as per balance sheet									3,517,525	3,501,129
Segment liabilities	332,298	509,569	673	771	557,439	427,403	22,240	-	912,650	937,743
Unallocated liabilities:										
Provision for taxation									48,570	24,060
Total liabilities as per balance sheet									961,220	961,803

* The Company has discontinued the operations of Sugar and Distillery units during the year ended 30 September 2011. Analysis of results of these discontinued operations have been given in Note 24 to these financial statements.

38.2 Geographical Information

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

	2011	2010
	(RUPEES IN THOUSAND)	
Asia	**2,953,283**	1,068,161
Pakistan	**1,577,245**	2,216,979
	4,530,528	3,285,140

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

38.3 Revenue from major customers

Revenue from major customers of Company's Spinning and Trading segments represent Rupees 1,142.298 million (2010: 185.544 million).

39. PLANT CAPACITY AND ACTUAL PRODUCTION

		2011	2010
Working based on three shifts:			
SUGAR UNIT (Discontinued Operation):			
Capacity	M. Tons	**24 800**	24 800
Actual Production	M. Tons	**-**	9 041
DISTILLERY UNIT (Discontinued Operation):			
Capacity	Liters	**2 727 000**	2 727 000
Actual Production	Liters	**-**	569 480
SPINNING UNIT:			
Yarn production			
Capacity converted at 20/S count	Kgs.	**20 385 786**	20 385 786
Actual production			
Converted at 20/S count	Kgs.	**18 718 918**	18 520 643

EMBROIDERY UNIT:

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

39.1 Reason for low production

Sugar and Distillery

These units did not operate in the current year as the management decided to dispose of the plant and machinery and related assets of these units.

Spinning

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

40. DATE OF AUTHORIZATION

These financial statements have been approved and authorized for issue on January 07, 2012 by the Board of Directors of Company.

41. CORRESPONDING FIGURES

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

42. GENERAL

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

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

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

YEAR ENDED 30 SEPTEMBER 2011

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **CRESCENT SUGAR MILLS AND DISTILLERY LIMITED (the Holding Company) AND ITS SUBSIDIARY COMPANY, CRESCOT MILLS LIMITED (together referred to as Group)** as at 30 September 2011 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 Sugar Mills and Distillery Limited (the Holding Company) 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 Sugar Mills and Distillery Limited and its Subsidiary Company, Crescot Mills Limited as at 30 September 2011 and the results of their operations for the year then ended.

Without qualifying our opinion, we have given the emphasis of matter paragraph pointing out that Crescot Mills Limited has ceased its production activities since August 1998 and has disposed of major part of plant and machinery. Accordingly, the company is no more a going concern.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Liaqat Ali Panwar

Faisalabad
January 07, 2012

CONSOLIDATED BALANCE SHEET

	NOTE	2011	2010
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2010: 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	**(79,661)**	(79,479)
Total equity		**134,114**	134,296
Surplus on revaluation of property, plant and equipment and investment properties	5	**2,553,758**	2,547,331
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**19,986**	34,972
Employees' retirement benefits	7	**13,938**	9,421
		33,924	44,393
CURRENT LIABILITIES			
Trade and other payables	8	**290,337**	288,649
Accrued markup	9	**22,370**	30,814
Short term borrowings	10	**554,057**	571,200
Current portion of long term financing	6	**31,463**	22,479
Provision for taxation		**53,220**	28,702
		951,447	941,844
TOTAL LIABILITIES		**985,371**	986,237
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		**3,673,243**	3,667,864

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

AS AT 30 SEPTEMBER 2011

	NOTE	2011	2010
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,786,695**	2,913,723
Investment properties	13	**54,381**	-
Long term investments - associates	14	**179,361**	236,710
Long term investments - available for sale	15	**4,812**	5,261
Long term deposits		**3,558**	3,686
Deferred income tax asset	16	**58,635**	-
		3,087,442	3,159,380
CURRENT ASSETS			
Stores, spare parts and loose tools	17	**62,983**	65,628
Stock-in-trade	18	**245,892**	164,332
Trade debts	19	**69,945**	58,024
Loans and advances	20	**35,035**	94,512
Short term deposits, prepayments and balances with statutory authorities	21	**71,258**	55,280
Other receivables	22	**30,621**	31,499
Short term investments	23	**8,024**	9,002
Cash and bank balances	24	**11,227**	30,207
Non-current assets held for sale	25	**50,816**	-
		585,801	508,484
TOTAL ASSETS		**3,673,243**	3,667,864

ABID MEHMOOD
DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	NOTE	(RUPEES IN THOUSAND) 2011	2010
CONTINUING OPERATIONS:			
SALES	26	**4,530,528**	3,285,140
COST OF SALES	27	**(4,241,679)**	(3,112,800)
GROSS PROFIT		**288,849**	172,340
DISTRIBUTION COST	28	**(94,011)**	(45,622)
ADMINISTRATIVE EXPENSES	29	**(62,540)**	(85,353)
OTHER OPERATING EXPENSES	30	**(7,413)**	(10,421)
		(163,964)	(141,396)
		124,885	30,944
OTHER OPERATING INCOME	31	**20,028**	80,853
PROFIT FROM OPERATIONS		**144,913**	111,797
FINANCE COST	32	**(64,809)**	(70,457)
		80,104	41,340
SHARE OF (LOSS) / PROFIT IN ASSOCIATED COMPANIES		**(47,233)**	25,610
PROFIT BEFORE TAXATION		**32,871**	66,950
PROVISION FOR TAXATION	33	**555**	(24,120)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		**33,426**	42,830
DISCONTINUED OPERATIONS:			
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	25	**(34,779)**	-
(LOSS) / PROFIT AFTER TAXATION		**(1,353)**	42,830
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATION (RUPEES)	34	**1.56**	2.00
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATIONS (RUPEES)	34	**(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 2011

	2011	2010
	(RUPEES IN THOUSAND)	
(LOSS) / PROFIT AFTER TAXATION	**(1,353)**	42,830
OTHER COMPREHENSIVE LOSS		
SURPLUS / (DEFICIT) ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS TO FAIR VALUE	**101**	(447)
SURPLUS REALIZED ON DISPOSAL OF AVAILABLE FOR SALE INVESTMENTS	**(1,985)**	(927)
	(1,884)	(1,374)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(3,237)**	41,456

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 2011

	NOTE	2011	2010
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	**88,762**	145,030
Finance cost paid		**(85,521)**	(97,740)
Income tax paid		**(36,767)**	(23,182)
Gratuity paid		**(6,620)**	(9,770)
Decrease in long term deposits		**-**	553
Net cash (used in) / generated from operating activities		**(40,146)**	14,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(10,548)**	(7,404)
Proceeds from sale of property, plant and equipment		**3,387**	8,708
Proceeds from sale of investments		**-**	20,446
Proceeds from sale of non-current assets held for sale		**26,995**	-
Dividend received from associated companies		**4,477**	2,571
Net cash from investing activities		**24,311**	24,321
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(14,986)**	(50,071)
Short term borrowings - net		**11,841**	34,443
Net cash used in financing activities		**(3,145)**	(15,628)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(18,980)**	23,584
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**30,207**	6,623
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 24)		**11,227**	30,207

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 2011

(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
		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 2009	213,775	5,496	12,000	3,835	21,331	44,975	4,000	(192,862)	(143,887)	91,219
Transfer from surplus on revaluation o property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	-	-	1,621	1,621	1,621
Total comprehensive income for the year ended 30 September 2010	-	-	-	(1,374)	(1,374)	-	-	42,830	42,830	41,456
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 o property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	-	-	3,055	3,055	3,055
Total comprehensive loss for the year ended 30 September 2011	-	-	-	(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

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 2011

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Crescent Sugar Mills and Distillery Limited

Subsidiary Company

Crescot Mills Limited

Crescent Sugar Mills and Distillery Limited

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 Stock Exchanges in Pakistan. The Company is engaged in manufacturing and sale of sugar, distillate and yarn along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit. However, due to continuous difficulties in the procurement of sugarcane at Government notified rates, the Company has suspended the operations of sugar and distillery units and has approved to dispose of their plant and machinery. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The CSM 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 sponsors have made the buy back of shares from minority shareholders during the previous years at the minimum purchase price of Rupees 11 per share as approved by Voluntary Delisting Committee of Karachi Stock Exchange. The Company has been delisted from the Karachi Stock Exchange with effect from 28 July 2005.

