



**Crescent
Fibres**



**Quarterly Report
March 31, 2010**

COMPANY INFORMATION

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

Chief Financial Officer Kamran Rasheed

Company Secretary Javaid Hussain

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

Auditors BDO Ebrahim & Company
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

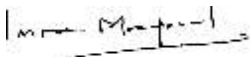
MANAGEMENT REVIEW

The Company reported after-tax net profit of Rs. 63.6 million for the nine months ended March 31, 2010 as compared to a profit of Rs. 4.3 million for the nine months ended March 31, 2009. The earnings per share for the period under review was Rs. 5.12 which on an annualized basis translates to Rs. 6.82.

The period under review was a profitable one for the company as strong end product demand more than offset the higher raw material and input costs. Sales increased by 17.6% owing to higher unit prices as compared to the nine months ended March 31, 2009, as a result, the gross margin increased to 12.6% as compared to 7.1% for the corresponding period. Despite inflationary pressures, strict cost controls allowed the Management to achieve a reduction in selling and administrative expenses as a percentage of sales. The operating margin for the period under review increased to 9.5% as compared to 4.2% for the period ended March 31, 2009. The period witnessed a stable interest rate environment and this combined with prudent financial management caused a slight reduction in total financial charges. Overall, the net margin increased to 5.1% as compared to 0.4% for the previous period.

In spite of the manifold challenges being faced by industry in Pakistan the Management expects the current year to be a profitable one for the textile spinning industry in Pakistan. However, in order for profits to be sustained, it is imperative that a near term strategy is developed to deal with the energy crisis being faced by local industry. A lack of planning has lead to situation where industry has got to not only contend with six to eight hours of daily electricity load shedding but is now also facing gas load shedding even in the summer months. Longer term measures must include steps to enhance raw cotton production and quality within the country and to allow the free market mechanism to function. Further, steps must be taken to tackle the problems of increasing input costs and the economic and law and order situation in Pakistan.

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.



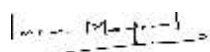
IMRAN MAQBOOL
Chief Executive Officer

April 27, 2010

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2010 (UN-AUDITED)

	Note	March 31, 2010 Unaudited (Rupees)	June 30, 2009 Audited (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	273,051,794	282,340,414
Capital work in progress	6	-	884,161
		<u>273,051,794</u>	<u>283,224,575</u>
Intangible assets		1,255,216	1,544,880
Long term investments		2,505,458	2,298,304
Long term loan		12,335	5,000
Long term deposits		7,050,710	5,385,923
		<u>9,568,503</u>	<u>7,689,227</u>
CURRENT ASSETS			
Stores, spares and loose tools		30,641,592	26,891,702
Stock in trade		272,457,133	101,268,957
Trade debts		129,809,573	118,979,377
Loans and advances		8,435,821	5,785,854
Trade deposits and short term prepayments		6,280,175	6,512,896
Other receivables		3,110,784	3,283,997
Short term investments		48,784,376	41,350,779
Tax refunds due from the Government		6,810,992	5,428,680
Taxation - net		9,675,910	3,189,197
Cash and bank balances		23,670,196	29,897,977
		<u>539,676,550</u>	<u>342,589,416</u>
TOTAL ASSETS		<u><u>823,552,063</u></u>	<u><u>635,048,098</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2009: 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, 2009: 12,417,876) ordinary shares of Rs. 10 each		124,178,760	124,178,760
Reserves			
Capital		7,605,579	171,982
Revenue		119,501,754	55,874,613
		<u>127,107,333</u>	<u>56,046,595</u>
		251,286,093	180,225,355
NON CURRENT LIABILITIES			
Long term financing	7	14,656,840	29,482,313
Liabilities against assets subject to finance leases		12,422,999	9,439,101
Deferred taxation		51,182,880	29,610,346
		<u>78,262,719</u>	<u>68,531,760</u>
CURRENT LIABILITIES			
Trade and other payables		191,671,000	151,070,054
Financial charges payable		28,712,031	28,125,128
Short term Financing		242,103,838	164,637,312
Current portion of long term Liabilities		31,516,381	42,458,489
		<u>494,003,251</u>	<u>386,290,983</u>
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		<u><u>823,552,063</u></u>	<u><u>635,048,098</u></u>

