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Crescent Sugar Mills And Distillery Limited



**QUARTERLY UN-AUDITED
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2008**

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Mazhar Karim (Chairman)
Mr. Muhammad Arshad (Chief Executive Officer)

DIRECTORS

(in alphabetical order)

Mr. Abid Mehmood
Mr. Jamal Nasim (Nominee NIT)
Mr. Khalid Bashir
Mr. Muhammad Anwar
Mr. Salman Rafi

AUDIT COMMITTEE

Mr. Muhammad Anwar (Chairman)
Mr. Jamal Nasim
Mr. Khalid Bashir

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

BANKERS

National Bank of Pakistan

AUDITORS

Riaz Ahmad & Company
Chartered Accountants

15. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise associated companies, subsidiary companies, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated undertakings are as under :

	(RUPEES IN THOUSAND)	
	December 31, 2008	September 30, 2008
Associated Companies		
Sales	-	62,387
Dividend income	-	5,664
Insurance charges	4,074	4,026
Subsidiary Company		
Rental expense	240	965

All transaction with related parties and associated undertakings are entered into arm's length determined in accordance with the companies accounting policy.

16. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on January 29, 2009.

17. CORRESPONDING FIGURES

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

Yours Directors present to you the un-audited financial statement for the first quarter ended December 31, 2008. During the period under review, your company sustained a pre-tax loss of Rs. 38.355 Million (December 31, 2007 : Loss of Rs. 19.062 Million).

Turnover for the first quarter of the current year stood at Rs. 435.362 Million whereas, the turnover figures during the same period in year 2007 were Rs. 562.900 Million. Cost of sales in the period under review stood at 98.99% whereas, upto December 31, 2007, it was around 98.16%.

During the first quarter, the sugar factory milled 74,219 M.Tons of sugarcane (2007 : 154,026 M.Tons) and produced 5,299 M.Tons of white sugar (2007 : 10,372 M.Tons) at a recovery percentage of 7.83 percent (2007 : 7.16 %). The factory operated for 41 days during the review period whereas, during the same period last year, the factory worked for 59 days.

As reported in our annual report, there is an overall shortage of sugarcane cultivation in Pakistan this year and therefore, the arrival situation is very slow. The Government has raised the sugarcane procurement price for this season still we are not getting the required quantity to run the factory on regular basis. The intermittent operations in this division not only lead to heavy fuel cost but also have a negative effect on the overall recovery percentage.

The sugarcane shortage has induced the farmers to intentionally slow down the sugarcane supply with an objective to fetch even higher prices for the produce. There is an intense competition for the sugarcane procurement and we fear that we will end up in procuring sugarcane at a price which would be much higher than the support prices announced by the Government. In relation to this, though the sugar prices in the domestic market has improved but still the prevailing prices are much lower than an economically viable price for this product. We fear that if we do not achieve a substantially improved sugar price in the coming months, we would again end up in sustaining heavy losses in this division.

There has been no activity in the Distillery unit during the first quarter of the current season.

The quarter ended December 31, 2008 was probably the worst quarter in our entire history. During this period we witnessed for the first time load shedding of gas in the month of October 2008 due to which our operation was totally suspended for 13 days. The supply of electricity during the period of suspension of gas was not adequate hence we lost massive production during this period. Added to this, the financial turmoil which was started some time in September 2008 was fully evident during this period. All commodities including cotton and polyester saw massive erosion in their prices and lost their value by more than thirty percent.

The financial turmoil together with load shedding of gas and electricity not only reduced the rates of our end products but also reduced the demand of yarn both in domestic and international market. This massively disturbed our cash flows. The increase in the rates of markup, electricity and gas also affected our cost of production. We on our end tried our best to fight these adverse circumstances but could not improve the results. It is hoped once gas, electricity and market situation improves we may see better results.

For and on behalf of
the Board of Directors.


