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Crescent Sugar Mills And Distillery Limited



**QUARTERLY UN-AUDITED
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2007**

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. Abid Mehmood (Chairman)
Mr. Khalid Bashir
Mr. Muhammad Anwar

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

BANKERS

Habib Metropolitan Bank Limited
National Bank of Pakistan
Saudi Pak Commercial Bank Limited

AUDITORS

M/s Riaz Ahmad & Co.
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 2007	September 30 2007
Associated Companies		
Sales	13,818	110,420
Dividend income	1,036	3,695
Insurance charges	3,670	3,789
Subsidiary Company		
Rental expense	225	900

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 30, 2008.

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, 2007. During the period under review, your company sustained an after tax loss of Rupees 19.062 Million (December 31, 2006 : Profit of Rupees 1.243 Million).

Turnover for the first quarter of the current year stood at Rs. 560.919 Million whereas, the turnover figures during the same period in year 2006 were Rs. 571.126 Million. Cost of sales percentage in the period under review stood at 98.50 % upto December 31, 2007 which was around 94.30% upto December 31, 2006.

The sugar division milled 154,026 M.Tons of sugarcane during the period under review (2006 : 124,408 M Tons) and produced 10,372 M.Tons of white sugar (2006 : 8,150 M. Tons) at a recovery percentage of 7.16 (2006 : 7.09 %). The production figures reflect a slightly better performance when comparison is made to the figures of the corresponding period. The current figures reflected working days of 59 days whereas, during the same period last year, the factory worked for around 54 days.

As reported in our annual report we are confronting with a situation where low variety seed such as CPF-238 is being cultivated in vast areas. This variety is preferred by the sugarcane grower as it requires less water and gives better per acre yield. The other variety which the cultivators prefer is COJ-1148 which is commonly known as Indian Variety which is also low maturity variety Both of these varieties carry low sucrose contents and thus have a telling affect on our overall recovery percentage.

The sugarcane procurement price is on a continuous rise as the government has revised the support price and in addition to this, we are also incurring huge expenditure, as we have to transport sugarcane from far flung areas. Though this year, the supply of sugarcane remained stable when comparison is made to the previous years' but as the season is passing by, more and more mills are making vigorous efforts to attract sugarcane from the adjoining areas and we might also have to join this race and as a result of this, might end up in incurring additional expenditure in this head. The sugarcane recovery percentage is low and has also been adversely affected by heavy frost attack in the last few days. This situation does not augur well for the sugar industry and we are once again foreseeing a difficult year. The price of sugar is continuously under pressure and we are forced to sell sugar at below cost prices. We feel that unless and until the additional quantity is exported, we would not be able to achieve an economically viable price and resultantlly, the sugar industry will again have to bear heavy losses.

Our association is extensively engaged in negotiations with the government to chalk out some strategy to save this industry from the upcoming disaster. Owing to these reasons, we are not anticipating any improvement in the results for the remaining period of the current year.

During the current season, the company produced 7,010 M.Tons of molasses as against 5,401 M.Tons produced during the same period of last year. The Distillery division consumed 690 M.Tons of molasses and produced 138,377 Liters. Last year the distillery unit produced 195,158 Liters during the same period.

The textile division worked for 92 days upto December 31, 2007 and produced 4.707 Million Kgs. of Yarn when converted into 20/s. During the same period of last year, the company produced 4.679 Million Kgs. of Yarn after working for the same number of days. The results for the first quarter in this division are also not encouraging. The major factor responsible for this is the high raw material prices which showed a rapid increase of around 23 percent this year. Though the prices of end products have responded positively to this increase but this rise is not sufficient enough to offset the additional cost we are incurring on the purchase of raw material. To make the conditions further worse, the curtailment in supply of power as well as sui gas has completely disturbed the production of yarn. Owing to these circumstances, we fear that if these conditions persist it would be a difficult year for the textile industry.

For and on behalf of
the Board of Directors.