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



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

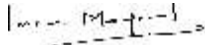
Quarterly Report

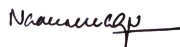
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2010	2009	2010	2009
Note	Rupees	Rupees	Rupees	Rupees
Sales - net	1,248,679,604	1,061,747,772	475,575,971	314,210,258
Cost of sales	9 (1,091,331,521)	(986,096,094)	(401,006,414)	(293,445,155)
Gross profit	157,348,083	75,651,678	74,569,557	20,765,103
Selling and distribution expenses	(5,324,675)	(5,442,793)	(1,758,484)	(2,002,131)
Administrative and general expenses	(35,200,267)	(33,186,406)	(12,765,465)	(10,781,801)
Other operating expenses	(6,514,821)	(225,600)	(4,081,055)	202,656
Other operating income	7,748,804	7,128,667	2,714,262	2,402,770
Operating profit	118,057,123	43,925,546	58,678,814	10,586,597
Finance cost	(32,313,092)	(39,677,996)	(11,677,179)	(14,428,909)
Share of profit from associate	207,154	38,836	69,051	-
Profit before taxation	85,951,185	4,286,386	47,070,686	(3,842,312)
Taxation	(22,324,044)	-	(17,792,406)	26,735
Profit after taxation	63,627,141	4,286,386	29,278,280	(3,815,577)
Earnings per share - basic and diluted (Rupees)	10 5.12	0.35	2.36	(0.31)

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

Quarterly Report

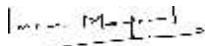

IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

	March 31, 2010 Rupees	March 31, 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	85,951,185	4,286,386
Adjustment for non cash charges and other items:		
Depreciation	20,807,378	23,447,615
Amortization	289,664	289,664
Loss/ (gain) on disposal of operating fixed assets	272,029	100,502
Share of profit from associate	(207,154)	(38,836)
Finance cost	32,313,092	34,701,556
	53,475,009	58,500,501
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,749,890)	(4,513,676)
Stock in trade	(171,188,176)	(9,868,842)
Trade debts	(10,830,196)	(26,438,364)
Loans and advances	(2,662,067)	10,337,619
Trade deposits and short term prepayments	232,721	(315,653)
Other receivables	173,213	-
Tax refunds due from Government	(1,382,312)	(54,731)
	(189,406,706)	(30,853,647)
Increase in current liabilities		
Trade and other payables	40,600,946	6,822,846
Cash generated from operations	(9,379,566)	38,756,086
Income tax paid	(6,486,713)	(2,760,461)
Finance cost paid	(31,726,189)	(32,840,285)
Net cash generated from / (used in) operating activities	(47,592,467)	3,155,340
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,343,276)	(4,004,981)
Proceeds from disposal of operating fixed assets	279,900	450,000
Long term deposits	(1,664,787)	(453,173)
Net cash (used in) investing activities	(6,728,163)	(4,008,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing (net)	(25,890,233)	(29,722,780)
Repayment of liabilities against asset subject to finance leases	(3,483,445)	(1,519,961)
Short term borrowings	77,466,526	49,019,053
Net cash generated from financing activities	48,092,848	17,776,312
Net increase in cash and cash equivalents	(6,227,782)	16,923,498
Cash and cash equivalents at beginning of the period	29,897,977	1,544,538
Cash and cash equivalents at end of the period	23,670,195	18,468,036

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



IMRAN MAQBOOL
Chief Executive

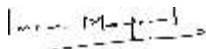


NADEEM MAQBOOL
Director

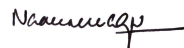
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