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD:
January 29, 2009

CRESCENT SUGAR MILLS

BALANCE SHEET

NOTE	UNAUDITED		AUDITED		UNAUDITED		AUDITED	
	(RUPEES IN THOUSAND)							
	THE COMPANY				CONSOLIDATED			
	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008
EQUITY AND LIABILITIES								
SHARE CAPITAL AND RESERVES								
Authorized share capital								
30,000,000 (Sep 30, 2008: 30,000,000) ordinary shares of Rupees 10 each	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Issued, subscribed and paid up share capital	5	213,775	213,775	213,775	213,775	213,775	213,775	213,775
Capital reserves		158,203	211,949	22,261	48,771	22,261	48,771	48,771
Revenue reserves		100,988	100,988	48,975	48,975	48,975	48,975	48,975
Accumulated (loss)/ profit		(207,452)	(168,262)	(111,324)	(38,746)	(111,324)	(38,746)	(38,746)
		265,514	358,450	173,687	272,775	173,687	272,775	272,775
NON-CURRENT LIABILITIES								
Long term financing	6	49,085	49,085	85,979	88,229	85,979	88,229	88,229
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-
Employees' retirement gratuity		7,159	8,243	10,346	11,255	10,346	11,255	11,255
		56,244	57,328	96,325	99,484	96,325	99,484	99,484
CURRENT LIABILITIES								
Trade and other payables		398,737	248,894	419,704	268,583	419,704	268,583	268,583
Accrued markup		41,873	35,368	62,803	56,298	62,803	56,298	56,298
Short term finances		531,670	545,941	555,293	568,047	555,293	568,047	568,047
Current portion of long term liabilities		32,584	43,389	41,584	52,389	41,584	52,389	52,389
Provision for taxation		12,201	11,366	16,904	16,126	16,904	16,126	16,126
		1,017,065	884,958	1,096,288	961,443	1,096,288	961,443	961,443
COMMITMENTS	7	-	-	-	-	-	-	-
		1,338,823	1,300,736	1,366,300	1,333,702	1,366,300	1,333,702	1,333,702

The annexed notes form an integral part of these accounts.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER

	(RUPEES IN THOUSAND)									
	SUGAR UNIT		DISTILLERY UNIT		TEXTILE UNITS		BULK STORAGE		CONSOLIDATED	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
14.2 COST OF SALES										
Raw material consumed	168,020	240,078	-	254,574	304,382	-	-	-	422,594	544,460
Molasses (transfer)/purchased	-	(1,691)	-	-	-	-	-	-	-	-
Salaries, wages and other benefits	8,035	6,984	435	29,020	28,950	-	-	-	37,490	36,307
Store, spare parts and loose tools	7,767	9,464	804	11,242	13,887	-	-	-	19,813	23,703
Fuel and power	4,162	3,877	-	35,006	34,979	-	-	-	39,168	38,856
Repair and maintenance	3,120	3,322	52	655	972	-	-	-	3,827	4,330
Other manufacturing overheads	254	624	-	674	1,163	-	-	-	928	1,787
Insurance	266	187	136	690	760	-	-	-	1,092	1,015
Depreciation and amortization	1,659	1,646	20	8,297	9,082	-	-	-	9,976	10,750
	193,283	264,491	1,447	340,158	394,175	-	-	-	534,888	661,208
Work-in-process	8,081	8,912	-	13,588	9,736	-	-	-	21,669	18,648
Opening stock	(26,217)	(22,754)	-	(13,852)	(9,184)	-	-	-	(40,069)	(31,938)
Closing stock	(18,136)	(13,842)	-	(264)	552	-	-	-	(18,400)	(13,290)
Cost of goods manufactured	175,147	250,649	1,447	339,894	394,727	-	-	-	516,488	647,918
Cost of finished goods purchased	-	-	-	-	735	-	-	-	-	735
	175,147	250,649	1,447	339,894	395,462	-	-	-	516,488	648,653
Finished goods	64,936	59,386	17,471	53,161	65,245	-	-	-	135,568	144,676
Opening stock	(143,147)	(146,075)	(10,991)	(66,959)	(72,647)	-	-	-	(221,097)	(240,775)
Closing stock	(78,211)	(86,689)	6,480	(13,798)	(7,402)	-	-	-	(85,529)	(96,099)
	96,936	163,960	7,927	326,096	388,060	-	-	-	430,959	552,554

