



**Crescent
Fibres**



**Quarterly Report
March 31, 2008**



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 Muhammad Iqbal Lalani

Company Secretary Javaid Hussain

Audit Committee Iqbal Ismail (Chairman)
Humayun Maqbool (Member)
Nadeem Maqbool (Member)

Auditors Mushtaq & Compnay
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
Lahore-54000
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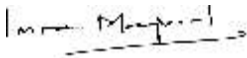
MANAGEMENT REVIEW

The Company reported a profit of Rs. 7.13 million for the nine months ended March 31, 2008 as compared to a profit of Rs. 23.16 million for the nine months ended March 31, 2007. The earnings per share for the period under review was Re.0.57 which on an annualized basis translates to Re. 0.76.

The textile industry in Pakistan continues to pass through a very difficult phase characterized by lower end product prices, higher raw material and input costs and a drastic fall in productivity owing to the domestic energy crisis. Through concerted marketing efforts, sales increased by 3% as compared to the corresponding period, but this was not sufficient to offset the increased costs of inputs and energy. The gross and net margins for the period under review declined to 7.4% and 0.8% respectively as compared to 9.5% and 2.6% for the nine months ended March 31, 2007.

The current year is proving to be a very challenging one for the textile industry in Pakistan. Record high petroleum prices have pushed up the price of polyester fiber which is one of the Company's two main raw materials. At the same time, the cotton crop in Pakistan is well below target and this combined with increased prices of general commodities have pushed up cotton prices as well. The industry has also having to contend with an unprecedented shortage of energy in the country which has led to hours of daily load shedding thus reducing productivity. Other input costs have also shown an increasing trend while recessionary conditions in export markets have ensured that end product prices lag behind. The Management does not expect any significant improvement in the near-term.

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.



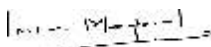
IMRAN MAQBOOL
Chief Executive Officer

April 29, 2008

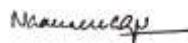
BALANCE SHEET AS AT MARCH 31, 2008 (UN-AUDITED)

EQUITY AND LIABILITIES	NOTE	March 31, 2008 RUPEES	June 30, 2007 RUPEES
SHARE CAPITAL AND RESERVES			
Authorized capital			
15,000,000 Ordinary shares of Rs.10 each		150,000,000	150,000,000
Issued, subscribed and paid up capital		124,178,760	118,265,490
Reserve		140,631,920	154,040,632
		<u>264,810,680</u>	<u>272,306,122</u>
NON-CURRENT LIABILITIES			
LONG TERM FINANCING		72,217,683	103,555,574
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		3,961,456	4,618,679
DEFERRED LIABILITIES		30,239,459	30,314,112
CURRENT LIABILITIES			
Trade and other payables		192,170,086	165,517,209
Interest/ markup on loans		28,092,791	29,462,170
Current portion of:			
Long term financing		41,762,599	41,520,265
Liabilities against assets subject to finance lease		1,750,366	2,379,796
Short term borrowings		195,935,565	118,511,043
Provision for taxation		4,978,975	6,258,577
		464,690,382	363,649,060
Liabilities directly associated with assets classified as held for sale		-	-
CONTINGENCIES AND COMMITMENTS	4	<u>835,919,660</u>	<u>774,443,547</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	299,496,305	306,822,743
Capital work in progress		5,165,470	7,371,151
		<u>304,661,775</u>	<u>314,193,894</u>
Long Term Investment		2,861,188	2,705,478
Long term deposits		4,406,968	4,625,059
CURRENT ASSETS			
Stores, spares and loose tools		33,261,777	31,846,175
Stock in trade		197,559,028	109,757,022
Trade debts - considered good		104,873,608	116,676,424
Loans and advances		26,495,162	22,746,558
Trade deposits and short-term prepayments		3,988,249	3,241,585
Other receivables		6,266,416	6,329,889
Other financial assets		141,125,099	156,132,569
Cash and bank balances		6,605,194	2,064,093
		520,174,533	448,794,315
Assets classified as held for sale		3,815,196	4,124,801
Total Current Assets		<u>523,989,729</u>	<u>452,919,116</u>
		<u>835,919,660</u>	<u>774,443,547</u>

