



**Crescent
Fibres**



**Quarterly Report
March 31, 2012**

COMPANY INFORMATION

Board of Directors	Khawar Maqbool	(Chairperson)
	Imran Maqbool	(Chief Executive)
	Humayun Maqbool	
	Nadeem Maqbool	
	Naila Humayun Maqbool	
	Riaz Masood	
	Shahid Riaz	

Chief Financial Officer	Kamran Rasheed
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Company Secretary	Javaid Hussain
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Audit Committee	Nadeem Maqbool	(Chairman)
	Humayun Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
	Ali Hussain	(Secretary)

Auditors	BDO Ebrahim & Company Chartered Accountants
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Legal Advisor	Mohsin Tayebally & Sons
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Registered Office	104 Shadman 1, Lahore-54000 Tel : (042) 3757-9641, 3757-6482 Fax : (042) 3756-0963
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E-mail:	lo@crescentfibres.com
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Website:	www.crescentfibres.com
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MANAGEMENT REVIEW

The Company reported after-tax net profit of Rs. 11.4 million for the nine months ended March 31, 2012 as compared to a profit of Rs. 160.5 million for the nine months ended March 31, 2011. The earnings per share for the period under review was Rs. 0.92 which on an annualized basis translates to Rs. 1.23.

During the last financial year, cotton prices had reached all time highs which set the stage for widespread demand destruction. During the current year, raw cotton prices have returned to more rational and competitive levels. As a result, demand has started to slowly grow again thus improving profitability for the spinning industry. In the period under review sales increased by 4% even though end product prices were significantly lower as compared to the period ended March 31, 2011. This is due to the capacity expansion which came online in June 2011. The gross margin decreased to 7.1% as compared to 13.6% for the corresponding period. Despite inflationary pressures, strict cost controls allowed the Management to maintain selling and administrative expenses as a percentage of sales. The operating margin for the period under review decreased to 4.7% as compared to 11.2% for the period ended March 31, 2011. Financial charges increased from Rs. 37.1 million to Rs. 74.4 million primarily due to the assumption of long term debt to finance the addition of 12,096 spindles. Overall, the net margin decreased to 0.6% as compared to 8.2% for the previous period.

Competitive raw cotton prices combined with an improving demand scenario is leading to improving margins in the spinning industry. We expect this trend to continue during the last quarter of the financial year. However, in order for profitability to be maintained it is imperative that a near term strategy is developed to deal with the energy crisis as well as 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 28, 2012

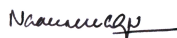
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012 (UN-AUDITED)

		March 31, 2012 (Un-audited) Rupees	June 30, 2011 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	648,545,197	651,592,808
Capital work in progress	6	-	821,325
		648,545,197	652,414,133
Intangible assets		482,775	772,440
Long term advances		-	23,020,850
Long term investments		2,686,833	2,549,980
Long term deposits		24,258,349	16,659,940
		675,973,154	695,417,343
CURRENT ASSETS			
Stores, spares and loose tools		41,372,854	40,238,916
Stock in trade		403,289,551	220,754,623
Trade debts		236,712,832	290,634,718
Loans and advances		16,428,424	4,866,196
Trade deposits and short term prepayments		5,628,925	3,929,299
Other receivables		3,965,372	4,991,314
Short term investments		25,709,610	34,916,373
Tax refunds due from Government		10,880,329	14,038,684
Taxation - net		34,129	-
Cash and bank balances		47,214,560	39,407,566
		791,236,587	653,777,689
TOTAL ASSETS		1,467,209,741	1,349,195,032
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Reserves			
Capital		(8,156,501)	(4,588,411)
Revenue		294,223,077	282,823,579
		286,066,576	278,235,168
		410,245,336	402,413,928
NON CURRENT LIABILITIES			
Long term financing	7	286,412,492	320,504,714
Liabilities against assets subject to finance leases		25,540,980	26,262,064
Deferred income		57,955	231,820
Deferred taxation		45,133,890	57,282,687
		357,145,317	404,281,285
CURRENT LIABILITIES			
Trade and other payables		276,524,175	216,967,652
Financial charges payable		46,486,904	43,860,062
Short term borrowings		328,043,836	269,435,724
Taxation - net		-	94,254
Current portion of long term liabilities		48,764,173	12,142,127
		699,819,088	542,499,819
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		1,467,209,741	1,349,195,032