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD:
January 30, 2008

CRESCENT SUGAR MILLS

BALANCE SHEET

NOTE	UNAUDITED		AUDITED	
	(RUPEES IN THOUSAND)			
	THE COMPANY	CONSOLIDATED		
	December 31 2007	September 30 2007	December 31 2007	September 30 2007
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
30,000,000 (Sep 30, 2007: 30,000,000) ordinary shares of Rupees 10 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid up share capital	5 213,775	213,775	213,775	213,775
Capital reserves	455,777	426,833	105,442	98,913
Revenue reserves	100,988	100,988	48,975	48,975
Accumulated (loss)/ profit	<u>(145,799)</u>	<u>(123,878)</u>	<u>30,992</u>	<u>22,023</u>
	624,741	617,718	399,184	383,686
NON-CURRENT LIABILITIES				
Long term borrowings	6 77,955	79,333	131,522	134,399
Liabilities against assets subject to finance lease	1,734	2,398	1,734	2,398
Employees' retirement gratuity	8,547	8,311	10,859	10,623
	88,236	90,042	144,115	147,420
CURRENT LIABILITIES				
Trade and other payables	373,673	195,401	414,239	217,712
Accrued markup	21,107	27,461	32,074	38,427
Short term finances	651,479	472,917	651,479	488,685
Current portion of long term liabilities	36,079	41,436	43,035	48,870
Provision for taxation	9,803	6,944	16,075	13,269
	1,092,141	744,159	1,156,902	806,963
COMMITMENTS				
	7 -	-	-	-
	<u>1,805,118</u>	<u>1,451,919</u>	<u>1,700,201</u>	<u>1,338,069</u>

The annexed notes form an integral part of these accounts.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER

	(RUPEES IN THOUSAND)			
	SUGAR UNIT		DISTILLERY UNIT	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	240,078	200,505	304,382	275,751
Raw material consumed	(1,691)	(3,359)	-	-
Molasses (transfer)/purchased	6,984	5,811	28,950	27,188
Salaries, wages and other benefits	9,464	8,750	13,887	12,639
Store, spare parts and loose tools	3,877	10,906	34,979	39,083
Fuel and power	3,322	3,332	972	183
Repair and maintenance	624	503	1,163	626
Other manufacturing overheads	187	316	760	562
Insurance	1,646	1,720	9,082	8,469
Depreciation and amortization	264,491	228,484	394,175	364,501
	8,912	10,189	9,736	13,129
Work-in-process	(22,754)	(27,094)	(9,184)	(12,498)
Opening stock	(13,842)	(16,905)	552	631
Closing stock	250,649	211,579	394,727	365,132
Cost of goods manufactured	250,649	211,579	395,462	365,842
Cost of finished goods purchased	250,649	211,579	395,462	365,842
	59,386	58,435	65,245	43,532
Finished goods	(146,075)	(89,877)	(72,647)	(55,213)
Opening stock	(86,689)	(31,442)	(7,402)	(11,681)
Closing stock	163,960	180,137	388,060	354,161
	544,460	544,460	544,460	476,256
	-	-	-	-
	36,307	36,307	36,307	33,441
	23,703	23,703	23,703	21,851
	38,856	38,856	38,856	50,007
	4,330	4,330	4,330	3,586
	1,787	1,787	1,787	1,129
	1,015	1,015	1,015	926
	10,750	10,750	10,750	10,213
	661,208	661,208	661,208	597,409
	18,648	18,648	18,648	23,318
	(31,938)	(31,938)	(31,938)	(39,592)
	(13,290)	(13,290)	(13,290)	(16,274)
	647,918	647,918	647,918	581,135
	735	735	735	710
	648,653	648,653	648,653	581,845
	144,676	144,676	144,676	118,498
	(240,775)	(240,775)	(240,775)	(161,774)
	(96,099)	(96,099)	(96,099)	(43,276)
	552,554	552,554	552,554	538,569

14.2 COST OF GOODS SOLD / SERVICES RENDERED

SUMMARISED WORKING RESULTS OF EACH LINE OF BUSINESS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2007-CONSOLIDATED

