



**Crescent
Fibres**



**Quarterly Report
September 30, 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)
	Karim Kassam Ali	(Secretary)

Human Resources & Remuneration Committee	Naila Humayun Maqbool	(Chairperson)
	Imran Maqbool	(Member)
	Nadeem Maqbool	(Member)

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 a net profit of Rs. 77.13 million for the quarter ended September 30, 2012 as compared to a net loss of Rs. 18.08 million for the quarter ended September 30, 2011. The earnings per share for the period under review was Rs.6.21.

After a volatile nine months commencing in March 2011, the textile market started to stabilize beginning January 2012. Raw material prices settled at lower levels and this combined with remerging demand led to improved margins and profitability in the last two quarters of fiscal 2012 as well as the first quarter of fiscal 2013. Overall sales increased by 12.5%. The gross margin for the quarter ended September 30, 2012 was 15.5% as compared to 4.0% the quarter ended September 30, 2011. Administrative, general and other expenses remained under control and as a result the operating margin for the period under review increased to 12.7% as compared to 1.8% for the quarter ended September 30, 2011. Owing to prudent financial management, improved cash flows as well as some easing of borrowing rates, financial charges as a percentage of sales decreased to 2.1% from 3.6% in quarter ended September 30, 2011. Overall, the net margin increased to 10.1% as compared to negative 2.7% in the previous period.

Owing to extensive monetary easing, the last several months witnessed a marked improvement in market sentiment and economic activity. However, the global economy faces manifold challenges including the Euro Zone crisis and the slow down in China. These factors combined with fickle demand growth, increased volatility, unavailability of competitively priced energy and a deteriorating law and order situation will continue to cloud the textile industry's outlook. The Management is making efforts to minimize the impact of the uncertain environment and expects that margins will decrease going forward but the company will remain profitable over 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

October 30, 2012

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2012 (UN-AUDITED)**

	September 30, 2012 Unaudited (Rupees)	June 30, 2012 Audited (Rupees)
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	5 635,668,404	649,682,681
Intangible assets	289,666	386,220
Long term investments	2,506,657	2,471,332
Long term deposits	25,088,674	25,088,674
	<u>663,553,401</u>	<u>677,628,907</u>
CURRENT ASSETS		
Stores, spares and loose tools	42,470,929	36,315,787
Stock in trade	158,078,560	216,963,164
Trade debts	240,176,279	246,765,232
Loans and advances	2,402,341	5,919,658
Trade deposits and short term prepayments	9,157,870	4,087,509
Other receivables	614,351	799,030
Short term investments	49,400,235	41,796,516
Tax refunds due from the Government	20,024,656	15,496,848
Taxation - Net	28,432,736	28,928,079
Cash and bank balances	128,583,808	68,996,751
	<u>679,341,765</u>	<u>666,068,574</u>
TOTAL ASSETS	<u>1,342,895,166</u>	<u>1,343,697,481</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
15,000,000 (June 30, 2012: 15,000,000) ordinary shares of Rs. 10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital		
12,417,876 (June 30, 2012: 12,417,876) ordinary shares of Rs. 10 each	124,178,760	124,178,760
Reserves		
Capital	15,534,122	7,930,404
Revenue	421,197,292	356,483,866
	<u>436,731,414</u>	<u>364,414,270</u>
	<u>560,910,174</u>	<u>488,593,030</u>
NON CURRENT LIABILITIES		
Long term financing	6 248,028,762	248,028,762
Liabilities against assets subject to finance leases	21,304,334	23,529,579
Deferred taxation	93,231,438	93,231,438
	<u>362,564,534</u>	<u>364,789,779</u>
CURRENT LIABILITIES		
Trade and other payables	244,289,519	226,568,584
Financial charges payable	35,908,367	33,070,905
Short term Financing	50,992,890	141,476,328
Current portion of long term Liabilities	88,229,682	89,198,855
	<u>419,420,458</u>	<u>490,314,672</u>
CONTINGENCIES AND COMMITMENTS	7	
TOTAL EQUITY AND LIABILITIES	<u>1,342,895,166</u>	<u>1,343,697,481</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 QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