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 consolidated 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 consolidated financial statements have been prepared under the historical cost convention, except as modified by recognition of certain employee benefits at present value, investment properties and freehold land which are carried at their fair values and the financial instruments carried at their fair value and assets and liabilities of CML valued at their estimated realizable 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 expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the 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 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 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 benefit

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 this 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 Group.

The following amendments to published approved standards are mandatory for the Group's accounting periods beginning on or after 01 October 2010 or later periods.

International Accounting Standard (IAS) 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of the amendment does not affect the results or net assets of the Group as it is only concerned with presentation and disclosures.

IAS 7 (Amendment), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2010). The amendment provides clarification that only expenditure that results in a recognized asset in the balance sheet can be classified as a cash flow from investing activity. The clarification results in an improvement in the alignment of the classification of cash flows from investing activities in the cash flow statement and the presentation of recognized assets in the balance sheet. The application of the amendment does not affect the results or net assets of the Group as it is only concerned with presentation and disclosures.

IFRS 8 (Amendment), 'Operating Segments' (effective for annual periods beginning on or after 01 January 2010). The amendment is part of the International Accounting Standards Board's (IASB) annual improvements project published in April 2009. The amendment provides clarification that the requirement for disclosing a measure of segment assets is only required when the Chief Operating Decision Maker (CODM) reviews that information. The application of the amendment does not affect the results or net assets of the Group as it is only concerned with presentation and disclosures.

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 2010 but are considered not to be relevant or do not have any significant impact on the Group'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 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 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 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. The management of the Group is in the process of evaluating the impacts of the aforesaid amendment on the Group's financial statements.

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2013). This standard is the first step in the process to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets.

IFRS 10 'Consolidated Financial Statements' (effective for annual period beginning on or after 01 January 2013). Concurrent with the issuance of IFRS 10, 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 'Disclosure of Interests in Other Entities' (effective for annual period beginning on or after 01 January 2013). IFRS 12 applies to entities that have an interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 establishes disclosure objectives and specifies minimum disclosures that an entity must provide to meet those objectives. IFRS 12 requires an entity to disclose information that helps users of its financial statements to evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. 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 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2013). IFRS 13 establishes a single framework for measuring fair value where that is required by other standards. IFRS 13 applies to both financial and non-financial items measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IAS 1 (Amendments), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). 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 consolidated financial statements.

IAS 19 (Amendment) 'Employee Benefits' (effective for periods beginning on or after 01 January 2012). The amendment makes significant changes to the recognition and measurement of defined pension expense and termination benefits and to disclosure for all employee benefits.

There are other amendments resulting from annual improvements project initiated by International Accounting Standards Board in May 2010, specifically in IFRS 7 'Financial Instruments: Disclosures', IAS 1 'Presentation of Financial Statements' and IAS 24 'Related Party Disclosures' that are considered relevant to the Group's consolidated financial statements. 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 accounting standards that are not effective in current year and not considered relevant to the Group

There are other accounting standards, amendments to published approved accounting standards and new interpretations 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.

2.2 CONSOLIDATION

a) Subsidiary

Subsidiary 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.

The financial statements of the subsidiary are prepared upto 30 June 2011 using consistent accounting policies except as specifically mentioned in these notes. Proportionate share of accumulated losses relating to the minority shareholders is more than their respective share capital. Therefore, losses in excess of share capital of minority shareholders are absorbed by the Group.

Intragroup balances and transactions have been eliminated.

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 any 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.

Modification in Auditor's Report of Sunsidiary

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 an unfunded gratuity scheme for all employees of spinning unit, subject to a minimum qualifying period of service. Provision is made annually to cover the obligation under the scheme on the basis of actuarial valuation and is charged to profit and loss account. The most recent valuation was carried out as at 30 September 2011 using the projected unit credit method. The amount recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for current service cost and benefits paid during the year. Cumulative net unrecognized actuarial gains and losses at the end of previous year which exceed 10% of the present value of the Holding Company's obligations are amortized over the expected average working lives of the participatory employees.

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 Liabilities against assets subject to finance lease

Leases, where the Group has substantially all the risks and rewards of ownership of assets are classified as finance leases. At inception, finance leases are recorded at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

2.5 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated 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.

2.6 Taxation

Current

Provision for current tax is based on 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 current tax rates or tax rates after taking into account rebates and tax credits, if any. 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

2.7 Property, plant and equipment

2.7.1 Owned

a) Cost / Revalued amount

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 referred to Note 2.17 and directly attributable cost of bringing the assets to working condition.

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 or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, 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 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 surplus 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 benefit 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 year in which they are incurred.

b) 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. The Group charged the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is derecognized.

c) 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 is included in the consolidated profit and loss account in the year the asset is derecognized.
Property, plant and equipment of CML are valued at estimated realisable value.

2.7.2 Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. Aggregate amount of obligation relating to assets subject to finance lease is accounted for at net present value of liabilities.
Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed of.

2.8 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 currently.

2.9 Foreign Currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency using the rate of exchange prevailing at the balance sheet 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.

2.10 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

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 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 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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value can not be reliably measured are carried at cost less any identified impairment loss.

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2.11 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. Stores, spare parts and loose tools of CML are valued at estimated realizable value.

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)	Fair price shop	-	Average invoice value plus other charges thereon
v)	By products	-	Net realizable value
vi)	Waste	-	Net realizable value

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

2.12 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..

2.13 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.

2.14 Revenue recognition

Revenue from different sources is recognized as under:

• Revenue from local sales is recognized on delivery of goods to customers.

• Revenue from export sales is recognized when goods are shipped on board.

•The share of profits or losses of the associated companies after tax is included in the consolidated profit and loss account to recognize the post acquisition changes in the share of the net assets of the investees. Dividend from associated companies is recognized as reduction in cost of investments as prescribed by International Accounting Standard (IAS) 28, ' Investment in Associates'.

• Dividend on other equity investments is recognized when right to receive the dividend is established.

• Profit on bank deposits is accrued on time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

2.15 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 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. The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item and in the accounting policy stated in Note 2.10:

a) Borrowings

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

b) Trade debts 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.

2.16 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..

2.17 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.

2.18 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 assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the 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 asset.

2.19 Related party transactions and transfer pricing

Transactions and contracts with related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

2.20 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.