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Note	Nine months ended		Quarter ended	
		March 31, 2012 Rupees	March 31, 2011 Rupees	March 31, 2012 Rupees	March 31, 2011 Rupees
Sales - net		2,032,450,531	1,953,669,485	675,506,418	738,114,057
Cost of sales	9	(1,888,646,607)	(1,688,475,897)	(614,955,700)	(639,439,277)
Gross profit		143,803,924	265,193,588	60,550,718	98,674,780
Selling and distribution expenses		(7,669,983)	(7,066,062)	(2,837,639)	(2,565,683)
Administrative and general expenses		(44,952,654)	(42,603,420)	(14,803,912)	(14,441,865)
Other operating expenses		(5,938,673)	(13,785,724)	(96,006)	(5,048,273)
Other operating income		9,584,613	17,293,333	3,609,668	9,296,993
Operating profit		94,827,227	219,031,715	46,422,829	85,915,953
Finance cost		(74,392,758)	(37,122,148)	(25,973,012)	(19,742,910)
Share of profit from associate		136,853	117,081	45,618	39,027
Profit before tax		20,571,322	182,026,649	20,495,435	66,212,070
Taxation	10	(9,171,824)	(21,538,596)	(8,344,842)	(8,342,532)
(Loss) / profit for the period		11,399,498	160,488,053	12,150,593	57,869,539
(Loss) / earnings per share - basic and diluted (Rupees)	11	0.92	12.92	0.98	4.66

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Quarterly Report

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Naadeem Maqbool

NADEEM MAQBOOL
Director

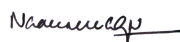
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

	March 31, 2012 Rupees	March 31, 2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,571,322	182,026,649
Adjustment for non cash charges and other items:		
Depreciation	49,835,701	21,169,042
Amortization	289,665	289,664
Impairment of available for sales investments	5,638,673	-
Gain on disposal of operating fixed assets	(626,307)	(7,225,611)
Share of profit from associate	(136,853)	(117,081)
Finance cost	74,392,758	37,122,148
	129,393,637	51,238,162
(Increase) / decrease in current assets		
Stores, spares and loose tools	(1,133,938)	(12,616,404)
Stock in trade	(182,534,928)	(247,863,443)
Trade debts	53,921,886	(107,037,799)
Loans and advances	11,458,622	2,023,474
Trade deposits and short term prepayments	(1,699,626)	(2,529,918)
Other receivables	1,025,942	(987,609)
Tax refund due from Government	3,158,355	(8,967,170)
	(115,803,687)	(377,978,868)
Increase in current liabilities		
Trade and other payables	59,556,523	63,525,543
Cash generated from / (used in) operations	93,717,794	(81,188,515)
Income tax paid	(23,515,771)	(27,649,901)
Finance cost paid	(71,765,916)	(20,806,931)
Net cash generated from / (used in) operating activities	(1,563,892)	(129,645,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(34,168,573)	(383,663,651)
Proceeds from disposal of operating fixed assets	1,300,000	8,160,000
Long term deposits	(7,598,409)	(4,345,050)
Net cash used in investing activities	(40,466,982)	(379,848,701)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	-	303,619,886
Repayment of liabilities against asset subject to finance leases	(8,770,243)	(4,322,322)
Dividend paid	-	(12,417,876)
Short term borrowings	58,608,112	215,551,135
Net cash (used in) / generated from financing activities	49,837,869	502,430,823
Net increase / (decrease) in cash and cash equivalents	7,806,995	(7,063,225)
Cash and cash equivalents at the beginning of the period	39,407,566	48,928,821
Cash and cash equivalents at the end of the period	47,214,561	41,865,597