SUMMARISED WORKING RESULTS OF EACH LINE OF BUSINESS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008-CONSOLIDATED

	(RUPEES IN THOUSAND)									
	SUGAR UNIT		DISTILLERY UNIT		TEXTILE UNITS		BULK STORAGE		CONSOLIDATED	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
14. Sales	102,812	144,841	7,492	1,568	325,058	416,491	5,288	4,818	440,650	567,718
Cost of sales	(14.2) 96,936	163,960	7,927	534	326,096	388,060	-	-	430,959	552,554
Gross (loss)/ profit	5,876	(19,119)	(435)	1,034	(1,038)	28,431	5,288	4,818	9,691	15,164
Distribution cost	65	155	34	422	4,253	5,863	161	205	4,513	6,645
Administrative expenses	7,684	7,898	67	10	9,402	7,860	3,062	3,105	20,215	18,673
Other operating expenses	7,749	8,078	101	432	13,655	115	3,223	3,310	24,728	140
Operating (loss)/ profit	(1,873)	(27,197)	(536)	602	(14,693)	14,793	2,065	1,508	(15,037)	(10,294)
Other operating income	702	9,413	-	-	934	553	-	-	1,636	9,966
Finance cost	(1,171)	(17,784)	(536)	602	(13,759)	15,346	2,065	1,508	(13,401)	(328)
(Loss)/ profit from operations	4,129	3,739	-	-	18,645	14,354	1,280	1,173	24,054	19,266
	(5,300)	(21,523)	(536)	602	(32,404)	992	785	335	(37,455)	(19,594)
14.1 SALES										
Main products / services	102,812	131,023	7,492	1,568	320,577	406,642	5,288	4,818	436,169	544,051
Molasses (By-Product)	-	13,818	-	-	-	-	-	-	-	13,818
Waste	-	-	-	-	4,481	9,849	-	-	4,481	9,849
	102,812	144,841	7,492	1,568	325,058	416,491	5,288	4,818	440,650	567,718

**AND DISTILLERY LIMITED
AS AT DECEMBER 31, 2008**

NOTE	(RUPEES IN THOUSAND)			
	UNAUDITED		AUDITED	
	THE COMPANY		CONSOLIDATED	
	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	8	417,662	428,062	426,359
Long term investments	9	62,769	62,601	209,283
Long term deposits		2,765	2,710	4,294
		<u>483,196</u>	<u>493,373</u>	<u>639,936</u>
CURRENT ASSETS				
Stores, spares and loose tools		66,224	66,584	71,159
Stock-in-trade		406,072	310,000	406,073
Trade debts		75,866	74,828	91,179
Loans and advances		26,675	26,673	43,269
Short term deposits, prepayments and balances with statutory authorities		35,381	28,834	41,329
Other receivables		36,843	33,345	38,465
Short term investments	10	201,542	255,456	24,570
Cash and bank balances		7,024	11,643	10,320
		<u>855,627</u>	<u>807,363</u>	<u>726,364</u>
		<u>1,338,823</u>	<u>1,300,736</u>	<u>1,366,300</u>
				<u>1,333,702</u>


ABID MEHMOOD
DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008 (UN-AUDITED)

		(RUPEES IN THOUSAND)			
		THE COMPANY		CONSOLIDATED	
Note		December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	SALES	435,362	562,900	440,650	567,718
	COST OF SALES	430,959	552,554	430,959	552,554
	GROSS PROFIT	4,403	10,346	9,691	15,164
	DISTRIBUTION COST	4,352	6,440	4,513	6,645
	ADMINISTRATIVE EXPENSES	17,268	15,512	20,215	18,673
	OTHER OPERATING EXPENSES	-	140	-	140
	OPERATING (LOSS)/ PROFIT	21,620	22,092	24,728	25,458
	OTHER OPERATING INCOME	(17,217)	(11,746)	(15,037)	(10,294)
12		1,636	10,777	1,636	9,966
		(15,581)	(969)	(13,401)	(328)
	FINANCE COST	22,774	18,093	24,054	19,266
		(38,355)	(19,062)	(37,455)	(19,594)
	SHARE OF PROFIT FROM ASSOCIATED COMPANIES (LOSS)/ PROFIT BEFORE TAXATION	-	-	(34,262)	31,468
	TAXATION	(38,355)	(19,062)	(71,717)	11,874
		835	2,859	861	2,905
	(LOSS)/ PROFIT AFTER TAXATION	(39,190)	(21,921)	(72,578)	8,969
	ACCUMULATED (LOSS)/ PROFIT BROUGHT FORWARD	(168,262)	(123,878)	(38,746)	22,023
	ACCUMULATED (LOSS)/ PROFIT CARRIED FORWARD	(207,452)	(145,799)	(111,324)	30,992
	(LOSS)/ EARNINGS PER SHARE - Basic and Diluted (Rupees)	(1.83)	(1.03)	(3.40)	0.42