2.21 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 operating decision makers 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 operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has four reportable business segments: Sugar, Distillery, Spinning and Trading. However the Group has decided during the current year 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

2011	2010		2011	2010
(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:

	2011	2010
	(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**	-
	1 889 433	1 853 328

4. RESERVES

Composition of reserves is as follows:

	2011	2010
Capital		
Premium on issue of shares (Note 4.1)	**5,496**	5,496
Plant modernization	**12,000**	12,000
Fair value (Note 4.2)	**577**	2,461
	18,073	19,957
Revenue		
General	**44,975**	44,975
Dividend equalization	**4,000**	4,000
Accumulated loss	**(146,709)**	(148,411)
	(97,734)	(99,436)
	(79,661)	(79,479)

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:

	2011	2010
	(RUPEES IN THOUSAND)	
Balance as at 01 October	**2,461**	3,835
Fair value adjustment on investments:		
Surplus / (deficit) on revaluation of investments	**101**	(447)
Fair value gain realized on disposal of investments	**(1,985)**	(927)
	(1,884)	(1,374)
Balance as at 30 September	**577**	2,461

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

	2011	2010
Investment properties:		
Transferred from revaluation of land (Note 5.1)	**43,159**	-
Fair value gain	**9,482**	-
	52,641	-
Property, plant and equipment (Note 5.1 and 5.2)	**2,501,117**	2,547,331
	2,553,758	2,547,331

	2011	2010
5.1 Surplus on revaluation of property, plant and equipment as at 01 October	**2,547,331**	2,548,952
Less: Transferred to revaluation surplus of investment properties	**43,159**	-
Transferred to accumulated loss - net of deferred tax	**3,055**	1,621
	46,214	1,621
	2,501,117	2,547,331

5.2 Freehold land of the Holding Company was revalued in March 2010 by an independent valuer, Messrs Saleem Engineers using market value method. Revaluation of building on leasehold land of mills and others of Crescot Mills Limited has been carried out on 25 January 2010 by an independent valuer, Messrs Sadruddin Associate, on the basis of depreciated replacement values. Further, revaluation of plant and machinery of Crescot Mills Limited was carried out as on 30 September 1997 by Messrs Razzaque Umerani and Company, Surveyor and Valuation Consultants on the basis of depreciated replacement values. However, surplus on revaluation was nil as per financial statements of Crescot Mills Limited prepared on estimated realizable value. Property, plant and equipment of Crescot Mills Limited is valued on the basis of estimated realizable value which is lower by Rupees 0.295 million (30 June 2010: Rupees 0.328 million) from their carrying value.

6. LONG TERM FINANCING

	2011	2010
Financing from banking companies:		
Secured		
National Bank of Pakistan (Note 6.1)	**37,465**	52,451
Samba Bank Limited (Note 6.2)	**5,000**	5,000
	42,465	57,451
Un-secured		
Saudi Pak Industrial and Agricultural Investment Company Limited (Note 6.3)	**8,984**	-
	51,449	57,451
Less: Current portion shown under current liabilities	**31,463**	22,479
	19,986	34,972

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 (2010: 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 from Samba Bank Limited and is secured against demand promissory note and carries mark up at the rate of 12% per annum (2010: 12% per annum).

6.3 This loan obtained previously from Saudi Pak Industrial and Agricultural Investment Company Limited as short term finance was rescheduled at Rupees 45 million on 08 November 2010. As agreed, the Company transferred the investments of shares in other companies at the market value of Rupees 20 million on the date of such transfer whereas the remaining balance of Rupees 25 million was payable in eighteen equal monthly installments of Rupees 1.389 million starting from January 2011 uptill June 2012. In pursuant of the above mentioned settlement, this finance is grouped in long term financing. As the remaining repayment period is less than one year, therefore the fair value of the carrying amount of this financing under IAS-39 is not calculated.

		2011	2010
		(RUPEES IN THOUSAND)	
7.	**EMPLOYEES' RETIREMENT BENEFITS**		
	Opening balance	**9,421**	8,807
	Add: Provision for the year (Note 7.1)	**11,137**	6,898
		20,558	15,705
	Less: Payments made during the year	**(6,620)**	(6,284)
		13,938	9,421
7.1	**Provision for the year:**		
	Current service cost	**9,496**	5,357
	Interest cost	**1,476**	1,379
	Actuarial gains recognized	**165**	162
		11,137	6,898
7.2	**Movement in present value of defined benefit obligation:**		
	Balance as at 01 October	**12,302**	11,850
	Current service cost	**9,496**	5,357
	Interest cost	**1,476**	1,379
	Retirement benefits paid	**(6,620)**	(6,284)
	Actuarial loss on present value	**3,787**	-
	Balance as at 30 September	**20,441**	12,302
7.3	**Reconciliation of present value of defined benefit obligations and liability recognized:**		
	Present value of defined benefit obligations as at 30 September	**20,441**	12,302
	Unrecognized actuarial loss	**(6,503)**	(2,881)
	Recognized liability	**13,938**	9,421

		2011	2010
7.4	**Principal actuarial assumptions used:**		
	Discount rate used (% per annum)	**12.50 %**	12 %
	Expected rate of increase in salaries in future years (% per annum)	**11.50 %**	11 %
	Average expected remaining working life time of employees (years)	**11**	10

7.5 Trend Information:

(RUPEES IN THOUSAND)

	2011	2010	2009	2008	2007
Present value of defined benefit obligation	20,441	12,302	11,850	13,243	10,404
Experience adjustment on obligation	(3,787)	-	(1,065)	-	(372)

8. TRADE AND OTHER PAYABLES

	2011	2010
	(RUPEES IN THOUSAND)	
Creditors (Note 8.1)	**151,531**	187,006
Accrued liabilities (Note 8.2)	**92,124**	79,707
Advances from customers	**37,031**	17,545
Security deposits – Interest free	**322**	647
Sales tax payable	**-**	345
Income tax deducted at source	**2,762**	1,434
Payable to Employees' Provident Fund Trust	**252**	398
Unclaimed dividend	**1,567**	1,567
Workers' profit participation fund (Note 8.3)	**2,579**	-
Workers' welfare fund	**1,269**	-
	290,337	288,649

8.1 This includes aggregate balance of Rupees 8.474 million (2010: 6.783 million) due to related parties..

8.2 This includes insurance premium of Rupees 14.639 million (2010: Rupees: 11.132 million) due to a related party.

8.3 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers

9. ACCRUED MARKUP

Long term financing	**10,986**	11,158
Short term borrowings	**11,384**	19,656
	22,370	30,814

	2011	2010
	(RUPEES IN THOUSAND)	
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Cash finances and export finances (Note 10.1)	**290,085**	391,724
Other short term finance (Note 10.2)	**-**	37,968
	290,085	429,692
Others - unsecured		
Related parties (Note 10.3)	**122,008**	114,949
Temporary bank overdraft	**141,964**	26,559
	263,972	141,508
	554,057	571,200

10.1 These form part of total credit facility of Rupees 1,513 million (2010: Rupees 605 million) and carries mark-up at the rate of 3 Months KIBOR plus 2.50 percent per annum with a floor of 12 percent per annum (2010: KIBOR plus 2.5 per cent per annum). These are secured against charge, pledge and hypothecation over fixed and current assets of the Company and personal guarantee of directors. The rates of mark up ranges from 15.59 percent to 16.53 percent per annum (2010: 14.79 percent to 15.10 percent per annum).

10.2 This finance has been rescheduled and classified as long term financing in Note 6.

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

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 (2010: 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) Aggregate amount of guarantees issued by the banks on behalf of the Company in favour of Sui Northern Gas Pipelines Limited is Rupees 35.993 million (2010: Rupees 30.559 million).

b) **Commitments:**

i) There was no contract for capital expenditure as at 30 September 2011 (2010: Nil).

ii) Commitments for other than capital expenditure as at 30 September 2011 were Nil (2010: Rupees 2.293 million).

