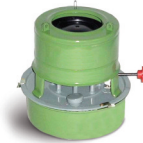


CONDENSED INTERIM REPORT FOR THE NINE MONTHS PERIOD ENDED MARCH 2011



PART OF A CHANGING WORLD



Crescent Steel &
Allied Products Ltd.



Crescent Steel &
Allied Products Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mazhar Karim	<i>Chairman, Non-Executive Director</i>
Ahsan M. Saleem	<i>Chief Executive & Managing Director</i>
Mohammad Anwar	<i>Non-Executive Director</i>
Muhammad Abdul Aleem	<i>Non-Executive Director (Independent)</i>
Nasir Shafi	<i>Non-Executive Director</i>
S.M. Ehtishamullah	<i>Non-Executive Director</i>
Syed Zahid Hussain	<i>Non-Executive Director (Independent)</i>
Zahid Bashir	<i>Non-Executive Director</i>

M. Saad Thaniana *Company Secretary*

AUDIT COMMITTEE

Muhammad Abdul Aleem	<i>Chairman</i>
Nasir Shafi	
S.M. Ehtishamullah	

Ernst & Young Ford Rhodes
Sidat Hyder & Co.
(Sharjeel Jamil Ahmed -
Engagement Partner) *Head of Internal Audit*

HUMAN RESOURCE COMMITTEE

Ahsan M. Saleem	<i>Chairman</i>
Nasir Shafi	

EXECUTIVE COMMITTEE

Ahsan M. Saleem	<i>Chairman</i>
Iqbal Zafar Siddiqui	
M. Saad Thaniana	

BUSINESS STRATEGY COMMITTEE

Ahsan M. Saleem	<i>Chairman</i>
Abdul Rouf	
Arif Raza	
Iqbal Zafar Siddiqui	
M. Saad Thaniana	

SYSTEM AND TECHNOLOGY COMMITTEE

Ahsan M. Saleem	<i>Chairman</i>
M. Saad Thaniana	
Shahid H. Mir	

INVESTMENT COMMITTEE

Ahsan M. Saleem	<i>Chairman</i>
M. Saad Thaniana	
Mohammad Yamin	

SOCIAL INVESTMENT COMMITTEE

M. Saad Thaniana	<i>Chairman</i>
Abdul Rouf	
Iqbal Zafar Siddiqui	

THE MANAGEMENT

Chief Executive and
Managing Director
Ahsan M. Saleem, 57
1983*

Chief Financial Officer
M. Saad Thaniana, 43
2007*

BU Head - Steel Division
Iqbal Zafar Siddiqui, 60
2008*

BU Head - Cotton Division
Abdul Rouf, 50
2000*

Human Resource Advisor
Ehsan Durrani, 62
2008*

Head of Marketing
Steel Division
Arif Raza, 48
1985*

* Year joined Company



Crescent Steel &
Allied Products Ltd.

DIRECTORS' REVIEW

Dear Shareholders

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the nine months period ended 31 March 2011.

ECONOMIC OUTLOOK

This year, so far has been a very challenging one for Pakistan both in terms of natural disasters such as the catastrophic flood and worsening economic situation. Excessive Government borrowings to meet expenditure on security and flood affectees still continue to plague the economy in the shape of inflation and circular debt. As a result, economic space available to the Government has been severely impaired. Government had to resort to harsh measures to restrict fiscal deficit which has created very onerous conditions for business and industry. Gas and power shortages have added to the woes of industry.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall financial performance

The Company's profit after taxation for the nine months period and quarter ended 31 March 2011 stood at Rs. 467.3 million and Rs. 197.5 million respectively as compared to Rs. 333 million and Rs. 83.2 million respectively for the corresponding periods last year. Despite the economic challenges, earnings per share (EPS) for the current period and quarter stood at Rs. 8.28 and Rs. 3.5 respectively in comparison to Rs. 5.9 and Rs. 1.47 respectively for the same periods last year, with substantial contribution coming from the Cotton segment which contributed Rs. 371.2 million to the total profit before taxation of Rs. 655.3 million.