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

	Issued, subscribed and paid-up capital	Reserves		Total	
		Unrealized (loss) / gain on available for sale investment	Unappropriated profit		Sub total
Balance as at July 1, 2010	124,178,760	(4,119,975)	166,618,433	162,498,458	286,677,218
Profit distribution for the year ended June 30, 2010 @ Re. 1 per share			(12,417,876)	(12,417,876)	(12,417,876)
Total comprehensive income for the period	-	(5,314,955)	160,488,053	155,173,098	155,173,098
Balance as at March 31, 2011	<u>124,178,760</u>	<u>(9,434,930)</u>	<u>314,688,610</u>	<u>305,253,680</u>	<u>429,432,440</u>
Balance as at July 1, 2011	124,178,760	(4,588,411)	282,823,579	278,235,168	402,413,928
Total comprehensive loss for the period	-	(9,206,763)	11,399,498	2,192,735	2,192,735
Impairment loss recognized in profit and loss account		5,638,673	-	5,638,673	5,638,673
Balance as at March 31, 2012	<u>124,178,760</u>	<u>(8,156,501)</u>	<u>294,223,077</u>	<u>286,066,576</u>	<u>410,245,336</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Quarterly Report

Imran Maqbool

IMRAN MAQBOOL
Chief Executive


Naadeem Maqbool

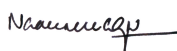
NADEEM MAQBOOL
Director

**CONDENSED COMPREHENSIVE INCOME AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees	Rupees	Rupees	Rupees
Profit for the period	11,399,498	160,488,053	12,150,593	57,869,539
Unrealized (loss) / gain on remeasurment of available for sale investments	(9,206,763)	(5,314,955)	2,600,682	(819,439)
Impairment loss recognized in profit and loss account	5,638,673	-	-	-
	(3,568,090)	(5,314,955)	2,600,682	(819,439)
Total comprehensive (loss) / income for the period	<u>7,831,408</u>	<u>155,173,098</u>	<u>14,751,275</u>	<u>57,050,100</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2012 (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

This condensed interim financial information is 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.

This condensed interim financial information of the Company for the six months period ended December 31, 2010 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of the International Accounting Standard 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, 2011.

2.2 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention, except for available for sale investments which are carried at fair value.

This condensed interim financial information have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information 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 this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2011. The following standards, amendments and interpretations of approved accounting standards became effective during the period, however, these do not have a significant impact on the Company's condensed interim financial information:

IAS 24	-	Related Party Disclosures
IFRS 1	-	First-time Adoption of International Financial Reporting Standards
IFRS 7	-	Financial Instruments - Disclosures
IFRIC 14	-	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

4. ESTIMATES

The preparation of condensed interim financial information 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, 2011.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
Note	Rupees	Rupees
5. OPERATING FIXED ASSETS		
Opening net book value (NBV)	651,592,808	274,157,928
Additions (at cost) during the period / year	5.1 47,461,783	436,320,002
	699,054,591	710,477,930
Disposals (at NBV) during the period / year	5.2 673,693	23,283,788
Depreciation charged during the period / year	49,835,701	35,601,334
	50,509,394	58,885,122
Closing net book value (NBV)	<u>648,545,197</u>	<u>651,592,808</u>
5.1 Details of additions (at cost) during the period / year are as follows:		
Owned		
Building	1,645,407	38,021,167
Plant and machinery	33,212,265	360,607,453
Office equipment	132,226	377,609
Electric installation	-	6,036,273
Vehicles	-	2,484,000
Leased		
Plant and machinery	8,212,885	22,000,000
Vehicles	4,259,000	6,793,500
	<u>47,461,783</u>	<u>436,320,002</u>
5.2 Details of disposals (at NBV) during the period / year are as follows:		
Owned		
Plant & Machinery	-	21,899,499
Electric Installations	-	377,305
Vehicles	673,693	1,006,984
	<u>673,693</u>	<u>23,283,788</u>
6. CAPITAL WORK IN PROGRESS		
This consists of:		
Civil work	-	821,325
	<u>-</u>	<u>821,325</u>
7. LONG TERM FINANCING		
From banking companies - secured		
Balance as at July 01	306,830,000	308,571,063
Obtained during the period / year	-	-
	306,830,000	308,571,063
Repayments made during the period / year	-	(1,741,063)
	306,830,000	306,830,000
Less: Current portion shown under current liabilities	(34,092,222)	-
	<u>272,737,778</u>	<u>306,830,000</u>
From related party - unsecured		
Directors	13,674,714	13,674,714
	<u>286,412,492</u>	<u>320,504,714</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