Subsidiary Company

a) **Contingencies:**

i) The Company is contingently liable for a claim of Rupees 0.215 million (2010: 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.

b) **Commitments:**

i) There was no capital and other commitment as at balance sheet date (2010: Nil).

12 PROPERTY, PLANT AND EQUIPMENT

(RUPEES IN THOUSAND)

	OWNED											LEASED		
	Land-Freehold	Buildings and roads on freehold land	Buildings on leasehold land	Plant and machinery	Electric installations	Tools and equipment	Furniture and fixtures	Vehicles	Office equipment	Service equipment	Total	Plant and machinery	Vehicles	Total
At 01 October 2009														
Cost / revalued amount	5,408	132,939	14,075	951,966	27,190	25,313	9,560	18,707	7,563	1,452	1,194,173	50,665	1,013	51,678
Accumulated depreciation	-	(93,359)	(12,211)	(647,529)	(19,028)	(18,930)	(6,450)	(13,005)	(6,966)	(1,428)	(818,906)	(23,739)	(545)	(24,284)
Net book value	5,408	39,580	1,864	304,437	8,162	6,383	3,110	5,702	597	24	375,267	26,926	468	27,394
Year ended 30 September 2010														
Opening net book value	5,408	39,580	1,864	304,437	8,162	6,383	3,110	5,702	597	24	375,267	26,926	468	27,394
Additions	-	-	-	5,558	-	1,851	219	7	219	-	7,854	-	-	-
Effect of revaluation in March 2010	2,513,042	-	34,289	-	-	-	-	-	-	-	2,547,331	-	-	-
Transfer														
Cost	-	-	-	50,665	-	-	-	1,013	-	-	51,678	(50,665)	(1,013)	(51,678)
Accumulated depreciation	-	-	-	(23,739)	-	-	-	(545)	-	-	(24,284)	23,739	545	24,284
	-	-	-	26,926	-	-	-	468	-	-	27,394	(26,926)	(468)	(27,394)
Disposals:														
Cost	(3)	-	-	(8,721)	-	-	-	(39)	-	-	(8,763)	-	-	-
Accumulated depreciation	-	-	-	7,055	-	-	-	20	-	-	7,075	-	-	-
	(3)	-	-	(1,666)	-	-	-	(19)	-	-	(1,688)	-	-	-
Depreciation charge	-	(3,425)	(1,741)	(33,696)	(817)	(680)	(321)	(1,124)	(328)	(3)	(42,435)	-	-	-
Closing net book value	2,518,447	36,155	123	301,559	7,345	7,554	3,008	5,034	488	21	2,913,723	-	-	-
At 30 September 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	-	-	-
Annual rate of depreciation (%)														
Holding company	-	5, 10	-	10	10	10,12	10	20	15,50	10,25		10	20	
Subsidiary company	-	-	5, 10	10	10	10	10	20	10	-				

12.1 Had there been no revaluation of property, plant and equipment of the group, the book value of the revalued assets would be as follows:

(RUPEES IN THOUSAND)

	Cost	Accumulated Depreciation	Book Value
Holding Company			
Freehold land	5,381	-	5,381
Subsidiary Company			
Building on leasehold land			
- Mills	11,442	10,471	971
- Others	2,633	2,064	569
Plant and machinery	7,623	6,053	1,570

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

	2011	2010
	(RUPEES IN THOUSAND)	
Cost of sales (Note 27)	**28,511**	37,980
Administrative expenses (Note 29)	**4,810**	4,455
Discontinued operations (Note 25.1 and 25.2)	**2,324**	-
	35,645	42,435

12.3 Detail of operating fixed asset, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:

(RUPEES IN THOUSAND)

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyers
Plant and machinery						
Machine Coner	2,500	1,596	904	1,250	Negotiation	Ahmed Spinning Mills Limited, Sheikh Sultan Trust Building, Karachi.
Generator 25 HP	73	20	53	15	Negotiation	Zahid Traders, Shop No. P-35, Railway Road, Faisalabad.
Vehicles						
Mitsubishi Pajero Jeep LOS-2822	925	851	74	150	Negotiation	Mr. Abdul Ghaffar, House No. 102, Gulistan Colony No. 1, Faisalabad.
Toyota Corolla FDV-6666	932	873	59	250	Negotiation	Mr. Abid Hussain, House No. B-425, Gulfishan Colony, Faisalabad.
Daihatsu Coure FSH-3803	470	355	115	300	Negotiation	Mr. Asif Iqbal, House No. 95 P, Gulshan Colony, Madanpura, Faisalabad.
Toyota Corolla FDZ-800	1,175	994	181	500	Negotiation	Mr. Shahbaz Munir, House No. 57, Block-D, Ghulam Muhammad Abad, Faisalabad.
Suzuki Cultus LRH-678	628	533	95	372	Negotiation	Mr. Asif Yar, House No. 424, Stadium Road, Sargodha.
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	798	695	103	550		
	7,501	5,917	1,584	3,387		

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

	2011	2010
	(RUPEES IN THOUSAND)	
Other operating income (Note 31)	**308**	7,020
Discontinued operations (Note25.1 and 25.2)	**1,495**	-
	1,803	7,020

13. INVESTMENT PROPERTIES

Year ended 30 September		
Additions		
Opening net book value	**-**	-
Transfer from property, plant and equipment	**44,899**	44,899
Fair value gain	**9,482**	-
Closing net book value	**54,381**	44,899

13.1 The fair value of the investment properties (carrying value of Rupees 1.740 million) has been determined by independent valuer on the basis of professional 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.

14. LONG TERM INVESTMENTS-ASSOCIATES

(RUPEES IN THOUSAND)

	2011			2010		
	COST	SHARE OF POST ACQUISITION PROFIT/(LOSS)	NET	COST	SHARE OF POST ACQUISITION PROFIT	NET
QUOTED						
Shakarganj Mills Limited 2 865 830 (2010: 2 865 830) ordinary shares of Rupees 10 each fully paid. Equity held 4.12% (2010: 4.12%)	**24,395**	**57,216**	**81,611**	24,395	47,102	71,497
The Crescent Textile Mills Limited 2 681 875 (2010: 2 681 875) ordinary shares of Rupees 10 each fully paid. Equity held 5.45% (2010: 5.45%)	**17,909**	**75,327**	**93,236**	17,909	85,815	103,724
Crescent Jute Products Limited Nil (2010: 201 933) ordinary shares of Rupees 10 each fully paid. Equity held Nil (2010: 0.85%)	**-**	**-**	**-**	1,293	2,951	4,244
Crescent Steel and Allied Products Limited Nil (2010 : 742 422) ordinary shares of Rupees 10 each fully paid. Equity held Nil (2010: 1.31%)	**-**	**-**	**-**	1,846	44,060	45,906
Premier Insurance Limited 363 380 (2010: 363 380) ordinary shares of Rupees 5 each fully paid. Equity held 0.60% (2010: 0.60%)	**75**	**4,181**	**4,256**	75	4,269	4,344
Jubilee Spinning and Weaving Mills Limited 474 323 (2010: 474 323) ordinary shares of Rupees 10 each fully paid. Equity held 1.46% (2010: 1.46%)	**1,229**	**(971)**	**258**	1,229	690	1,919
UNQUOTED						
Premier Financial Services (Private) Limited Nil (2010: 2 500) ordinary shares of Rupees 1,000 each fully paid. Equity held: Nil (2010: 11.11%)	**-**	**-**	**-**	2,500	2,576	5,076
	43,608	**135,753**	**179,361**	49,247	187,463	236,710

14.1 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.