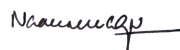
	September 30, 2012 Rupees	September 30, 2011 Rupees
Sales - net	760,331,583	675,557,477
Cost of sales	8 <u>(642,207,141)</u>	<u>(648,782,657)</u>
Gross profit	118,124,442	26,774,820
Selling and distribution expenses	(2,444,911)	(2,450,096)
Administrative and general expenses	(16,131,661)	(14,862,695)
Other operating expenses	(6,111,010)	(100,000)
Other operating income	<u>3,352,536</u>	<u>3,003,540</u>
Operating profit	96,789,397	12,365,569
Finance cost	(15,854,562)	(24,386,192)
Share of profit from associate	<u>35,325</u>	<u>43,237</u>
Profit before taxation	80,970,160	(11,977,387)
Taxation	9 <u>(3,838,858)</u>	<u>(6,105,575)</u>
Profit after taxation	<u>77,131,302</u>	<u>(18,082,962)</u>
Earnings/ (Loss) per share - basic and diluted	10 <u>6.21</u>	<u>(1.46)</u>

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

Quarterly Report



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

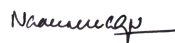
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	September 30, 2012 Rupees	September 30, 2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	80,970,160	(11,977,386)
Adjustment for non cash charges and other items:		
Depreciation	15,842,692	16,886,490
Amortization	96,554	96,554
Deferred Revenue	(57,955)	(57,955)
Share of profit from associate	(35,325)	(43,237)
Finance cost	15,854,562	24,386,192
	31,700,528	41,268,044
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,155,142)	2,348,527
Stock in trade	58,884,604	78,642,397
Trade debts	6,588,953	69,258,230
Loans and advances	3,517,317	(1,599,982)
Trade deposits and short term prepayments	(5,070,361)	(5,212,848)
Other receivables	184,679	(3,482,469)
Tax refunds due from Government	(4,527,808)	(7,477,671)
	53,422,243	132,476,184
Increase in current liabilities		
Trade and other payables	5,303,059	13,953,729
Cash generated from operations	171,395,989	175,720,572
Income tax paid	(3,407,062)	(6,501,175)
Finance cost paid	(13,017,100)	(27,323,822)
Net cash generated from / (used in) operating activities	154,971,827	141,895,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,706,915)	(27,532,236)
Long term Advances	-	23,020,850
Long term deposits	-	(5,417,913)
Net cash (used in) investing activities	(1,706,915)	(9,929,299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing (net)	-	(1,741,063)
Repayment of liabilities against asset subject to finance leases	(3,194,417)	(2,724,689)
Short term borrowings	(90,483,438)	(112,207,253)
Net cash generated from financing activities	(93,677,855)	(116,673,005)
Net increase in cash and cash equivalents	59,587,057	15,293,271
Cash and cash equivalents at beginning of the period	68,996,751	39,407,566
Cash and cash equivalents at end of the period	128,583,808	54,700,837

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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	Issued, subscribed and paid-up capital	Reserves			Total
		Unrealized gain / (loss) on available for sale investment	Unappropriated profit	Sub total	
Balance as at July 1, 2011	124,178,760	(4,588,411)	282,823,579	278,235,168	402,413,928
Diminution in the value of investments classified as available for sale	-	(7,147,436)		(7,147,436)	(7,147,436)
Profit for the period ended September 30, 2011	-	-	(18,082,962)	(18,082,962)	(18,082,962)
Balance as at September 30, 2011	124,178,760	(11,735,847)	264,740,617	253,004,770	377,183,530
Balance as at July 1, 2012	124,178,760	7,930,404	356,483,866	364,414,270	488,593,030
Appreciation in the value of investments classified as available for sale	-	7,603,718		7,603,718	7,603,718
Dividend declared for the year ended June 30, 2012 @ Re. 1 per share			(12,417,876)	(12,417,876)	(12,417,876)
Profit for the period ended September 30, 2012	-		77,131,302	77,131,302	77,131,302
Balance as at September 30, 2012	124,178,760	15,534,122	421,197,292	436,731,414	560,910,174

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

Quarterly Report

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Naadeem Maqbool

NADEEM MAQBOOL
Director

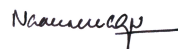
**CONDENSED COMPREHENSIVE INCOME AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)**

	September 30, 2012 Rupees	September 30, 2011 Rupees
(Loss) / Profit after tax	77,131,302	(18,082,962)
(Deficit) / surplus on remeasurment of available for sale financial assets	<u>7,603,718</u>	<u>(7,147,436)</u>
Total comprehensive income / (loss) for the period	<u><u>84,735,020</u></u>	<u><u>(25,230,398)</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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 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

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, 2012.

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, 2012.

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, 2012.

