



**Crescent
Fibres**



**Quarterly Report
March 31, 2009**



COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson)
	Imran Maqbool	(Chief Executive)
	Iqbal Ismail	(Representative NIT)
	Humayun Maqbool	
	Nadeem Maqbool	
	Riaz Masood	
	Shahid Riaz	

Company Secretary Javid Hussain

Audit Committee	Iqbal Ismail	(Chairman)
	Humayun Maqbool	(Member)
	Nadeem Maqbool	(Member)
	Ali Hussain	(Secretary)

Auditors BDO Ebrahim & Co.
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
Lahore-54000
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E-mail: lo@crescentfibres.com

Website: www.crescentfibres.com

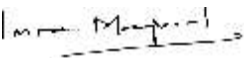
MANAGEMENT REVIEW

The Company reported a profit of Rs. 4.3 million for the nine months ended March 31, 2009 as compared to a profit of Rs. 7.1 million for the nine months ended March 31, 2008. The earnings per share for the period under review was Rs.0.35 which on an annualized basis translates to Rs. 0.47.

The period under review was a difficult one for the company as Management had to contend with increased input costs and pressure on end product prices owing to recessionary conditions in the global markets. Sales increased by 16.1% owing to higher unit prices as compared to the nine months ended March 31, 2008, but owing to significantly higher raw material and energy costs the gross margin showed a decline from 7.4% to 7.3%. Owing to inflationary pressures, selling and distribution costs were higher, but Management was able to achieve a slight reduction in administrative expenses as a percentage of sales. As a result the operating margin for the period under review decreased to 3.7% as compared to 4.0% for the corresponding period. The tight monetary policy being followed by the State Bank has led to increases in the mark-up rates being paid by the company. Financial charges increased to 3.3% of sales as compared to 2.5% for the nine months ended March 31, 2008. Overall, the net margin declined to 0.4% as compared to 0.8% for the previous period.

The Management expects the current year to be a very difficult one for the textile spinning industry in Pakistan as it is faced with manifold challenges. These include demand destruction in the global markets owing to the meltdown in financial markets and the expected onset of a recession, higher input costs including utilities, wages, financial charges, packing and transportation, reduced productivity owing to uncertain energy supply, and the economic and law and order crisis in Pakistan. The Management is making every effort to minimize the impact of these factors but expects a significant erosion of profitability.

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.



IMRAN MAQBOOL
Chief Executive Officer

April 29, 2009

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009 (UN-AUDITED)

		March 31, 2009 Unaudited (Rupees)	June 30, 2008 Audited (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	286,258,177	300,962,707
Capital work in progress	6	106,828	-
		286,365,005	300,962,707
Intangible assets		1,641,436	1,931,100
Long term investments		2,711,458	2,672,622
Long term deposits		5,023,473	4,570,300
		7,734,931	7,242,922
CURRENT ASSETS			
Stores, spares and loose tools		29,087,559	24,573,883
Stock in trade		163,325,098	153,456,256
Trade debts		117,548,882	91,110,518
Loans and advances		3,901,588	12,100,067
Trade deposits and short term prepayments		3,802,543	3,486,890
Short term investments		56,347,670	103,161,318
Tax refunds due from the Government		5,397,438	5,342,707
Taxation - net		3,124,055	363,594
Cash and bank balances		18,468,036	1,544,538
		401,002,869	395,139,771
		696,744,241	705,276,500
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2008: 15,000,000) ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 (June 30, 2008: 12,417,876) ordinary shares of Rs. 10 each		124,178,760	124,178,760
Reserves			
Capital		15,172,479	61,986,127
Revenue		47,700,920	43,414,534
		62,873,399	105,400,661
		187,052,159	229,579,421
NON CURRENT LIABILITIES			
Long term financing	7	38,370,728	61,537,754
Liabilities against assets subject to finance leases		12,004,455	6,063,474
Deferred taxation		30,314,113	30,314,112
		80,689,296	97,915,340
CURRENT LIABILITIES			
Trade and other payables		163,755,774	156,932,928
Mark up accrued		27,642,900	25,781,629
Short term borrowings		199,392,061	150,373,008
Current portion of long term financing		35,462,071	42,017,825
Current portion of liabilities against assets subject to finance leases		2,749,980	2,676,349
		429,002,786	377,781,739
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		696,744,241	705,276,500
		696,744,241	705,276,500

The annexed notes from 1 to 13 form an integral part of these financial statements.