14.2 INFORMATION ABOUT ASSOCIATES

RUPEES IN THOUSAND

	ASSETS		LIABILITIES		REVENUE		PROFIT/(LOSS)AFTER TAXATION	
	2011	2010	2011	2010	2011	2010	2011	2010
QUOTED								
Shakarganj Mills Limited								
Nine months ended 30 June 2011 (Un-audited)	**10,985,852**	9,937,126	**10,276,595**	8,929,883	**10,264,568**	6,299,934	**245,524**	(700,549)
The Crescent Textile Mills Limited								
Year ended 30 June 2011	**12,616,421**	10,988,698	**8,463,148**	6,675,852	**14,759,257**	10,863,386	**(118,645)**	344,670
Crescent Jute Products Limited								
Year ended 30 June 2011	**-**	1,287,922	**-**	817,256	**-**	566,002	**-**	(82,764)
Crescent Steel and Allied Products Limited								
Year ended 30 June 201	**-**	4,436,297	**-**	1,813,685	**-**	3,704,388	**-**	416,547
Premier Insurance Limited								
Six months ended 30 June 2011 (Un-audited)	**3,247,085**	3,078,814	**1,419,142**	1,299,151	**212,602**	177,641	**60,990**	206,817
Jubilee Spinning and Weaving Mills Limited								
Year ended 30 June 2011	**870,471**	920,444	**250,124**	233,221	**783,739**	703,589	**(113,764)**	17,695
UNQUOTED								
Premier Financial Services (Private) Limited								
Year ended 30 June 2011	**-**	77,430	**-**	24,567	**-**	10,288	**-**	4,072

		2011	2010
		(RUPEES IN THOUSAND)	
15.	**LONG TERM INVESTMENTS - Available for sale**		
	QUOTED		
	Crescent Fibres Limited 71 820 (2010: 71 820) ordinary shares of Rupees 10 each fully paid. Equity held 0.58% (2010: 0.58%)	**615**	615
	Crescent Spinning Mills Limited 696 000 (2010: 696 000) ordinary shares of Rupees 10 each fully paid. Equity held 4.59% (2010: 4.59%)	**870**	870
	Security Papers Limited 364 (2010: 50 364) ordinary shares of Rupees 10 each fully paid.	**1**	15
	Crescent Jute Products Limited 201 933 (2010: Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.85% (2010: Nil)	**1,293**	-
	UNQUOTED		
	Crescent Modaraba Management Company Limited 119 480 (2010: 119 480) ordinary shares of Rupees 10 each fully paid. Equity held 6.51% (2010: 6.51%)	**664**	1,195
	Crescent Bahuman Limited 1 043 988 (2010: 1 043 988) ordinary shares of Rupees 10 each fully paid. Equity held 1.28% (2010: 1.28%)	**636**	636
	Premier Financial Services (Pvt.) Limited 2 500 (2010: Nil) ordinary shares of Rupees 1000 each fully paid. Equity held 11.11% (2010: Nil)	**2,500**	-
		6,579	3,331
	Less: Impairment loss charged to profit and loss account (Note 30.2)	**(2,062)**	(531)
	Add: Fair value adjustment	**295**	2,461
		4,812	5,261

		2011	2010
16.	**DEFERRED INCOME TAX ASSET**		
	Taxable temporary differences		
	Tax depreciation allowance	**(40,227)**	(50,577)
	Deductible temporary differences		
	Unused tax losses	**92,372**	135,224
	Provision for gratuity	**2,374**	1,610
	Provision for doubtful debts	**4,116**	4,116
		98,862	140,950
		58,635	90,373

16.1 Deferred income tax asset as at 30 September 2010 was not recognized in the consolidated financial statements as the temporary differences were not expected to reverse in foreseeable future because taxable profits were not be probably available at that time against which the temporary differences could be utilized.

	2011	2010
	(RUPEES IN THOUSAND)	

17. STORES, SPARE PARTS AND LOOSE TOOLS

	2011	2010
Stores	**31,581**	40,121
Spare parts	**31,116**	25,214
Loose tools	**293**	293
	62,990	65,628
Stores, spare parts and loose tools written off	**(7)**	-
	62,983	65,628

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

18. STOCK-IN-TRADE

	2011	2010
Raw material	**102,192**	49,720
Work-in-process	**25,497**	41,525
Finished goods	**117,289**	72,306
Waste/By-products	**914**	726
Other stocks	**-**	55
	245,892	164,332

18.1 Stock-in-trade of Rupees 193.829 million (2010: Rupees 0.726 million) is being carried at net realizable value.

18.2 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees 37.632 million (2010: Rupees Nil).

19. TRADE DEBTS - Considered good

	2011	2010
Secured against letters of credit	**46,592**	30,641
Unsecured (Note 19.1 and 19.2)	**23,353**	27,383
	69,945	58,024

19.1 As at 30 September 2011, trade debts of Rupees 19.875 million (2010 : Rupees 18.140 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:

	2011	2010
Upto 1 month	**3,665**	1,399
1 to 6 months	**3,025**	3,332
More than 6 months	**13,185**	13,409
	19,875	18,140

19.2 This includes Rupees 0.099 million (2010: 0.099 million) due from Shakarganj Mills Limited, a related party.

20. LOANS AND ADVANCES

	2011	2010
Considered good:		
Employees - Interest free		
Against expenses	**998**	349
Against salary (Note 20.1)	**5,043**	4,474
	6,041	4,823
Advances to suppliers / contractors	**28,994**	89,678
Letters of credit	**-**	11
	35,035	94,512

20.1 These represent advances given to employees for meeting their personal expenditure and are secured against payable retirement benefits of the employees.

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

	2011	2010
	(RUPEES IN THOUSAND)	
Margin deposit	**9,095**	-
Prepayments	**747**	1,000
Balances with statutory authorities:		
Advance Income tax	**55,716**	53,310
Sales tax and excise duty refundable	**5,700**	970
	61,416	54,280
	71,258	55,280

22. OTHER RECEIVABLES

	2011	2010
Considered good:		
Export rebate	**509**	204
Others	**30,112**	31,295
	30,621	31,499
Considered doubtful	**11,760**	11,760
Less: Provision for doubtful receivables	**11,760**	11,760
	-	-
	30,621	31,499

23. SHORT TERM INVESTMENTS - Available for sale

QUOTED

	2011	2010
Crescent Steel and Allied Products Limited 13 147 (2010 : Nil) ordinary shares of Rupees 10 each fully paid. Equity held 0.02% (2010: Nil)	**33**	-
Samba Bank Limited 4 973 666 (2010: 4 973 666) ordinary shares of Rupees 10 each fully paid. Equity held 0.35% (2010: 0.57%)	**9,002**	18,402
	9,035	18,402
Less: Impairment loss charged to profit and loss account (Note 30.2)	**(1,293)**	(9,400)
Add: Fair value adjustment	**282**	-
	8,024	9,002

24. CASH AND BANK BALANCES

	2011	2010
Cash with banks :		
Current accounts	**5,348**	24,406
Deposit account	**2,802**	2,803
	8,150	27,209
Cash in hand	**3,077**	2,998
	11,227	30,207

24.1 Rate of profit on bank deposits is 5.36% per annum (2010: 4.26% per annum).

25. 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:

	2011	2010
	(RUPEES IN THOUSAND)	
(a) Non-current assets of the Holding Company classified as held for sale		
Property, plant and equipment - Sugar Unit (Note 25.1)	50,222	-
Property, plant and equipment - Distillery Unit (Note 25.2)	594	-
	50,816	-
(b) Analysis of the result of discontinued operations of the Holding Company		
Loss after taxation from discontinued operations		
Sugar Unit (Note 25.1)	(33,506)	-
Distillery Unit (Note 25.2)	(1,273)	-
	(34,779)	-
Cash flows of discontinued operations		
Sugar Unit (Note 25.1)	(17,960)	-
Distillery Unit (Note 25.2)	-	-
	(17,960)	-