On Group basis (including the results of the wholly owned subsidiary company Shakarganj Energy (Private) Limited (SEL)), consolidated profit after taxation for the period amounted to Rs. 625.4 million (Q3FY11: Rs. 244 million) and EPS stood at Rs. 11.08 (Q3FY11: Rs. 4.32). In the condensed interim consolidated financial information, investments in associates have been accounted for under the equity method of accounting. Share of

profit (net) from associates during the nine months period amounted to Rs. 156.1 million.

Summary of operating results as per unconsolidated financial information

- Sales revenue (net) for 9MFY11 and Q3FY11 was up by 36.9% (i.e. Rs. 900.1 million) and 54.3% (Rs. 467 million) as compared to 9MFY10 and Q3FY10 respectively.
- Gross profit margin for the current period was 23.5% as compared to 21.1% for the corresponding period last year.
- EBIT stood at Rs. 762.4 million for the current period (Q3FY11: Rs. 318.9 million) as compared to Rs. 535 million in 9MFY10 (Q3FY10: Rs. 174 million) with major contribution of Rs. 460.7 million from the Cotton segment.
- EBITDA for the nine months period amounted to Rs. 891.5 million (Q3FY11: Rs. 362 million) as compared to Rs. 672.9 million in 9MFY10 (Q3FY10: Rs. 220.6 million).
- EPS stood at Rs. 8.28 for the current period (9MFY10: Rs. 5.9).
- Return on average capital employed (annualized) during the current period increased to 27.1% from 21.5% for the same period last year.
- Return on average equity (annualized) was 22.3% for the current period as compared to 18% for the period ended 31 March 2010.
- Break-up value per share increased to Rs. 52.4 from Rs. 46.5 as at 30 June 2010.

BUSINESS SEGMENTS

Steel segment

Segment performance

Sales revenue (net) for the nine months period ended 31 March 2011 amounted to Rs. 920.2 million (9MFY10: Rs. 908.8 million). Revenue for 9MFY11 was higher by 1.3%; whereas, gross profit was lower by 18.3% and stood at Rs. 253.7 million as compared to Rs. 310.5 million for the corresponding period last year. Overall profit before taxation stood at Rs. 152.6 million as compared to Rs. 190.9 million in the same period last year.

Steel segment is undergoing a difficult period attributable to delay in materialization of orders as various

infrastructure development projects have been suspended or postponed due to curtailment of development budget of the public sector organizations and local governments. In addition, circular debt issues have also impaired the ability of the energy sector to work on development projects.

Cotton segment

Segment performance

Cotton segment recorded net sales revenue of Rs. 2,418.6 million for the nine months period (9MFY10: Rs. 1,529.9 million) and Rs. 1,065.2 million for Q3FY11 (Q3FY10: Rs. 523.4 million), boasting an increase of more than 58.1% and 1.04 times respectively as compared to the corresponding period last year. Gross profit increased by 1.6 times and 1.16 times in comparison to 9MFY10 and Q3FY10 respectively due to improved average selling prices and gross profit margins mainly attributable to higher sales of fine count as compared to last year and timely procurement of cotton.

Overall net profit before taxation for the nine months period and quarter ended 31 March 2011 was Rs. 371.2 million and Rs. 176.8 million as compared to Rs. 120.1 million and Rs. 72.7 million respectively for the same periods last year, reflecting an increase of Rs. 251.1 million and Rs. 104.1 million respectively, despite considerable electricity and gas shutdowns. The profitability would have been higher if we had not lost 84 days of production due to electricity and gas outage.

Investment and infrastructure development segment

Segment performance

Income from investment activities for the nine months period amounted to Rs. 164.6 million as compared to Rs. 206.9 million for the corresponding period last year. As per unconsolidated financial information, profit before taxation for 9MFY11 stood at Rs. 131.5 million as compared to Rs. 138.2 million in 9MFY10. Profit before taxation as per the consolidated financial information amounted to Rs. 271.9 million (9MFY2010: Rs. 256.7 million) including share of profit (net) from associates amounting to Rs. 134.7 million as compared to Rs. 30.8 million for same period last year.

DIRECTORS' REVIEW

The value of investments in marketable securities (excluding strategic investments) amounted to Rs. 482.7 million as compared to Rs. 463.7 million as of 30 June 2010. The closing position of the portfolio as on 31 March 2011 was Rs. 1,679.5 million and Rs. 2,111.1 million as per unconsolidated and consolidated financial information respectively as compared to Rs. 1,666.2 million and Rs. 1,900.1 million respectively as of 30 June 2010.