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

	(RUPEES IN THOUSAND)			
	SUGAR UNIT December 31, December 31, 2008 2007	DISTILLERY UNIT December 31, December 31, 2008 2007	TEXTILE UNITS December 31, December 31, 2008 2007	TOTAL December 31, December 31, 2008 2007
Raw material consumed	168,020	-	254,574	422,594
Molasses (transfer)/purchased	-	-	-	-
Salaries, wages and other benefits	8,035	1,691	29,020	37,490
Store, spare parts and loose tools	7,767	373	11,242	19,813
Fuel and power	4,162	352	35,006	39,168
Repair and maintenance	3,120	36	655	3,827
Other manufacturing overheads	254	36	674	928
Insurance	266	-	690	760
Depreciation and amortization	1,659	68	8,297	9,976
	193,283	22	340,158	534,888
	240,078	2,542	394,175	661,208
	(1,691)	-	(13,588)	(18,648)
	6,984	-	(13,852)	(40,069)
	9,464	-	(264)	(18,400)
	3,877	-	339,894	516,488
	3,322	-	339,894	516,488
	624	-	339,894	516,488
	187	-	339,894	516,488
	1,646	-	339,894	516,488
	264,491	2,542	394,175	661,208
	8,912	-	9,736	21,669
	(22,754)	-	(9,184)	(40,069)
	(13,842)	-	552	(18,400)
	250,649	2,542	394,727	647,918
	250,649	2,542	395,462	648,653
	59,386	18,486	65,245	143,117
	(143,147)	(20,494)	(72,647)	(239,216)
	(78,211)	(2,008)	(7,402)	(86,099)
	96,936	7,927	326,096	430,959
	163,960	534	388,060	552,554

13.2 COST OF SALES

Raw material consumed	168,020
Molasses (transfer)/purchased	-
Salaries, wages and other benefits	8,035
Store, spare parts and loose tools	7,767
Fuel and power	4,162
Repair and maintenance	3,120
Other manufacturing overheads	254
Insurance	266
Depreciation and amortization	1,659
	193,283
Work-in-process	8,081
Opening stock	(26,217)
Closing stock	(18,136)
	175,147
Cost of goods manufactured	175,147
Cost of finished goods purchased	-
Finished goods	64,936
Opening stock	(143,147)
Closing stock	(78,211)

SUMMARISED WORKING RESULTS OF EACH LINE OF BUSINESS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008-COMPANY

	(RUPEES IN THOUSAND)							
	SUGAR UNIT		DISTILLERY UNIT		TEXTILE UNITS		TOTAL	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
NOTE								
13. Sales	102,812	144,841	7,492	1,568	325,058	416,491	435,362	562,900
Cost of sales	96,936	163,960	7,927	534	326,096	388,060	430,959	552,554
Gross (loss)/profit	5,876	(19,119)	(435)	1,034	(1,038)	28,431	4,403	10,346
Distribution cost	65	155	34	422	4,253	5,863	4,352	6,440
Administrative expenses	7,684	7,898	67	10	9,517	7,604	17,268	15,512
Other operating expenses	-	25	-	-	-	115	-	140
	7,749	8,078	101	432	13,770	13,582	21,620	22,092
Operating (loss)/ profit	(1,873)	(27,197)	(536)	602	(14,808)	14,849	(17,217)	(11,746)
Other operating income	702	10,449	-	-	934	328	1,636	10,777
Finance cost	(1,171)	(16,748)	(536)	602	(13,874)	15,177	(15,581)	(969)
(Loss)/ profit before taxation	4,129	3,739	-	-	18,645	14,354	22,774	18,093
	(5,300)	(20,487)	(536)	602	(32,519)	823	(38,355)	(19,062)
13.1 SALES								
Main products	102,812	131,023	7,492	1,568	320,577	406,642	430,881	539,233
Molasses (By-Product)	-	13,818	-	-	-	-	-	13,818
Waste	-	-	7,492	-	4,481	9,849	4,481	9,849
	102,812	144,841	7,492	1,568	325,058	416,491	435,362	562,900

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008 (UNAUDITED)