	(RUPEES IN THOUSAND)										
	SUGAR UNIT		DISTILLERY UNIT		TEXTILE UNITS		BULK STORAGE		CONSOLIDATED		
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	
14. Sales and services	(14.1)	144,841	184,964	1,568	4,518	414,510	381,644	4,818	10,033	565,737	581,159
Cost of goods sold/services rendered	(14.2)	163,960	180,137	534	4,271	388,060	354,161	-	-	552,554	538,569
Gross (loss)/ profit		(19,119)	4,827	1,034	247	26,450	27,483	4,818	10,033	13,183	42,590
Distribution cost		155	187	422	266	3,882	4,905	205	302	4,664	5,660
Administrative expenses		7,898	7,151	10	22	7,660	8,110	3,105	5,632	18,673	20,915
Other operating expenses		25	-	-	-	115	1,181	-	-	140	1,181
		8,078	7,338	432	288	11,657	14,196	3,310	5,934	23,477	27,756
Operating (loss)/ profit		(27,197)	(2,511)	602	(41)	14,793	13,287	1,508	4,099	(10,294)	14,834
Other operating income		9,413	7,304	-	-	553	569	-	-	9,966	7,873
Finance cost		(17,784)	4,793	602	(41)	15,346	13,856	1,508	4,099	(328)	22,707
(Loss)/ profit from operations		3,739	3,238	-	-	14,354	13,992	1,173	2,694	19,266	19,924
		(21,523)	1,555	602	(41)	992	(136)	335	1,405	(19,594)	2,783
14.1 SALES AND SERVICES											
Main products / services		131,023	170,219	1,568	4,789	406,642	375,900	4,818	10,033	544,051	560,941
Molasses (By-Product)		13,818	14,745	-	-	9,849	9,641	-	-	13,818	14,745
Waste		144,841	184,964	1,568	4,789	416,491	385,511	4,818	10,033	567,718	585,297
Less: Commission / rebate to selling agents		-	-	-	271	1,981	3,867	-	-	1,981	4,138
		144,841	184,964	1,568	4,518	414,510	381,644	4,818	10,033	565,737	581,159

**AND DISTILLERY LIMITED
AS AT DECEMBER 31, 2007**

NOTE		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
		(RUPEES IN THOUSAND)				
		THE COMPANY		CONSOLIDATED		
		December 31, 2007	September 30, 2007	December 31, 2007	September 30, 2007	
	ASSETS					
	NON-CURRENT ASSETS					
	Property, plant and equipment	8	447,976	459,406	458,028	469,889
	Long term investments	9	74,490	75,576	290,986	261,455
	Long term deposits		5,147	5,147	6,379	6,379
			527,613	540,129	755,393	737,723
	CURRENT ASSETS					
	Stores, spares and loose tools		56,018	64,242	61,011	69,174
	Stock-in-trade		554,591	231,242	556,150	232,801
	Trade debts		82,267	74,504	98,372	90,796
	Advances		29,810	18,309	45,940	18,510
	Prepayments and balances with statutory authorities		18,264	16,733	24,850	23,709
	Other receivables		32,801	34,837	34,390	50,897
	Short term investments	10	487,569	458,579	104,198	97,808
	Cash and bank balances		16,185	13,344	19,897	16,651
			1,277,505	911,790	944,808	600,346
			<u>1,805,118</u>	<u>1,451,919</u>	<u>1,700,201</u>	<u>1,338,069</u>


ABID MEHMOOD
 DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2007 (UN-AUDITED)