	Issued, subscribed and paid-up capital	Reserves		Total	
		Unrealized gain / (loss) on available for sale investment	Unappropriated profit		Sub total
Rupees					
Balance as at July 1, 2008	124,178,760	61,986,127	43,414,534	105,400,661	229,579,421
Diminution in the value of investments classified as available for sale	-	(46,813,648)		(46,813,648)	(46,813,648)
Profit for the period ended March 31, 2009	-	-	4,286,386	4,286,386	4,286,386
Balance as at March 31, 2009	<u>124,178,760</u>	<u>15,172,479</u>	<u>47,700,920</u>	<u>62,873,399</u>	<u>187,052,159</u>
Balance as at July 1, 2009	124,178,760	171,982	55,874,613	56,046,595	180,225,355
Appreciation in the value of investments classified as available for sale	-	7,433,597		7,433,597	7,433,597
Profit for the period ended March 31, 2010	-	-	63,627,141	63,627,141	63,627,141
Balance as at March 31, 2010	<u>124,178,760</u>	<u>7,605,579</u>	<u>119,501,754</u>	<u>127,107,333</u>	<u>251,286,093</u>

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



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Chief Executive

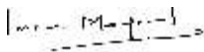


NADEEM MAQBOOL
Director


**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2010 Rupees	March 31, 2009 Rupees	March 31, 2010 Rupees	March 31, 2009 Rupees
(Loss) / Profit after tax	63,627,141	4,286,386	29,278,280	(3,815,577)
(Deficit) / surplus on remeasurment of available for sale financial assets	7,433,597	(46,813,648)	(9,331,865)	(23,367,416)
Total comprehensive income / (loss) for the period	<u>71,060,738</u>	<u>(42,527,262)</u>	<u>19,946,415</u>	<u>(27,182,993)</u>

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 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)

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

2.1 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, 2009.

2.2 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, 2009.

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, 2009.

5. OPERATING FIXED ASSETS

	Note	March 31, 2010 (Unaudited) Rupees	June 30, 2009 (Audited) Rupees
Opening net book value (NBV)		282,340,414	300,962,706
Additions (at cost) during the period / year	5.1	12,200,278	15,791,758
		<u>294,540,692</u>	<u>316,754,464</u>
Disposals and retirements (NBV) during the period / year	5.2	681,520	4,957,645
Depreciation charged during the period / year		20,807,378	29,456,405
		<u>21,488,898</u>	<u>34,414,050</u>
		<u>273,051,794</u>	<u>282,340,414</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)**

	March 31, 2010 (Unaudited) (Rupees)	June 30, 2009 (Audited) (Rupees)
5.1 Details of additions (at cost) during the period are as follows:		
Owned		
Factory and non factory building on leasehold land	948,809	-
Plant and equipment	2,743,847	7,684,695
Tools and equipment	-	12,000
Office equipment	309,608	462,389
Furniture and fixtures	149,790	98,100
Vehicles	1,438,224	-
Leased		
Plant and machinery	-	5,637,574
Office equipment	-	645,000
Vehicles	6,610,000	1,252,000
	<u>12,200,278</u>	<u>15,791,758</u>
5.2 Details of disposals (NBV) during the period/ year are as follows:		
Owned		
Plant and machinery	-	4,275,000
Tools and equipment	-	18,138
Office equipment	105,966	24,696
Furniture and fixture	-	-
Vehicles	72,054	416,504
Leased		
Plant and machinery	-	223,307
Vehicles	503,500	-
	<u>681,520</u>	<u>4,957,645</u>
6. CAPITAL WORK IN PROGRESS		
This consists of:		
Factory building	-	884,161
7. LONG TERM FINANCING		
From banking companies - secured		
Balance as at July 01	59,895,174	98,430,865
Obtained during the period	-	-
	<u>59,895,174</u>	<u>98,430,865</u>
Repayments made during the period	(28,390,233)	(38,535,691)
	<u>31,504,941</u>	<u>59,895,174</u>
Less: Current portion shown under current liabilities	(28,022,815)	(39,087,575)
	<u>3,482,126</u>	<u>20,807,599</u>
From related party - unsecured		
Directors	11,174,714	8,674,714
	<u>14,656,840</u>	<u>29,482,313</u>
8. CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies		
a 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. 37.190 million (June 30, 2009: Rs. 37.190 million).		
b There is a contingent loss aggregating to Rs. 3.975 million in respect of demand raised by tax department for assessment years 2001-2002 and 2002-2003 which the Company is contesting in Appeal before Commissioner of Income Tax. No provision has been made against this demand.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)**