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. 26.000 million (June 30, 2011 : Rs. 26.000 million).

8.2 Commitments

Commitment in respect of letters of credit as at the balance sheet date amounted to 3.8 million (June 30, 2011 : Rs. 6.838 million).

Contractual obligation against construction of factory building to NIL (June 30, 2011: 1.100 million)

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011 (Un-audited)	March 31, 2012	March 31, 2011
	Rupees			

9. COST OF SALES

Materials consumed	1,390,844,246	1,389,050,497	458,784,132	542,578,879
Stores, spares and loose tools consumed	-	-	-	-
Packing material consumed	38,784,694	40,721,378	12,476,675	15,088,981
Salaries, wages and other benefits	21,882,716	16,459,500	8,491,527	5,509,871
Fuel and power	120,907,555	97,700,550	40,261,145	34,768,997
Insurance	201,832,076	131,991,789	77,541,145	46,624,588
Repairs and maintenance	4,775,309	3,530,987	1,706,532	1,220,903
Depreciation	2,825,143	4,786,709	932,562	1,792,409
Other manufacturing overheads	45,998,946	17,588,008	15,559,954	6,030,443
Insurance Claim	8,284,320	6,728,199	2,507,088	2,182,417
	(3,280,000)	-	-	-
	1,832,855,005	1,708,557,617	618,260,760	655,797,488
Opening work in process	63,291,818	34,949,665	57,965,135	54,857,810
Closing work in process	(52,446,930)	(57,460,241)	(52,446,930)	(57,460,241)
	10,844,888	(22,510,576)	5,518,205	(2,602,431)
Cost of goods manufactured	1,843,699,892	1,686,047,041	623,778,964	653,195,057
Cost of goods purchased for resale	12,047,600	-	-	-
Opening stock of finished goods	61,338,724	33,372,714	19,616,345	17,188,078
Closing stock of finished goods	(28,439,610)	(30,943,858)	(28,439,610)	(30,943,858)
	32,899,114	2,428,856	(8,823,265)	(13,755,779)
	1,888,646,607	1,688,475,897	614,955,700	639,439,277

10. TAXATION

The provision for taxation for the Nine months and quarter ended March 31, 2012 has been made using the estimated effective tax rate applicable to expected total annual earnings.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Nine Months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Un-audited)			
	Rupees	Rupees	Rupees	Rupees
11. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic (loss) / earnings per share of the Company, which is based on:				
(Loss) / profit for the period (Rupees)	11,399,498	160,488,053	12,150,593	57,869,539
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
(Loss) / earnings per share - basic and diluted (Rupees)	0.92	12.92	0.98	4.66

12. 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 Nature of transaction Company

Associated companies	Sales of goods and services	98,003,150	3,355,000	36,224,550	-
	Insurance premium	8,577,269	6,703,331	199,299	658,320
	Insurance Claim	3,280,000		-	
	Rent received	123,930	112,812	41,310	38,964
Retirement benefit plans	Contribution to staff retirement benefit plans	4,325,394	3,939,789	1,531,520	1,370,623
Key management personnel	Remuneration and other benefits	15,035,894	12,642,834	5,020,579	3,970,616

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


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

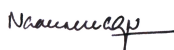
13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue on April 28, 2012 by Board of Directors of the Company.

14. GENERAL

Amounts have been rounded off to the nearest rupee.


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report



CRESCENT FIBRES LIMITED

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