A breakup of the constituents of non-current assets of the Holding Company held for sale and discontinued operations of the Holding Company is given as follows:

25.1 Property, plant and equipment - Sugar Unit

Property, plant and equipment related to Sugar Unit of the Holding Company has been presented as held for sale following the approval of the management of the Holding Company and its shareholders 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 is in process to take all necessary steps including negotiation and signing of documents, deeds, papers, agreements and all other documents as may be necessary for the completion of the transaction. Fair value of the plant and machinery and related equipment is Rupees 420 million. The management is hopeful of completing the sale transactions during the 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 during the year are as follows:

	2011	2010
Transferred from property, plant and equipment during the year:		
Plant and machinery	52,553	-
Electric installations	234	-
Tools and equipment	2,055	-
Service equipment	12	-
	54,854	-
Less: Disposed of during the year:		
Plant and machinery	4,087	-
Tools and equipment	542	-
Service equipment	3	-
	4,632	-
Carrying value of non-current assets held for sale as at 30 September	50,222	-

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

Analysis of result of discontinued operation

	2011	2010
	(RUPEES IN THOUSAND)	
SALES	44,291	-
COST OF SALES	(69,182)	-
GROSS LOSS	(24,891)	-
DISTRIBUTION COST	(16)	-
ADMINISTRATIVE EXPENSES	(23,529)	-
OTHER OPERATING EXPENSES *	(128)	-
	(23,673)	-
	(48,564)	-
OTHER OPERATING INCOME **	28,042	-
LOSS FROM DISCONTINUED OPERATION	(20,522)	-
FINANCE COST	(12,268)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(32,790)	-
PROVISION FOR TAXATION	(716)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(33,506)	-

* It includes security deposits written off amounting to Rupees 0.128 million.

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

Analysis of the cash flows of discontinued operation

Cash flows from operating activities	(38,262)	-
Cash flows from investing activities	47,378	-
Cash flows from financing activities	(27,076)	-
	(17,960)	-

25.2 Property, plant and equipment - Distillery Unit

Property, plant and equipment related to Distillery Unit of the Holding Company has been presented as held for sale following the approval of the management of the Holding Company and shareholders 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 is in process to take all necessary steps including disposal of remaining stock-in-trade, negotiation and signing of documents, deeds, papers, agreements and all other documents as may be necessary for the completion of the transaction. Fair value of the plant and machinery and related equipment is Rupees 30 million. The management is hopeful of completing the sale transaction within the next twelve months from the reporting date.

Non-current assets classified as held for sale

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

	2011	2010
	(RUPEES IN THOUSAND)	
Transferred from property, plant and equipment during the year:		
Plant and machinery	590	-
Tools and equipment	4	-
	594	-

Analysis of result of discontinued operation

	2011	2010
SALES	8,119	-
COST OF SALES	(8,011)	-
GROSS PROFIT	108	-
DISTRIBUTION COST	(1,222)	-
ADMINISTRATIVE EXPENSES	(78)	-
	(1,300)	-
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(1,192)	-
PROVISION FOR TAXATION	(81)	-
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(1,273)	-

Analysis of the cash flows of discontinued operations

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

26. SALES

	2011	2010
Local (Note 26.1)	1,577,245	2,216,979
Export (Note 26.2 and 26.3)	2,953,283	1,068,161
	4,530,528	3,285,140

26.1 Local

	2011	2010
Yarn	1,533,715	2,180,279
Polyester	1,562	-
Molasses (by product)	-	30,244
Waste	41,968	38,329
	1,577,245	2,248,852
Less: Sales tax / SED	-	31,873
	1,577,245	2,216,979

26.2 Export

	2011	2010
Yarn	1,905,953	1,068,161
Cloth	1,047,330	-
	2,953,283	1,068,161

26.3 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 82.653 million (2010: Rupees 8.038 million) has been included in export sales.

	2011	2010
	(RUPEES IN THOUSAND)	

27. COST OF SALES

	2011	2010
Raw material consumed	**3,230,809**	2,469,967
Cost of polyester sold	**1,055**	-
Salaries, wages and benefits (Note 27.1)	**180,076**	179,473
Stores, spare parts and loose tools consumed	**81,810**	96,354
Fuel and power	**292,547**	263,168
Outside weaving charges	**136,309**	-
Other manufacturing overheads	**4,074**	5,772
Insurance	**3,849**	3,683
Repair and maintenance	**2,561**	14,574
Depreciation (Note 12.2)	**28,511**	37,980
	3,961,601	3,070,971
Work-in-process		
Opening stock	**17,382**	25,688
Closing stock	**(25,497)**	(41,525)
	(8,115)	(15,837)
Cost of goods manufactured	**3,953,486**	3,055,134
Finished goods		
Opening stock	**25,536**	69,195
Closing stock	**(101,357)**	(73,032)
	(75,821)	(3,837)
	3,877,665	3,051,297
Cost of goods purchased for resale	**364,014**	61,503
	4,241,679	3,112,800

27.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 9.466 million (2010: Rupees 6.753 million).

	2011	2010
	(RUPEES IN THOUSAND)	

28. DISTRIBUTION COST

	2011	2010
Insurance	**619**	281
Freight and forwarding	**45,972**	24,930
Commission to selling agents	**43,421**	15,091
Others	**3,999**	5,320
	94,011	45,622

29. ADMINISTRATIVE EXPENSES

	2011	2010
	(RUPEES IN THOUSAND)	
Salaries, wages and benefits	**32,425**	51,324
Workers' welfare	**1,113**	1,545
Traveling and conveyance	**1,992**	2,922
Insurance	**957**	1,217
Rent, rates and taxes	**774**	1,520
Entertainment	**1,691**	1,596
Subscription	**233**	597
Communication	**1,531**	1,592
Vehicles' running	**4,390**	5,129
Advertisement	**4**	67
Repair and maintenance	**5,364**	6,131
Utilities	**4,562**	970
Printing and stationery	**911**	806
Books and periodicals	**10**	33
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	**346**	2,613
Miscellaneous	**830**	2,239
Depreciation (Note 12.2)	**4,810**	4,455
	62,540	85,353

29.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1.671 million (2010: Rupees 1.905 million).

30. OTHER OPERATING EXPENSES

	2011	2010
Donations (Note 30.1)	**203**	-
Stores, spare parts and loose tools written off	**7**	-
Workers' participation fund	**2,579**	-
Workers' welfare fund	**1,269**	-
Impairment loss on investments (Note 30.2)	**3,355**	9,931
Receivables written off	**-**	490
	7,413	10,421

30.1 There is no interest of any director or his spouse in donees' fund.

30.2 Impairment loss on investments

	2011	2010
Long term investments (Note 15)	**2,062**	531
Short term investments (Note 23)	**1,293**	9,400
	3,355	9,931

	2011	2010
	(RUPEES IN THOUSAND)	
31. OTHER OPERATING INCOME		
Income from financial assets		
Dividend income from other investments	**121**	252
Profit on bank deposits	**150**	129
Gain on sale of investments	**18,171**	10,082
Gain on disposal of subsidiary company	**-**	58,372
Credit balances written back	**-**	3,542
	18,442	72,377
Income from non financial assets		
Sale of scrap and mud	**1,278**	1,315
Gain on disposal of property, plant and equipment (Note 12.4)	**308**	7,021
Others	**-**	140
	1,586	8,476
	20,028	80,853
32. FINANCE COST		
Mark-up on:		
Long term financing	**10,724**	9,181
Short term borrowings	**44,588**	56,304
	55,312	65,485
Bank charges and commission	**9,497**	4,972
	64,809	70,457
33. PROVISION FOR TAXATION		
Current tax		
Current year (Note 33.1)	**45,832**	22,116
Prior year	**12,248**	2,004
	58,080	24,120
Deferred income tax (Note 16)	**(58,635)**	-
	(555)	24,120