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Note	Rupees	Rupees	Rupees	Rupees
Sales - net	1,061,747,772	914,694,717	314,210,258	332,397,471
Cost of sales	9 (986,096,094)	(846,819,323)	(293,445,155)	(307,701,831)
Gross profit	75,651,678	67,875,394	20,765,103	24,695,640
Selling and distribution expenses	(10,419,233)	(5,332,083)	(3,810,728)	(2,101,470)
Administrative and general expenses	(33,186,406)	(31,642,451)	(10,781,801)	(12,043,172)
Other operating expenses	(225,600)	(617,189)	202,656	(337,519)
Other operating income	7,128,667	6,561,685	2,402,770	2,982,079
Operating profit	38,949,106	36,845,356	8,778,000	13,195,558
Finance cost	(34,701,556)	(22,628,498)	(12,620,312)	(9,013,712)
Share of profit from associate	38,836	155,710	-	-
Net profit for the period from continuing operations	4,286,386	14,372,568	(3,842,312)	4,181,846
Taxation	-	(4,594,047)	26,735	(1,734,593)
Profit after taxation/ from continuing operations	4,286,386	9,778,521	(3,815,577)	2,447,253
Discontinued operations	-	(2,645,978)	-	(889,439)
Profit for period	4,286,386	7,132,543	(3,815,577)	1,557,814
Earnings per share - basic and diluted (Rupees)	10 0.35	0.57	(0.31)	0.13

The annexed notes from 1 to 13 form an integral part of these financial statements.


IMRAN MAQBOOL
Chief Executive

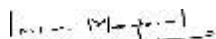

NADEEM MAQBOOL
Director

**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

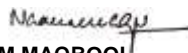
	March 31, 2009 Rupees	March 31, 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,286,386	11,726,589
Adjustment for non cash charges and other items:		
Depreciation	23,447,615	22,602,106
Amortization	289,664	-
Loss/ (gain) on disposal of operating fixed assets	100,502	(38,790)
Share of profit from associate	(38,836)	(155,710)
Finance cost	34,701,556	22,628,498
	58,500,501	45,036,104
(Increase) / decrease in current assets		
Stores, spares and loose tools	(4,513,676)	(1,415,602)
Stock in trade	(9,868,842)	(87,802,006)
Trade debts	(26,438,364)	11,802,816
Loans and advances	10,337,619	(2,363,290)
Trade deposits and short term prepayments	(315,653)	(746,664)
Other receivables	-	63,473
Tax refunds due from Government	(54,731)	(2,471,129)
	(30,853,647)	(82,932,402)
Increase in current liabilities		
Trade and other payables	6,822,846	26,652,877
Cash generated from operations	38,756,086	483,168
Income tax paid	(2,760,461)	(4,154,419)
Finance cost paid	(32,840,285)	(23,997,877)
Net cash generated from / (used in) operating activities	3,155,340	(27,669,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(4,004,981)	(11,972,596)
Proceeds from disposal of operating fixed assets	450,000	50,000
Long term deposits	(453,173)	173,813
Net cash (used in) investing activities	(4,008,154)	(11,748,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing (net)	(29,722,780)	(31,095,556)
Repayment of liabilities against asset subject to finance leases	(1,519,961)	(2,369,954)
Short term borrowings	49,019,053	77,424,522
Net cash generated from financing activities	17,776,312	43,959,012
Net increase in cash and cash equivalents	16,923,498	4,541,101
Cash and cash equivalents at beginning of the period	1,544,538	2,064,093
Cash and cash equivalents at end of the period	18,468,036	6,605,194

The annexed notes from 1 to 13 form an integral part of these financial statements.