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(38,355)	(19,062)	(71,717)	11,874
Adjustments for non-cash charges and other items:				
Depreciation	10,687	11,503	10,961	12,094
Provision for gratuity	(1,084)	236	(909)	236
(Profit)/Loss on disposal of operating fixed assets	-	(259)	-	(259)
Gain on sale of investments	-	(8,197)	-	(8,197)
Share of profit from associated companies	-	-	34,262	(31,468)
Finance cost	22,774	18,093	24,054	19,266
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	(5,978)	2,314	(3,349)	3,546
CASH FLOWS FROM WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN CURRENT ASSETS				
Stores, spare parts and loose tools	360	8,224	370	8,163
Stock in trade	(96,072)	(323,349)	(96,073)	(323,349)
Trade debts	(1,038)	(7,763)	(1,571)	(7,576)
Advances	(2)	(11,501)	(16,373)	(27,430)
Prepayments and balances with statutory authorities	(2,161)	(318)	(1,829)	1,004
Other receivables	(3,498)	2,036	11,274	16,507
INCREASE/(DECREASE) IN CURRENT LIABILITIES				
Trade and other payables	149,843	178,272	151,121	196,527
Short term finances	(14,271)	178,562	(12,754)	162,794
NET CASH (USED IN) / GENERATED FROM WORKING CAPITAL CHANGES	33,161	24,163	34,165	26,640
CASH GENERATED FROM OPERATIONS	27,183	26,477	30,816	30,186
Finance cost paid	(16,269)	(24,447)	(17,549)	(24,682)
Income tax paid	(4,386)	(1,213)	(4,469)	(2,145)
	(20,655)	(25,660)	(22,018)	(26,827)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,528	817	8,798	3,359

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditure	(287)	(114)	(298)	(274)
Proceeds from sale of operating fixed assets	-	300	-	300
Proceeds from sale of investments	-	9,238	-	9,238
Long term deposits	(55)	-	(55)	-
NET CASH USED IN INVESTING ACTIVITIES	(342)	9,424	(353)	9,264
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term finances	(10,743)	(6,006)	(12,993)	(7,983)
Repayment of finance lease liabilities	(62)	(1,394)	(62)	(1,394)
NET CASH USED IN FINANCING ACTIVITIES	(10,805)	(7,400)	(13,055)	(9,377)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,619)	2,841	(4,610)	3,246
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,643	13,344	14,930	16,651
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>7,024</u>	<u>16,185</u>	<u>10,320</u>	<u>19,897</u>

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

11. COST OF SALES

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Raw material consumed	422,594	544,460	422,594	544,460
Salaries, wages and other benefits	37,490	36,307	37,490	36,307
Store, spare parts and loose tools	19,813	23,703	19,813	23,703
Fuel and power	39,168	38,856	39,168	38,856
Repair and maintenance	3,827	4,330	3,827	4,330
Other manufacturing overheads	928	1,787	928	1,787
Insurance	1,092	1,015	1,092	1,015
Depreciation and amortization	9,976	10,750	9,976	10,750
	534,888	661,208	534,888	661,208
Work-in-process				
Opening stock	21,669	18,648	21,669	18,648
Closing stock	(40,069)	(31,938)	(40,069)	(31,938)
	(18,400)	(13,290)	(18,400)	(13,290)
Cost of goods manufactured	516,488	647,918	516,488	647,918
Cost of finished goods purchased	-	735	-	735
	516,488	648,653	516,488	648,653
Finished goods:				
Opening stock	135,568	143,117	135,568	144,676
Closing stock	(221,097)	(239,216)	(221,097)	(240,775)
	(85,529)	(96,099)	(85,529)	(96,099)
	<u>430,959</u>	<u>552,554</u>	<u>430,959</u>	<u>552,554</u>
12. OTHER OPERATING INCOME				
Gain on sale of investments	-	8,197	-	8,197
Gain on disposal of operating fixed assets	-	259	-	259
Dividend income	383	1,036	383	-
Stores, scrap and mud sales	435	1,264	435	1,264
Exchange gain	669	-	669	-
Rental income	-	-	-	225
Miscellaneous income	149	21	149	21
	<u>1,636</u>	<u>10,777</u>	<u>1,636</u>	<u>9,966</u>