33.1 The Holding Company provides minimum tax on local sales, tax deducted against export 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 2011 are Rupees 263.921 million (2010: Rupees 386.354 million). Subsidiary Company provides tax liability under section 155 of the Income Tex Ordinance, 2001. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being

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

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

		2011	2010
Continuing operation			
Profit for the year after taxation	(Rupees in thousand)	**33,426**	42,830
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	21 377 478
Earnings per share	(Rupees)	**1.56**	2.00
Discontinued operations			
Loss for the year after taxation	(Rupees in thousand)	**(34,779)**	-
Weighted average number of ordinary shares	(Numbers)	**21 377 478**	-
Loss per share	(Rupees)	**(1.63)**	-

35. CASH GENERATED FROM OPERATIONS

	2011	2010
	(RUPEES IN THOUSAND)	
(Loss) / profit before taxation	**(1,111)**	66,950
Adjustments for non cash charges and other items:		
Depreciation	**35,645**	42,435
Provision for gratuity	**11,137**	6,898
Gain on disposal of property, plant and equipment	**(308)**	(7,021)
Gain on sale of non-current assets held for sale	**(23,858)**	-
Gain on sale of investments	**(18,171)**	(10,082)
Share of loss / (profit) from associated companies	**47,233**	(25,610)
Credit balances written back	**(432)**	(3,542)
Receivables written off	**128**	490
Stores, spare parts and loose tools written off	**7**	-
Adjustment on disposal of subsidiary company	**-**	(7,577)
Impairment loss on investments	**3,355**	9,931
Finance cost	**77,077**	70,457
Working capital changes (Note 35.1)	**(41,940)**	1,701
	88,762	145,030

35.1 Working capital changes

	2011	2010
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	**2,638**	3,478
Stock-in-trade	**(81,560)**	6,110
Trade debts	**(11,921)**	36,304
Loans and advances	**59,477**	(71,715)
Prepayments and balances with statutory authorities	**(13,572)**	575
Other receivables	**878**	19,646
Increase in trade and other payables	**2,120**	7,303
	(41,940)	1,701

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement fund and key management personnel. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relation with the Company	Nature of Transactions	2011	2010
		(RUPEES IN THOUSAND)	
Associated companies	Sales	**15,279**	17,224
	Dividend income	**4,477**	2,571
	Insurance charges	**5,230**	4,695
Directors and Sponsors	Loan received	**17,513**	26,310
	Loan repaid	**10,455**	19,484
		(Number)	
Associated Companies	Bonus shares received	**-**	47 397
		(Rupees in thousand)	
Employees' Provident Fund Trust	Amount contributed	**1,563**	1,760

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	
	2011	2010	2011	2010	2011	2010
Managerial remuneration	**4,800**	4,800	**4,445**	3,069	**8,202**	8,472
Allowances:						
Housing	**2,160**	2,160	**2,000**	1,381	**3,691**	3,813
Contribution to Employees' Provident Fund Trust	**480**	480	**444**	307	**373**	450
Group Insurance	**-**	29	**-**	6	**-**	18
Reimbursable expenses	**44**	95	**168**	132	**256**	136
	7,484	7,564	**7,057**	4,895	**12,522**	12,889
Number of persons	**1**	1	**3**	1	**5**	5

37.1 The aggregate amount charged in these financial statements as fees to four directors of Holding Company for attending four Board meetings and five Audit Committee meetings is Rupees 190,000 (2010: Rupees 110,000).

37.2 No remuneration was paid to Directors and Chief Executive Officer of the Subsidiary Company.

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

37.4 Two executives were elected as directors of Holding Company in May 2011, so their remuneration for four months as director is included.

38. FINANCIAL RISK MANAGEMENT

38.1 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 financial performance.

Risk management is carried out by the finance department of the Holding Company and Subsidiary Company under policies approved by the respective Board of Directors. The Companies' finance departments evaluates and hedges financial risks. The Board of each respective Group Company 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 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 uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2011	2010
Trade debts - USD	**534,314**	357,074
Loan and advances - USD	**7,961**	-
Trade and other payables - USD	**(250,178)**	(106,474)
Net exposure - USD	**292,097**	250,600

The following significant exchange rates were applied during the year:

Rupees per US Dollar	2011	2010
Average rate	**85.38**	84.20
Reporting date rate	**87.20**	86.00

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 (loss) / profit after taxation for the year would have been Rupees 1.274 million lower / higher (2010: Rupees 1.078 million higher / lower), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

Currency risk management

The Group manages its exposure to currency risk through continuous monitoring of expected / forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly bases, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities / payments to assets / receipts, using source inputs in foreign currency. The Group maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay / settle / rollover the Group's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities.

(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 (loss) / 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 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)	
	2011	**2010**	**2011**	**2010**
	(RUPEES IN THOUSAND)			
KSE 100 (5% increase)	**391**	450	**61**	648
KSE 100 (5% decrease)	**(391)**	(494)	**(61)**	(155)

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. The Group's interest rate risk arises from long term financing and short term borrowings. Financial instruments obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments

	2011	**2010**
Fixed rate instruments	**(RUPEES IN THOUSAND)**	
Financial assets		
Bank balances - deposit accounts	**-**	2,803
Financial liabilities		
Long term financing	**5,000**	5,000
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	**2,802**	-
Financial liabilities		
Long term financing	**37,465**	52,451
Short term borrowings	**290,085**	391,724

Fair value sensitivity analysis for variable rate instruments

The Group does not account for any fixed rate financial 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, (loss) / profit after taxation for the year would have been Rupees 3.247 million higher / lower (2010: Rupees 4.442 million lower / higher), as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming that amounts of liabilities outstanding at balance sheet date were outstanding for 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:

	2011	2010
	(RUPEES IN THOUSAND)	
Investments	**12,836**	14,263
Loans and advances	**5,043**	4,823
Deposits	**12,653**	3,686
Trade debts	**69,945**	58,024
Other receivables	**30,112**	31,499
Bank balances	**8,150**	27,209
	138,739	139,504

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			2011	2010
Banks	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**1,481**	271
Allied Bank Limited	A1+	AA	PACRA	**125**	1,870
Bank Alfalah Limited	A1+	AA	PACRA	**2,891**	10,980
Faysal Bank Limited	A1+	AA	PACRA	**25**	66
Habib Bank Limited	A-1+	AA+	JCR-VIS	**93**	584
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**245**	5,901
MCB Bank Limited	A1+	AA+	PACRA	**2,420**	1,172
NIB Bank Limited	A1+	AA -	PACRA	**55**	1,794
Silkbank Limited	A-2	A -	JCR-VIS	**42**	42
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	**172**	174
United Bank Limited	A-1+	AA+	JCR-VIS	**200**	3,576
Al-Baraka Bank (Pakistan) Limited	A-2	A	PACRA	**24**	23
Meezan Bank Limited	A-1+	AA-	JCR-VIS	**46**	179
The Bank of Punjab	A1+	AA -	PACRA	**18**	18
Askari Bank Limited	A1+	AA	PACRA	**79**	59
KASB Bank Limited	A-2	A-	PACRA	**15**	15
Bank Al-Habib Limited	A1+	AA+	PACRA	**219**	485
				8,150	27,209

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. The Group's exposure to credit risk and impairment losses related to trade debts as disclosed in Note 19.

c) **Liquidity risk**

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

Contractual maturities of financial liabilities including interest payments as at 30 September 2011:

	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	51,449	61,261	30,804	13,555	16,902	-
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	634,070	273,906	16,902	-

Contractual maturities of financial liabilities as at 30 September 2010:

Non-derivative financial liabilities:						
Long term financing	57,451	74,675	24,732	10,968	20,130	18,845
Trade and other payables	268,927	268,927	268,927	-	-	-
Accrued mark-up	30,814	30,814	30,814	-	-	-
Short term borrowings	571,200	604,850	447,171	157,679	-	-
	928,392	979,266	771,644	168,647	20,130	18,845

The amount disclosed in the table are undiscounted cash flows

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 2011 includes overdue installment of principal amounting to Rupees 12.493 million (2010: Rupees 12.493 million).