Quarterly Report



IMRAN MAQBOOL
Chief Executive



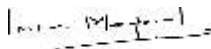
NADEEM MAQBOOL
Director

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

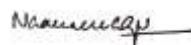
Issued, subscribed and paid up capital	Reserves		Total
	Capital	Revenue	
	Fair value reserve	Unappropriated profit	
(Rupees in thousands)			

Balance as at July 1, 2007	118,265,490	115,554,147	38,486,485	272,306,122
Fair value adjustments in respect of (loss) on investments	-	(14,627,984)	-	(14,627,984)
Profit for the period ended March 31, 2008	-	-	7,132,542	7,132,542
Appropriation: Issue of bonus of shares	5,913,270	-	(5,913,270)	-
Balance as at March 31, 2008	124,178,760	100,926,163	39,705,757	264,810,680
Balance as at July 1, 2008	124,178,760	61,986,127	43,414,534	229,579,421
Fair value adjustments in respect of (loss) on investments	-	(46,813,648)	-	(46,813,648)
Profit for the period ended March 31, 2009	-	-	4,286,386	4,286,386
Balance as at March 31, 2009	124,178,760	15,172,479	47,700,920	187,052,159

The annexed notes from 1 to 13 form an integral part of these financial statements.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

Quarterly Report

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009

1. THE COMPANY AND ITS OPERATIONS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on all the Stock Exchanges in Pakistan. The Company is engaged in the manufacturing, sale and trading of yarn. The Registered Office of the Company is situated at 104- Shadman 1 Lahore.

2. BASIS OF PREPARATION

2 Statement of compliance

These financial statements are unaudited but subject to the limited scope review by auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

These condensed interim 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 Standard 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.

The disclosures made in these condensed interim financial statements have, however, been limited in accordance with the requirements of the International Financial Reporting Standards (IFRS) IAS - 34, Interim Financial Reporting. They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2008.

2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2008.

4. ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2008.

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009**

		March 31, 2009 (Unaudited) Rupees	June 30, 2008 (Audited) Rupees
5. OPERATING FIXED ASSETS			
Opening net book value (NBV)		300,962,707	310,947,544
Additions (at cost) during the period / year	5.1	9,221,769	25,104,540
		<u>310,184,476</u>	<u>336,052,083</u>
Disposals and retirements (NBV) during the period / year	5.2	478,684	3,825,893
Depreciation charged during the period / year		23,447,615	31,263,483
		<u>23,926,299</u>	<u>35,089,377</u>
		<u>286,258,177</u>	<u>300,962,706</u>

5.1 Details of additions (at cost) during the period are as follows:

Owned			
Office equipment		375,976	243,644
Building		-	9,324,617
Plant and equipment		3,629,063	10,019,129
Tools and equipment		-	12,600
Vehicles		-	383,750
Leased			
Plant and machinery		3,319,730	-
Office equipment		645,000	-
Vehicles		1,252,000	5,120,800
		<u>9,221,769</u>	<u>25,104,540</u>

5.2 Details of disposals (NBV) during the period/ year are as follows:

Plant and machinery	-	2,379,699
Electric Installation	-	380,407
Tools and equipment	-	149,266

	March 31, 2009 (Unaudited) (Rupees in thousands)	June 30, 2008 (Audited) (Rupees in thousands)
Office equipment	108,250	21
Furniture and fixture	-	27,439
Vehicles	370,434	889,061
	<u>478,684</u>	<u>3,825,893</u>

6. CAPITAL WORK IN PROGRESS

This consists of:

Factory building	106,828	-
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7. LONG TERM FINANCING

From banking companies - secured			
Balance as at July 01		98,430,865	139,951,124
Obtained during the period		-	-
		<u>98,430,865</u>	<u>139,951,124</u>
Repayments made during the period		(29,722,780)	(41,520,260)
		<u>68,708,085</u>	<u>98,430,864</u>
Less: Current portion shown under current liabilities		(35,462,071)	(42,017,825)
		<u>33,246,014</u>	<u>56,413,039</u>
From related party - unsecured			
Directors		5,124,715	5,124,715
		<u>38,370,729</u>	<u>61,537,754</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is a contingent liability in respect of bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 28.103 million (June 30, 2008: Rs. 18.254 million).