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



IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008

	Quarter ended		Nine months period ended	
	March 31, 2008	March 31, 2007 Restated	March 31, 2008	March 31, 2007 Restated
	← RUPEES →			
Turnover	332,397,471	280,839,556	914,694,717	888,261,715
Cost of goods sold	(307,701,732)	(254,161,033)	(846,819,324)	(803,551,587)
Gross profit	24,695,739	26,678,523	67,875,393	84,710,128
Operating expenses				
Selling and distribution cost	(2,101,470)	(2,770,612)	(5,332,083)	(6,938,861)
Administrative expenses	(12,043,172)	(7,871,144)	(31,642,451)	(29,650,781)
Other operating expenses	(337,519)	(213,172)	(617,189)	(929,843)
Other operating income	2,982,079	1,675,960	6,561,685	4,931,740
Finance cost	(9,013,712)	(11,004,073)	(22,628,498)	(26,726,202)
	(20,513,794)	(20,183,041)	(53,658,536)	(59,313,947)
Share of profit of associate	-	-	155,710	712,410
Profit before tax	4,181,945	6,495,482	14,372,567	26,108,591
Taxation	(1,734,593)	1,013,175	(4,594,047)	195,348
Profit from continuing operations	2,447,352	7,508,657	9,778,520	26,303,939
Discontinued operations				
Profit/(Loss) from discontinued operations	(889,439)	(1,206,003)	(2,645,978)	(3,148,625)
Profit for the period	1,557,913	6,302,654	7,132,542	23,155,314
Earnings per share - basic and diluted (Rs per share)				
From continuing and discontinued operations	0.13	0.53	0.57	1.96
From continuing operations	0.20	0.63	0.79	2.22

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


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008**

	Nine months period ended March 31, 2008 RUPEES	Nine months period ended March 31, 2007 Restated RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	11,726,589	22,959,966
Adjustments for:		
Depreciation	22,602,106	24,243,892
Share of associate	(155,710)	(712,410)
Gain on disposal of fixed assets	(38,790)	-
Finance cost	22,628,498	26,726,202
	<u>45,036,104</u>	<u>50,257,684</u>
Operating profit before working capital charges	56,762,693	73,217,650
(Increase)/decrease in current asset		
Store, spares and loose tools	(1,415,602)	(3,650,069)
Stock in trade	(87,802,006)	(33,705,184)
Trade debts	11,802,816	(14,700,422)
Loans and advances	(4,834,419)	(23,632,537)
Deposits and prepayments	(746,664)	565,079
Other receivables	63,473	(686,139)
Increase/(decrease) in current liabilities		
Trade and other payables	26,652,877	36,958,684
	<u>(56,279,525)</u>	<u>(38,850,588)</u>
Cash generated from operations	483,168	34,367,062
Financial charges paid	(23,997,877)	(28,920,503)
Taxes paid	(4,154,419)	(5,095,070)
Long term deposits	173,813	(2,567,890)
	<u>(27,978,483)</u>	<u>(36,583,463)</u>
Net cash used in operating activities	(27,495,315)	(2,216,401)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	50,000	-
Fixed capital expenditure	(11,972,596)	(16,115,844)
Net cash used in investing activities	(11,922,596)	(16,115,844)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	(31,095,556)	(30,002,941)
Repayment of lease liability	(2,369,954)	(2,174,465)
Short term borrowings	77,424,522	54,118,331
Net cash generated from financing activities	<u>43,959,012</u>	<u>21,940,926</u>
Net increase/(decrease) in cash and cash equivalent	4,541,101	3,608,681
Cash and cash equivalent at the beginning of the period	2,064,093	2,582,325
Cash and cash equivalent at the end of the period	<u>6,605,194</u>	<u>6,191,006</u>

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

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Naadeem Maqbool

NADEEM MAQBOOL
Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2008

	SHARE CAPITAL	UN-REALIZED GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENT	(ACCUMULATED LOSS) / UNAPPROPRIATED PROFIT	TOTAL
←----- RUPEES -----→				
Balance as at July 1, 2006 - restated	118,265,490	21,277,261	4,297,413	143,840,164
Net profit for the nine months period ended March 31, 2007	-	-	23,155,314	23,155,314
Unrealized appreciation during the period in market value of investments classified as available for sale		42,912,602		42,912,602
Balance as at March 31, 2007	<u>118,265,490</u>	<u>64,189,863</u>	<u>27,452,727</u>	<u>209,908,080</u>
Balance as at July 1, 2007	118,265,490	115,554,147	38,486,485	272,306,122
Bonus shares issued @ 5%	5,913,270	-	(5,913,270)	-
Diminution in investment in market value of investment classified as available for sale	-	(14,627,984)	-	(14,627,984)
Net profit for the nine months period ended March 31, 2008			7,132,542	7,132,542
Balance as at March 31, 2008	<u>124,178,760</u>	<u>100,926,163</u>	<u>39,705,757</u>	<u>264,810,680</u>