(RUPEES IN THOUSAND)				
Note	THE COMPANY		CONSOLIDATED	
	December 31 2007	December 31 2006	December 31 2007	December 31 2006
SALES AND SERVICES	560,919	571,126	565,737	581,159
COST OF GOODS SOLD 11	552,554	538,569	552,554	538,569
GROSS PROFIT	8,365	32,557	13,183	42,590
DISTRIBUTION COST	4,459	5,358	4,664	5,660
ADMINISTRATIVE EXPENSES	15,512	15,193	18,673	20,915
OTHER OPERATING EXPENSES	140	1,181	140	1,181
	20,111	21,732	23,477	27,756
OPERATING (LOSS)/ PROFIT	(11,746)	10,825	(10,294)	14,834
OTHER OPERATING INCOME 12	10,777	7,648	9,966	7,873
	(969)	18,473	(328)	22,707
FINANCE COST	18,093	17,230	19,266	19,924
	(19,062)	1,243	(19,594)	2,783
SHARE OF PROFIT FROM ASSOCIATED COMPANIES	-	-	31,468	6,361
(LOSS)/ PROFIT BEFORE TAXATION	(19,062)	1,243	11,874	9,144
TAXATION	2,859	2,894	2,905	2,946
(LOSS)/ PROFIT AFTER TAXATION	(21,921)	(1,651)	8,969	6,198
ACCUMULATED (LOSS)/ PROFIT BROUGHT FORWARD	(123,878)	(72,288)	22,023	(640)
ACCUMULATED (LOSS)/ PROFIT CARRIED FORWARD	(145,799)	(73,939)	30,992	5,558
(LOSS)/ EARNINGS PER SHARE - Basic and Diluted (Rupees)	(1.03)	(0.08)	0.42	0.29

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

	(RUPEES IN THOUSAND)			
	SUGAR UNIT	DISTILLERY UNIT	TEXTILE UNITS	TOTAL
	December 31, 2007	December 31, 2007	December 31, 2007	December 31, 2006
Raw material consumed	240,078	-	304,382	544,460
Molasses (transfer)/purchased	(1,691)	1,691	-	-
Salaries, wages and other benefits	6,984	3,359	28,950	36,307
Store, spare parts and loose tools	9,464	442	13,887	23,703
Fuel and power	3,877	462	34,979	38,856
Repair and maintenance	3,322	18	972	4,330
Other manufacturing overheads	624	71	1,163	1,787
Insurance	187	-	760	1,015
Depreciation and amortization	1,646	48	9,082	10,750
	264,491	24	394,175	661,208
	228,484	4,424	8,469	10,213
Work-in-process	8,912	-	13,129	18,648
Operating stock	(22,754)	-	(9,184)	(31,938)
Closing stock	(13,842)	-	552	(13,290)
	250,649	2,542	394,727	647,918
Cost of goods manufactured	-	4,424	735	581,135
Cost of finished goods purchased	250,649	4,424	395,462	648,653
Finished goods	59,386	18,486	65,245	143,117
Operating stock	(146,075)	(20,494)	(72,647)	(239,216)
Closing stock	(86,689)	(2,008)	(7,402)	(96,099)
	163,960	534	388,060	552,554
	180,137	4,271	354,161	538,569

13.2 COST OF GOODS SOLD

SUMMARISED WORKING RESULTS OF EACH LINE OF BUSINESS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2007-COMPANY

	NOTE	(RUPEES IN THOUSAND)							
		SUGAR UNIT		DISTILLERY UNIT		TEXTILE UNITS		TOTAL	
		December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
13. Sales	(13.1)	144,841	184,964	1,568	4,518	414,510	381,644	560,919	571,126
Cost of goods sold	(13.2)	163,960	180,137	534	4,271	388,060	354,161	552,554	538,569
Gross (loss)/profit		(19,119)	4,827	1,034	247	26,450	27,483	8,365	32,557
Distribution cost		155	187	422	266	3,882	4,905	4,459	5,358
Administrative expenses		7,898	7,151	10	22	7,604	8,020	15,512	15,193
Other operating expenses		25	-	432	-	115	1,181	140	1,181
		8,078	7,338	432	288	11,601	14,106	20,111	21,732
Operating (loss)/ profit		(27,197)	(2,511)	602	(41)	14,849	13,377	(11,746)	10,825
Other operating income		10,449	7,304	-	-	328	344	10,777	7,648
Finance cost		(16,748)	4,793	602	(41)	15,177	13,721	(969)	18,473
(Loss)/ profit before taxation		3,739	3,238	-	-	14,354	13,992	18,093	17,230
		(20,487)	1,555	602	(41)	823	(271)	(19,062)	1,243
13.1 SALES									
Main products		131,023	170,219	1,568	4,789	406,642	375,900	539,233	550,908
Molasses (By-Product)		13,818	14,745	-	-	-	-	13,818	14,745
Waste		144,841	184,964	1,568	4,789	9,849	9,611	9,849	9,611
Less: Commission / rebate to selling agents		-	-	-	271	1,981	3,867	1,981	4,138
		144,841	184,964	1,568	4,518	414,510	381,644	560,919	571,126