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008
9. LONG TERM INVESTEMENTS				
Long term Investments-Available for sale	50,542	50,542	53,500	53,500
Add :-				
Unrealized gain on revaluation of investments	12,227	12,059	8,313	7,418
Share of Post acquisition profits	-	-	147,470	181,732
	12,227	12,059	155,783	189,150
	<u>62,769</u>	<u>62,601</u>	<u>209,283</u>	<u>242,650</u>

10.SHORT TERM INVESTMENTS – Available for sale

RELATED PARTIES:

QUOTED

Shakarganj Mills Limited

2,865,830 (2008 : 2,865,830) ordinary shares of Rupees 10 each fully paid

24,395 24,395

The Crescent Textile Mills Limited

2,681,875 (2008 : 2,681,875) ordinary shares of Rupees 10 each fully paid

17,909 17,909

Crescent Steel and Allied Products Limited

1,061,568 (2008 : 1,061,568) ordinary shares of Rupees 10 each fully paid

2,640 2,640

OTHERS:

QUOTED

SAMBA Bank Limited

(formerly Crescent Commercial Bank Ltd.)

4,973,666 (2008 : 4,973,666) ordinary shares of Rupees 10 each fully paid

28,118 28,118

73,062 73,062

128,480 182,394

Add: Fair value adjustment

201,542 255,456

24,570 51,975

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008 (UNAUDITED)

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	CAPITAL RESERVES		SUB TOTAL	REVENUE RESERVES		Sub TOTAL	ACCUMULATED PROFIT/(LOSS)	TOTAL		
		Premium on issue of Shares	Plant modernisation		Unrealized gain on revaluation of investments	General					Dividend equalization
The Company											
Balance as on October 01, 2007	213,775	5,496	12,000	409,337	96,988	4,000	100,988	(123,878)	617,718		
Net loss for the 1st quarter	-	-	-	-	-	-	-	(21,921)	(21,921)		
Unrealized gain on revaluation of investments	-	-	-	28,944	-	-	-	-	28,944		
Balance as on December 31, 2007	213,775	5,496	12,000	438,281	96,988	4,000	100,988	(145,799)	624,741		
Net loss for the next three quarters	-	-	-	(243,828)	-	-	-	(22,463)	(22,463)		
Unrealized loss on revaluation of investments	-	-	-	(53,746)	-	-	-	-	(53,746)		
Balance as on September 30, 2008	213,775	5,496	12,000	194,453	96,988	4,000	100,988	(188,262)	358,450		
Net loss for the 1st quarter	-	-	-	(53,746)	-	-	-	(39,190)	(39,190)		
Unrealized loss on revaluation of investments	-	-	-	(53,746)	-	-	-	-	(53,746)		
Balance as on December 31, 2008	213,775	5,496	12,000	140,707	96,988	4,000	100,988	(207,452)	285,514		
Consolidated											
Balance as on October 01, 2007	213,775	5,496	12,000	98,913	44,975	4,000	48,975	22,023	383,686		
Net profit for the first quarter	-	-	-	6,529	-	-	-	8,969	8,969		
Unrealized gain on revaluation of investments	-	-	-	6,529	-	-	-	-	6,529		
Balance as on December 31, 2007	213,775	5,496	12,000	105,442	44,975	4,000	48,975	30,992	389,184		
Net loss for the next three quarters	-	-	-	(56,671)	-	-	-	(69,738)	(69,738)		
Unrealized loss on revaluation of investments	-	-	-	(56,671)	-	-	-	-	(56,671)		
Balance as on September 30, 2008	213,775	5,496	12,000	48,771	44,975	4,000	48,975	(38,746)	272,775		
Net loss for the first quarter	-	-	-	(26,510)	-	-	-	(72,578)	(72,578)		
Unrealized loss on revaluation of investments	-	-	-	(26,510)	-	-	-	-	(26,510)		
Balance as on December 31, 2008	213,775	5,496	12,000	22,261	44,975	4,000	48,975	(111,324)	173,687		

The annexed notes form an integral part of these financial statements


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2008 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

Crescent Sugar Mills and Distillery Limited is a public limited company incorporated in March 1959 in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The Shares of the company are quoted on all Stock Exchanges of Pakistan. The company is engaged in manufacturing and sale of sugar, distillate and yarn. The company also operates an embroidery unit.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES

3.1 Accounting policies used for preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended September 30, 2008.

3.2 Consolidated information includes financial results of Crescot Mills Limited, 66.15 percent owned subsidiary company and Karachi Bulk Storage and Terminals (Pvt) Limited, 99.99 percent owned subsidiary company.