Liquidity Risk Management

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 2011, the Company had Rupees 1,214 million (2010: 175 million) available unavailed borrowing limits from financial institutions and Rupees 11.227 million (2010: 30.207 million) cash and bank balances. Management believes the liquidity risk to below.

38.2 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 2011				
Assets				
Available for sale financial assets	9,036	-	-	9,036
As at 30 September 2010				
Assets				
Available for sale financial assets	12,963	-	-	12,963

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 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 Group has no such type of financial instruments as on 30 September 2011.

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 2011.

38.3 Financial instruments by categories

	2011			2010		
	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	**-**	**12,836**	**12,836**	-	14,263	14,263
Loans and advances	**5,043**	**-**	**5,043**	4,823	-	4,823
Deposits	**12,653**	**-**	**12,653**	3,686	-	3,686
Trade debts	**69,945**	**-**	**69,945**	58,024	-	58,024
Other receivables	**30,112**	**-**	**30,112**	31,499	-	31,499
Cash and bank balances	**11,227**	**-**	**11,227**	30,207	-	30,207
	128,980	**12,836**	**141,816**	128,239	14,263	142,502

	2011	2010
	Financial Liabilities At Amortized Cost	
As at 30 September	(RUPEES IN THOUSAND)	
Liabilities as per balance sheet		
Long term financing	**51,449**	57,451
Accrued mark-up	**22,370**	30,814
Short term borrowings	**554,057**	571,200
Trade and other payables	**245,544**	268,927
	873,420	928,392

38.4 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 10 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2011	2010
Borrowings	Rupees in thousand	**605,506**	628,651
Total equity	Rupees in thousand	**134,114**	134,296
Total capital employed	Rupees in thousand	**739,620**	762,947
Gearing ratio	Percentage	**81.87**	82.40

The above mentioned figures comprise the figures of the Holding Company and the figures of Crescot Mills Limited.

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

39. SEGMENT INFORMATION

(RUPEES IN THOUSAND)

	SUGAR *		DISTILLERY *		SPINNING		TRADING		Elimination of Inter-segment transactions		TOTAL-COMPANY	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales	-	601,350	-	16,272	4,313,829	2,686,092	1,047,330	-	(830,631)	(18,574)	4,530,528	3,285,140
Cost of sales	-	(714,437)	-	(14,376)	(4,064,097)	(2,402,561)	(1,008,213)	-	830,631	18,574	(4,241,679)	(3,112,800)
Gross profit / (loss)	-	(113,087)	-	1,896	249,732	283,531	39,117	-	-	-	288,849	172,340
Distribution cost	-	(470)	-	(1,237)	(67,389)	(43,915)	(26,622)	-	-	-	(94,011)	(45,622)
Administrative expenses	-	(39,473)	-	(80)	(62,411)	(45,800)	(129)	-	-	-	(62,540)	(85,353)
	-	(39,943)	-	(1,317)	(129,800)	(89,715)	(26,751)	-	-	-	(156,551)	(130,975)
	-	(153,030)	-	579	119,932	193,816	12,366	-	-	-	132,298	41,365
Finance cost	-	(23,640)	-	-	(62,156)	(46,817)	(2,653)	-	-	-	(64,809)	(70,457)
Profit / (loss) before taxation and unallocated expenses and income	-	(176,670)	-	579	57,776	146,999	9,713	-	-	-	67,489	(29,092)
Unallocated income and expenses:												
Other operating expenses											(7,413)	(10,421)
Other operating income											20,028	80,853
Share of (loss) / profit of associated companies											(47,233)	25,610
Taxation											555	(24,120)
Profit / (loss) after taxation from continuing operation											33,426	42,830
Loss after taxation from discontinued operations											(34,779)	-
Profit / (loss) after taxation											(1,353)	42,830

39.1 Reconciliation of reportable segment assets and liabilities:

	SUGAR * 2011	SUGAR * 2010	DISTILLERY * 2011	DISTILLERY * 2010	SPINNING 2011	SPINNING 2010	TRADING 2011	TRADING 2010	Elimination 2011	Elimination 2010	TOTAL-COMPANY 2011	TOTAL-COMPANY 2010
Segment assets	2,299,839	2,408,216	17,757	23,766	1,028,684	999,172	38,151	-			3,384,431	3,431,154
Investment in equity method associates											179,361	236,710
Non-current assets classified as held for sale											50,816	-
Deferred income tax asset											58,635	-
Total assets as per balance sheet											3,673,243	3,667,864
Segment liabilities	328,551	529,533	673	771	580,687	427,231	22,240	-			932,151	957,535
Unallocated liabilities:												
Provision for taxation											53,220	28,702
Total liabilities as per balance sheet											985,371	986,237

* The Group has discontinued the operations of Sugar and Distillery units during the year ended 30 September 2011. Analysis of results of these discontinued operations have been given in Note 25 to these financial statements.

39.2 Geographical Information

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

	2011	2010
	(RUPEES IN THOUSAND)	
Asia	**2,953,283**	1,068,161
Pakistan	**1,577,245**	2,216,979
	4,530,528	3,285,140

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

39.3 Revenue from major customers

Revenue from major customers of Group's Spinning and Trading segments represent Rupees 1,142.298 million (2010: 185.544 million).

40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2011	2010
Working based on three shifts:			
SUGAR UNIT (Discontinued Operation):			
Capacity	M. Tons	**24 800**	24 800
Actual Production	M. Tons	**-**	9 041
DISTILLERY UNIT (Discontinued Operation):			
Capacity	Liters	**2 727 000**	2 727 000
Actual Production	Liters	**-**	569 480
SPINNING UNIT:			
Yarn production			
Capacity converted at 20/S count	Kgs.	**20 385 786**	20 385 786
Actual production			
Converted at 20/S count	Kgs.	**18 718 918**	18 520 643

EMBROIDERY UNIT:

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

SUBSIDIARY COMPANY:

Crescot Mills Limited has ceased its operations since August 1998.

40.1 Reason for low production

Sugar and Distillery

These units did not operate in the current year as the management decided to dispose of the plant and machinery and related assets of these units.

Spinning

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

41. DATE OF AUTHORIZATION

These consolidated financial statements have been approved and authorized for issue on January 07, 2012 by the Board of Directors.

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 SUGAR MILLS AND DISTILLERY LIMITED

FORM OF PROXY

I/We ____ of ____________________

a member/members of the **Crescent Sugar Mills & Distillery 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 11.30 a.m. on Tuesday the January 31, 2012 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 ____________ 2012.

________________________ **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