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2007 (UNAUDITED)

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(19,062)	1,243	11,874	9,144
Adjustments for non-cash charges and other items:				
Depreciation	11,503	11,049	12,094	11,145
Provision for gratuity	236	760	236	1,010
(Profit)/Loss on disposal of operating fixed assets	(259)	(123)	(259)	(123)
Gain on sale of investments	(8,197)	(5,230)	(8,197)	(5,230)
Share of profit from associated companies	-	-	(31,468)	(6,361)
Finance cost	18,093	17,230	19,266	19,924
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	2,314	24,929	3,546	29,509
CASH FLOWS FROM WORKING CAPITAL CHANGES				
(INCREASE)/DECREASE IN CURRENT ASSETS				
Stores, spare parts and loose tools	8,224	2,139	8,163	2,144
Stock in trade	(323,349)	(301,155)	(323,349)	(301,155)
Trade debts	(7,763)	(57,694)	(7,576)	(58,640)
Advances	(11,501)	(5,558)	(27,430)	(5,355)
Prepayments and balances with statutory authorities	(318)	(307)	1,004	(893)
Other receivables	2,036	(6,722)	16,507	(7,431)
INCREASE/(DECREASE) IN CURRENT LIABILITIES				
Trade and other payables	178,272	143,582	196,527	153,748
Short term finances	178,562	240,246	162,794	240,246
NET CASH (USED IN) / GENERATED FROM WORKING CAPITAL CHANGES	24,163	14,531	26,640	22,664
CASH GENERATED FROM OPERATIONS	26,477	39,460	30,186	52,173
Finance cost paid	(24,447)	(5,378)	(24,682)	(14,081)
Income tax paid	(1,213)	(2,706)	(2,145)	(2,617)
	(25,660)	(8,084)	(26,827)	(16,698)
NET CASH GENERATED FROM OPERATING ACTIVITIES	817	31,376	3,359	35,475

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31 2007	December 31 2006	December 31 2007	December 31 2006
CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditure	(114)	(6,037)	(274)	(6,037)
Proceeds from sale of operating fixed assets	300	142	300	142
Proceeds from sale of investments	9,238	8,456	9,238	8,456
Long term deposits	-	-	-	88
NET CASH USED IN INVESTING ACTIVITIES	9,424	2,561	9,264	2,649
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term finances	(6,006)	-	(7,983)	(6,265)
Long term finances acquired	-	356	-	356
Repayment of finance lease liabilities	(1,394)	(3,603)	(1,394)	(3,603)
NET CASH USED IN FINANCING ACTIVITIES	(7,400)	(3,247)	(9,377)	(9,512)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,841	30,690	3,246	28,612
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,344	19,166	16,651	24,853
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16,185	49,856	19,897	53,465

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

11. COST OF GOODS SOLD

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31 2007	December 31 2006	December 31 2007	December 31 2006
Raw material consumed	544,460	476,256	544,460	476,256
Salaries, wages and other benefits	36,307	33,441	36,307	33,441
Store, spare parts and loose tools	23,703	21,851	23,703	21,851
Fuel and power	38,856	50,007	38,856	50,007
Repair and maintenance	4,330	3,586	4,330	3,586
Other manufacturing overheads	1,787	1,129	1,787	1,129
Insurance	1,015	926	1,015	926
Depreciation and amortization	10,750	10,213	10,750	10,213
	661,208	597,409	661,208	597,409
Work-in-process				
Opening stock	18,648	23,318	18,648	23,318
Closing stock	(31,938)	(39,592)	(31,938)	(39,592)
	(13,290)	(16,274)	(13,290)	(16,274)
Cost of goods manufactured	647,918	581,135	647,918	581,135
Cost of finished goods purchased	735	710	735	710
	648,653	581,845	648,653	581,845
Finished goods:				
Opening stock	143,117	116,939	144,676	118,498
Closing stock	(239,216)	(160,215)	(240,775)	(161,774)
	(96,099)	(43,276)	(96,099)	(43,276)
	552,554	538,569	552,554	538,569