4. SEASONALITY OF OPERATIONS

The company is, inter alia, engaged in manufacturing of sugar for which the season begins in November and ends in March/April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the company's financial year thus increasing volume of inventories and financing.

(RUPEES IN THOUSAND)

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	December 31, 2008	September 30, 2008
5,509,767 (2008: 5,509,767) ordinary shares of Rupees 10 each fully paid up in cash	55,098	55,098
15,709,697 (2008: 15,709,697) ordinary shares of Rupees 10 each issued as fully paid bonus shares	157,097	157,097
158,014 (2008:158,014) ordinary shares of Rupees 10 each issued as fully paid up to Pakistan Industrial Credit and Investment Corporation Limited against their right of option for conversion of debentures pursuant to a loan agreement	1,580	1,580
	<u>213,775</u>	<u>213,775</u>

(RUPEES IN THOUSAND)

	THE COMPANY		CONSOLIDATED	
	December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008
6. LONG TERM FINANCING - SECURED				
Opening balance	90,076	117,459	137,020	178,759
Add : Finances acquired	-	-	-	-
	<u>90,076</u>	<u>117,459</u>	<u>137,020</u>	<u>178,759</u>
Less: Paid during the period/year	10,743	27,383	12,993	41,739
	<u>79,333</u>	<u>90,076</u>	<u>124,027</u>	<u>137,020</u>
Less: Current portion	30,248	40,991	39,248	49,991
	<u>49,085</u>	<u>49,085</u>	<u>84,779</u>	<u>87,029</u>
UN-SECURED				
Director loan	-	-	1,200	1,200
	<u>49,085</u>	<u>49,085</u>	<u>85,979</u>	<u>88,229</u>

7. COMMITMENTS

Commitments for capital expenditures as at balance sheet date amount to Rupees 3.940 (September 30, 2008: Rupees 4.457 million). Commitments for expenditures other than capital are amounting to Rupees 0.890 million (September 30, 2008: Rupees 0.318 million).

(RUPEES IN THOUSAND)

	Note	THE COMPANY		CONSOLIDATED	
		December 31, 2008	September 30, 2008	December 31, 2008	September 30, 2008
8. PROPERTY, PLANT AND EQUIPMENT					
Operating fixed assets - tangible	(8.1)	387,486	397,109	396,010	405,875
Assets subject to finance lease	(8.2)	29,725	30,502	29,898	30,696
Capital work-in-progress		451	451	451	451
		<u>417,662</u>	<u>428,062</u>	<u>426,359</u>	<u>437,022</u>
8.1 OPERATING FIXED ASSETS- Tangible					
Book value at the beginning of the period / year		397,109	391,771	405,875	402,012
Add : Additions/transfers during the period/year (8.1.1)		287	67,106	298	67,166
Less : Deletions during the period/year		-	1,073	-	1,097
		<u>397,396</u>	<u>457,804</u>	<u>406,173</u>	<u>468,081</u>
Less: Depreciation during the period/year		9,910	43,168	10,163	44,703
Add: Adjustment on disposal/transfer during the period/year		-	(17,527)	-	(17,503)
Book value at the end of the period/year		<u>387,486</u>	<u>397,109</u>	<u>396,010</u>	<u>405,875</u>
8.1.1 Additions during the period/year					
Plant and machinery		-	63,513	-	63,513
Tools and equipments		-	1,104	11	1,104
Furniture and fixtures		36	647	36	647
Vehicles		57	1,329	57	1,367
Office equipments		194	513	194	535
		<u>287</u>	<u>67,106</u>	<u>298</u>	<u>67,166</u>
8.2 ASSETS SUBJECT TO FINANCE LEASE					
Book value at the beginning of the period / year		30,502	67,368	30,696	67,610
Add : Additions during the period/year		-	-	-	-
Less : Deletions/transfers during the period/year		-	51,913	-	51,913
		<u>30,502</u>	<u>15,455</u>	<u>30,696</u>	<u>15,697</u>
Less: Depreciation during the period/year		777	3,470	798	3,518
Add: Adjustment on disposal/transfer during the period/year		-	18,517	-	18,517
Book value at the end of the period/year		<u>29,725</u>	<u>30,502</u>	<u>29,898</u>	<u>30,696</u>