5. OPERATING FIXED ASSETS

		September 30, 2012 (Unaudited)	June 30, 2012 (Audited)
	Note	Rupees	Rupees
Opening net book value (NBV)		649,682,681	651,592,808
Additions (at cost) during the period / year	5.1	1,828,415	74,413,772
		651,511,096	726,006,580
Disposals and retirements (NBV) during the period / year	5.2	-	9,198,841
Depreciation charged during the period / year		15,842,692	67,125,058
		15,842,692	76,323,899
		635,668,404	649,682,681

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)**

	September 30, 2012 (Unaudited) Rupees	June 30, 2012 (Audited) Rupees
5.1 Details of additions (at cost) during the period are as follows:		
Owned		
Factory and non factory building on leasehold land	-	1,645,967
Plant and equipment	1,706,915	54,532,194
Office equipment	37,500	165,726
Furniture and fixture	84,000	-
Vehicles	-	1,624,500
Leased		
Plant and machinery	-	8,212,885
Vehicles	-	8,232,500
	<u>1,828,415</u>	<u>74,413,772</u>
5.2 Details of disposals (NBV) during the period/ year are as follows:		
Owned		
Plant and machinery	-	8,212,885
Vehicles	-	985,956
	<u>-</u>	<u>9,198,841</u>
6. LONG TERM FINANCING		
From banking companies - secured		
Balance as at July 01	306,330,000	306,830,000
Obtained during the period	-	-
	<u>306,330,000</u>	<u>306,830,000</u>
Repayments made during the period	-	(500,000)
	<u>306,330,000</u>	<u>306,330,000</u>
Less: Current portion shown under current liabilities	(71,975,952)	(71,975,952)
	<u>234,354,048</u>	<u>234,354,048</u>
From related party - unsecured		
Directors	13,674,714	13,674,714
	<u>248,028,762</u>	<u>248,028,762</u>
7. CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
a) Guarantees have been issued by banking companies in normal course of business amounting to Rs.31 Million (2011:Rs.31 Million)		
b) Crscent Sugar Mills Limited has filed a case against Company for an amount of Rs.53.850 million on the basis of case documents filed. The Company recorded liability of Rs.17.542 million as the best estimate of the amount owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company is confident that the balance amount shall not be payable.		
c) The provision for Workers'Welfare Fund has been provided on the basis of taxable profit.		
7.2 Commitments		
	September 30, 2012	June 30, 2012
Letter of credit against import	27.734 million	27.734 million

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)**

	September 30, 2012	September 30, 2011
	----- Rupees -----	
8. COST OF SALES		
Materials consumed	482,534,867	457,790,200
Stores, spares and loose tools consumed	11,630,832	14,328,848
Packing material consumed	9,477,451	6,564,952
Salaries, wages and other benefits	49,285,834	37,088,457
Fuel and power	70,967,729	54,140,649
Insurance	1,524,750	1,585,623
Repairs and maintenance	1,255,207	1,079,749
Depreciation	14,512,546	15,683,633
Other manufacturing overheads	3,143,324	2,988,284
	<u>644,332,540</u>	<u>591,250,395</u>
Opening work in process	47,945,679	63,291,818
Closing work in process	(50,714,106)	(56,905,126)
	<u>(2,768,427)</u>	<u>6,386,692</u>
Cost of goods manufactured	<u>641,564,113</u>	<u>597,637,087</u>
Opening stock of finished goods	16,871,295	60,876,724
Closing stock of finished goods	(19,836,627)	(16,068,254)
	<u>(2,965,332)</u>	<u>44,808,470</u>
	<u>638,598,780</u>	<u>642,445,557</u>
Cost of trading sale	3,608,360	6,337,100
	<u>642,207,141</u>	<u>648,782,657</u>

9 Taxation

The tax charge for the quarter ended September 30,2012 is based on the charge expected for the full financial year.

**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)	<u>77,131,302</u>	<u>(18,082,962)</u>
- Weighted average number of ordinary shares	<u>12,417,876</u>	<u>12,417,876</u>
Earnings per share Basic and diluted (Rupees)	<u>6.21</u>	<u>(1.46)</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UN-AUDITED)**

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	September 30, 2012	September 30, 2011
		Rupees	Rupees
Associated companies	Sales of goods and services	31,619,300	25,585,000
	Insurance premium	8,138,846	8,265,786
Retirement benefit plans	Contribution to staff retirement benefit plans	1,675,009	1,329,318
Key Management Personnel	Remuneration and other benefits	5,810,027	4,977,211
Other associates	Rent received	44,166	36,924

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

12 DATE OF AUTHORIZATION FOR ISSUE

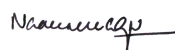
These financial statements were authorized for issue on October 30, 2012 by the Board of Directors of the Company.

13 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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