12. OTHER OPERATING INCOME

Gain on sale of investments	8,197	5,230	8,197	5,230
Gain on disposal of operating fixed assets	259	123	259	123
Dividend income	1,036	-	-	-
Stores, scrap and mud sales	1,264	2,271	1,264	2,271
Rental income	-	-	225	225
Miscellaneous income	21	24	21	24
	10,777	7,648	9,966	7,873

9. LONG TERM INVESTEMENTS	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	December 31 2007	September 30 2007	December 31 2007	September 30 2007
Long term Investments-Available for sale	50,542	50,542	53,674	54,329
Add :-				
Unrealized gain on revaluation of investments	23,948	25,034	11,866	12,112
Share of Post acquisition profits	-	-	225,446	195,014
	<u>23,948</u>	<u>25,034</u>	<u>237,312</u>	<u>207,126</u>
	<u>74,490</u>	<u>75,576</u>	<u>290,986</u>	<u>261,455</u>

10.SHORT TERM INVESTMENTS – Available for sale

RELATED PARTIES:

QUOTED

Shakarganj Mills Limited

2,388,192 (2007: 2,431,692) ordinary shares of Rupees 10 each fully paid

24,395 24,839

The Crescent Textile Mills Limited

2,681,875 (2007: 2,438,069) ordinary shares of Rupees 10 each fully paid

17,909 17,909

Crescent Steel and Allied Products Limited

1,035,862 (2007 : 1,105,862) ordinary shares of Rupees 10 each fully paid

2,814 3,025

OTHERS:

QUOTED

Crescent Commercial Bank Limited

4,973,666 (2007 : 5,041,666) ordinary shares of Rupees 10 each fully paid

28,118 28,503

73,236 74,276

414,333 384,303

Add: Fair value adjustment

487,569 458,579

28,118 28,503

76,080 69,305

104,198 97,808

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED


STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED DECEMBER 31, 2007 (UNAUDITED) (RUPEES IN THOUSAND)

The Company	CAPITAL RESERVES		SUB TOTAL		REVENUE RESERVES		Sub TOTAL		ACCUMULATED PROFIT/(LOSS)	TOTAL
	SHARE CAPITAL	Premium on Issue of Shares	Plant modernisation	Unrealized gain on revaluation of investments	General	Dividend equalization	Sub TOTAL	TOTAL		
Balance as on October 01, 2006	213,775	5,496	12,000	164,219	181,715	96,988	4,000	100,988	(72,288)	424,190
Net loss for the 1st quarter	-	-	-	-	-	-	-	-	(1,651)	(1,651)
Unrealized gain on revaluation of investments	-	-	-	14,572	14,572	-	-	-	-	14,572
Balance as on December 31, 2006	213,775	5,496	12,000	178,791	196,287	96,988	4,000	100,988	(73,939)	437,111
Net loss for the next three quarters	-	-	-	-	-	-	-	-	(49,939)	(49,939)
Unrealized gain on revaluation of investments	-	-	-	230,546	230,546	-	-	-	-	230,546
Balance as on September 30, 2007	213,775	5,496	12,000	409,337	426,833	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	-	-	-	-	28,944
Balance as on December 31, 2007	213,775	5,496	12,000	438,281	455,777	96,988	4,000	100,988	(145,799)	624,741
Consolidated										
Balance as on October 01, 2006	213,775	5,496	12,000	53,893	71,389	44,975	4,000	48,975	(6,40)	333,499
Net profit for the first quarter	-	-	-	-	-	-	-	-	6,198	6,198
Unrealized gain on revaluation of investments	-	-	-	3,859	3,859	-	-	-	-	3,859
Balance as on December 31, 2006	213,775	5,496	12,000	57,752	75,248	44,975	4,000	48,975	5,588	343,556
Net profit for the next three quarters	-	-	-	-	-	-	-	-	16,465	16,465
Unrealized gain on revaluation of investments	-	-	-	23,665	23,665	-	-	-	-	23,665
Balance as on September 30, 2007	213,775	5,496	12,000	81,417	98,913	44,975	4,000	48,975	22,023	383,686
Net profit for the first quarter	-	-	-	-	-	-	-	-	8,969	8,969
Unrealized gain on revaluation of investments	-	-	-	6,529	6,529	-	-	-	-	6,529
Balance as on December 31, 2007	213,775	5,496	12,000	87,946	105,442	44,975	4,000	48,975	30,992	399,184

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, 2007 (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, 2007.