8.2 Commitments

Commitment in respect of letters of credit as at the balance sheet date amounted to Rs. 8.094 million (June 30, 2008 : Rs. 10.987 million).

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009**

	Nine months ended		Quarter ended	
	March 31'	March 31'	March 31'	March 31'
	2009	2008	2009	2008
	Rupees			
9. COST OF SALES				
Materials consumed	723,702,807	637,095,897	209,063,698	217,029,403
Stores, spares and loose tools consumed	24,929,025	18,990,518	8,100,554	6,299,008
Packing material consumed	14,350,518	11,402,789	4,594,430	4,140,094
Salaries, wages and other benefits	77,546,767	68,182,485	22,646,540	21,958,094
Fuel and power	105,673,640	76,437,364	35,855,310	25,820,644
Insurance	3,871,103	1,933,905	2,222,733	498,941
Repairs and maintenance	3,863,607	4,548,380	1,248,006	1,577,394
Depreciation	19,138,663	20,179,795	6,368,763	6,770,603
Other manufacturing overheads	8,826,705	5,005,688	4,579,681	1,772,542
	981,902,835	843,776,821	294,679,715	285,866,723
Opening work in process	22,097,717	21,956,293	24,915,935	22,085,351
Closing work in process	(22,838,871)	(20,893,688)	(22,838,871)	(20,893,688)
	(741,154)	1,062,605	2,077,064	1,191,663
Cost of goods manufactured	981,161,681	844,839,426	296,756,779	287,058,386
Opening stock of finished goods	15,014,927	7,615,957	16,590,940	26,279,505
Closing stock of finished goods	(19,902,564)	(5,636,060)	(19,902,564)	(5,636,060)
	(4,887,637)	1,979,897	(3,311,624)	20,643,445
	976,274,044	846,819,323	293,445,155	307,701,831
Cost of trading sale	9,822,050	-	-	-
	986,096,094	846,819,323	293,445,155	307,701,831

**10 EARNINGS PER SHARE -
BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Profit after taxation (Rupees)	4,286,386	7,132,543	(3,815,577)	1,557,814
- Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Earnings per share				
Basic and diluted (Rupees)	0.35	0.57	(0.31)	0.13

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008**

11 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertaking companies of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the Company	Nature of transaction	Nine months ended		Quarter ended	
		March 31'	March 31'	March 31'	March 31'
		2009	2008	2009	2008
		Rupees	Rupees	Rupees	Rupees
Associated companies	Sales of goods and services	5,780,000	11,392,850	-	11,093,350
	Insurance premium	5,634,899	4,342,856	1,649,903	79,249
Sponsors and Directors	Long-term financing obtained from director	5,124,715	5,124,715	5,124,715	5,124,715
Retirement benefit plans	Contribution to staff retirement benefit plans	1,890,624	1,718,749	831,932	773,437
Key Management Personnel	Remuneration and other benefits	8,165,417	7,348,875	2,083,946	1,751,711

11.1 There are no transactions with key management personnel other than under their terms of employment.

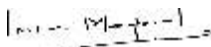
11.2 The above transactions with related parties are based at arm's length at normal commercial rates.

12 DATE OF AUTHORIZATION FOR ISSUE

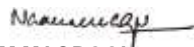
These financial statements were authorized for issue on April 29, 2009 by the Board of Directors of the Company.

13 GENERAL

Amounts have been rounded off to the nearest thousands of rupees.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

Quarterly Report



**Crescent
Fibres**

CRESCENT FIBRES LIMITED

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