8.2 Commitments

Commitment in respect of letters of credit as at the balance sheet date amounted to Rs.6.057 million (June 30, 2009 : Rs. 7.309 million).

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Rupees			
9. COST OF SALES				
Materials consumed	847,907,840	723,702,807	313,555,424	209,063,698
Stores, spares and loose tools consumed	26,517,832	24,929,025	9,145,414	8,100,554
Packing material consumed	14,079,063	14,350,518	4,583,528	4,594,430
Salaries, wages and other benefits	85,431,465	77,546,767	29,116,713	22,646,540
Fuel and power	103,898,336	105,673,640	39,123,744	35,855,310
Insurance	4,158,505	3,871,103	1,406,394	2,222,733
Repairs and maintenance	5,893,950	3,863,607	1,645,420	1,248,006
Depreciation	17,997,420	19,138,663	5,992,250	6,368,763
Other manufacturing overheads	5,756,256	8,826,705	1,803,750	4,579,681
	<u>1,111,640,668</u>	<u>981,902,835</u>	<u>406,372,638</u>	<u>294,679,715</u>
Opening work in process	23,655,615	22,097,717	28,479,868	24,915,935
Closing work in process	(29,342,751)	(22,838,871)	(29,342,751)	(22,838,871)
	<u>(5,687,136)</u>	<u>(741,154)</u>	<u>(862,883)</u>	<u>2,077,064</u>
Cost of goods manufactured	<u>1,105,953,533</u>	<u>981,161,681</u>	<u>405,509,756</u>	<u>296,756,779</u>
Opening stock of finished goods	11,124,426	15,014,927	21,243,096	16,590,940
Closing stock of finished goods	(25,746,438)	(19,902,564)	(25,746,438)	(19,902,564)
	<u>(14,622,012)</u>	<u>(4,887,637)</u>	<u>(4,503,342)</u>	<u>(3,311,624)</u>
	<u>1,091,331,521</u>	<u>976,274,044</u>	<u>401,006,414</u>	<u>293,445,155</u>
Cost of trading sale	-	9,822,050	-	-
	<u>1,091,331,521</u>	<u>986,096,094</u>	<u>401,006,414</u>	<u>293,445,155</u>

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)	63,627,141	4,286,386	29,278,280	(3,815,577)
- 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)	5.12	0.35	2.36	(0.31)

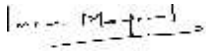
11 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise 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, 2010 Rupees	March 31, 2009 Rupees	March 31, 2010 Rupees	March 31, 2009 Rupees
Associated companies	Sales of goods and services	9,483,000	5,780,000	1,090,000	-
	Insurance premium	5,442,394	5,634,899	232,820	1,649,903
Sponsors and Directors	Long-term financing obtained from director	2,500,000	5,124,715	2,500,000	5,124,715
Retirement benefit plans	Contribution to staff retirement benefit plans	2,401,781	1,890,624	782,594	831,932
Key Management Personnel	Remuneration and other benefits	9,904,392	8,165,417	3,101,464	2,083,946
Other associates	Rent received	96,254	60,000	36,254	30,000

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2010 (UN-AUDITED)**

- 11.1 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 27, 2010 by the Board of Directors of the Company.
- 13 GENERAL
Amounts have been rounded off to the nearest of rupee.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director



CRESCENT FIBRES LIMITED

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Website: www.crescentfibres.com