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.

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	(RUPEES IN THOUSAND)	
	December 31 2007	September 30 2007
5,509,767 (2007: 5,509,767) ordinary shares of Rupees 10 each fully paid up in cash	55,098	55,098
15,709,697 (2007: 15,709,697) ordinary shares of Rupees 10 each issued as fully paid bonus shares	157,097	157,097
158,014 (2007:158,014) 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 2007	September 30 2007	December 31 2007	September 30 2007
6. LONG TERM BORROWING - SECURED				
Opening balance	117,459	133,601	178,759	199,621
Add : Finances acquired	-	356	-	356
	<u>117,459</u>	<u>133,957</u>	<u>178,759</u>	<u>199,977</u>
Less: Paid during the period/year	6,006	16,498	7,983	21,218
	<u>111,453</u>	<u>117,459</u>	<u>170,776</u>	<u>178,759</u>
Less: Current portion	33,498	38,126	40,454	45,560
	<u>77,955</u>	<u>79,333</u>	<u>130,322</u>	<u>133,199</u>
UN-SECURED				
Director loan	-	-	1,200	1,200
	<u>77,955</u>	<u>79,333</u>	<u>131,522</u>	<u>134,399</u>

7. COMMITMENTS

Contracts for capital expenditure amount to Rupees 3.008 (September 30, 2007: Rupees 3.008 million). Commitments for expenditure other than capital amount to Rupees 87.157 million (September 30, 2007: Rupees 9.140 million).

	Note	THE COMPANY		CONSOLIDATED	
		December 31 2007	September 30 2007	December 31 2007	September 30 2007
8. PROPERTY, PLANT AND EQUIPMENT					
Operating fixed assets - tangible	(8.1)	382,052	391,771	391,886	402,012
Assets subject to finance lease	(8.2)	65,657	67,368	65,875	67,610
Capital work-in-progress		267	267	267	267
		<u>447,976</u>	<u>459,406</u>	<u>458,028</u>	<u>469,889</u>
8.1 OPERATING FIXED ASSETS- Tangible					
Book value at the beginning of the period / year		391,771	319,344	402,012	330,710
Add : Additions during the period/year	(8.1.1)	114	113,057	274	113,177
Less : Deletions during the period/year		624	2,632	624	2,657
		<u>391,261</u>	<u>429,769</u>	<u>401,662</u>	<u>441,230</u>
Less: Depreciation during the period/year		9,792	38,377	10,359	39,622
Add: Adjustment on disposal during the period/year		583	379	583	404
Book value at the end of the period/year		<u>382,052</u>	<u>391,771</u>	<u>391,886</u>	<u>402,012</u>
8.1.1 Additions during the period/year					
Land-Freehold		-	73	-	73
Buildings and roads on freehold land		-	7,791	-	7,791
Plant and machinery		23	103,717	183	103,837
Tools and equipments		-	6	-	6
Furniture and fixtures		47	521	47	521
Vehicles		-	735	-	735
Office equipments		44	214	44	214
		<u>114</u>	<u>113,057</u>	<u>274</u>	<u>113,177</u>
8.2 ASSETS SUBJECT TO FINANCE LEASE					
Book value at the beginning of the period / year		67,368	76,638	67,610	76,940
Add : Additions during the period/year		-	18	-	18
Less : Deletions/transfers during the period/year		-	2,268	-	2,268
		<u>67,368</u>	<u>74,388</u>	<u>67,610</u>	<u>74,690</u>
Less: Amortization during the period/year		1,711	7,635	1,735	7,695
Add: Adjustment on disposal during the period/year		-	615	-	615
Book value at the end of the period/year		<u>65,657</u>	<u>67,368</u>	<u>65,875</u>	<u>67,610</u>