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


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

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

1. THE COMPANY AND ITS OPERATION

Crescent Fibres Limited ("the company") was incorporated in Pakistan on August 06, 1977 under Companies Act, 1913 (repealed by Companies Ordinance, 1984) as a public limited company. The Company's shares are listed on the Stock Exchanges in Pakistan. The principal business of the company is manufacturing and sale of yarn. The company's manufacturing facilities are located at Nooriabad Industrial Estate, District Dadu in the province of Sindh, and at Bhikki, District Sheikhpura in the province of Punjab. The company also has facilities to manufacture formaline and urea formaldehyde at Bhikki, District Sheikhpura and laminated particle board at Faisalabad whose operations have been discontinued.

2. BASIS OF PREPARATION

Historical Cost

- 2.1 These financial statements have been prepared under "historical cost convention", except as disclosed in the company's accounting policies.
- 2.2 These financial statements have been prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and in compliance with the requirements of section 245 of the Companies Ordinance 1984.
- 2.3 These interim financial statements are unaudited. However, a limited scope review of these interim financial statements has been performed by the external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the half year financial statements are the same as those of the published annual financial statements for the year ended June 30, 2007, except IFRS 5 which has been adapted for the first time.

4. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

	As at March 31, 2008 RUPEES	As at June 30, 2007 RUPEES
Guarantees issued by banks and outstanding	18,254,000	18,254,000
COMMITMENTS		
Letter of credit		
- For consumption	4,173,841	2,682,113
- For capitalization	-	-

COMMITMENTS

5. ACQUISITIONS AND DISPOSAL OF PROPERTY PLANT AND EQUIPMENT - At Cost

	Nine Months Ended March 31, 2008	
	ACQUISITIONS	DISPOSALS
Building	4,149,147	-
Plant and machinery	7,920,891	-
Vehicles	1,083,300	426,667
	13,153,338	426,667

	Nine Months Ended March 31, 2007	
	ACQUISITIONS	DISPOSALS
Building	1,079,927	-
Plant and machinery	14,212,710	-
Office equipments	522,493	-
Vehicles	5,169,364	-
Electric installations	80,435	-
Furnitures and fixtures	-	-
	21,064,929	-

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

6.

Nine months period ended March 31, 2008		
Continuing Operation	Discontinued Operation	TOTAL

Turnover	914,694,717	-	914,694,717
RESULTS			
Profit / (Loss)	9,778,520	(2,645,978)	7,132,542

OTHER INFORMATION

Capital expenditure	11,972,596		11,972,596
Depreciation	22,292,628	309,478	22,602,106

ASSETS AND LIABILITIES

Assets	832,104,462	3,815,196	835,919,658
Liabilities	571,108,978	-	571,108,978

Nine months period ended March 31, 2007--Restated		
Continuing Operation	Discontinued Operation	TOTAL

TURNOVER	888,261,715	34,900	888,296,615
RESULT			
Profit / (Loss)	26,303,939	(3,148,625)	23,155,314

OTHER INFORMATION

Capital expenditure	16,115,844	-	16,115,844
Depreciation	23,901,219	342,673	24,243,892

ASSETS AND LIABILITIES

Assets	666,825,158	4,239,378	671,064,536
Liabilities	649,270,334	-	649,270,334

Nine months ended
March 31, 2008

Nine months ended
March 31, 2007

7. TRANSACTIONS WITH RELATED PARTIES

Sales	4,342,856	62,634,877
Insurance premium	11,392,850	3,168,620

Transactions with related parties are made on an arm's length basis.

8. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on April 29, 2008 by Board of Directors of the company.

9. GENERAL

Figure have been rounded off to the nearest rupees.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director