During 9MFY11, KSE-100 index surged by 2,065.54 points (i.e. 21.2%) with an average daily turnover of 122.59 million shares. The major surge came in Q2FY11 with a 20.1% rise. The market during 9MFY11 had a positive start and continued to gain momentum and remained at bullish trend throughout the second quarter with foreign investors driving the KSE-100 index to new heights but became mixed and volatile in the current quarter due to foreign outflows and political uncertainty.

This segment has contributed positively to the bottom line and our portfolio has performed better than KSE-100 index. The investment is in shares which has shown robust performance and we are expecting to outperform KSE-100 index in the 4th quarter as well.

Shakarganj Energy (Private) Limited (wholly owned subsidiary company)

The power plant is currently undergoing testing stage and the trial run will be completed during Q4FY11. However, commercial operations will only commence in December 2011 when the new crushing season will start. The subsidiary posted a profit before taxation of Rs. 22.6 million mainly being share of profit from associate (Altern Energy Limited).

FINANCIAL POSITION

Balance sheet

The Company's balance sheet continues to remain healthy with a footing of Rs. 4,672.9 million as of 31 March 2011 as compared to Rs. 4,436.3 million as of 30 June 2010. The break-up value per share has improved to Rs. 52.4 as compared to Rs. 46.5 as of 30 June 2010. The liquidity position of the Company has also enhanced which is reflected

by the current ratio which increased to 1.5:1 from 1.2:1 as on last balance sheet date.

On a Group basis, the consolidated balance sheet footing stood at Rs. 5,476.3 million as compared to Rs. 4,894.8 million as of 30 June 2010. The break-up value per share has improved to Rs. 63.9 as compared to Rs. 54.5 as of 30 June 2010. Further, the total of shareholder's fund stood at Rs. 3,606.4 million as compared to Rs. 3,079.2 million as of 30 June 2010.

Dividend

Based on the operating performance and results, the Board in their meeting held on 28 April 2011 has decided to pay second interim dividend of 10% i.e. Rupee one per share. This is in addition to the first interim dividend of 10% i.e. Rupee one per share already declared for the financial year.

FUTURE OUTLOOK

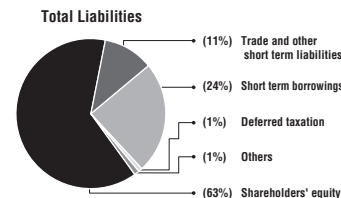
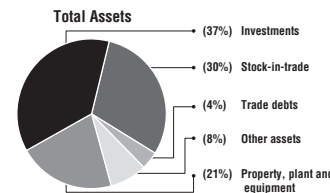
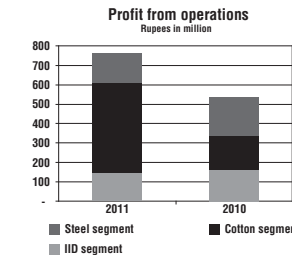
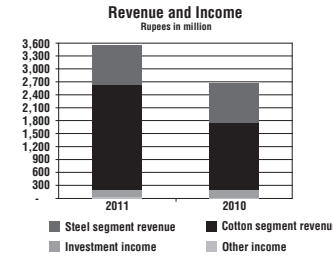
Steel segment continues to be affected by worsening macro-economic indicators but we expect order intake to improve during the last quarter. There is, however, progress in the Iran Pakistan Gas Pipeline where Inter State Gas Systems (Private) Limited (ISGC) has appointed consultant to carry out a bankable feasibility of the project.

Conditions on the Cotton segment have become uncertain and Q4FY11 will be volatile with availability of cotton becoming scarce and yarn prices having nose dived. This has resulted in putting a squeeze on margins. The condition will only normalize when new crop is available. Our raw materials are covered, however, at a good average and we expect positive contribution to the bottom line in the 4th quarter as well.

I am pleased to record our appreciation to all the stakeholders and look forwards towards their continued support.

For and on behalf of the Board of Directors

Ahsan M. Saleem
Chief Executive
28 April 2011



Crescent Steel &
Allied Products Ltd.

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2011

Note	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010 (Rupees in '000)
ASSETS		
Non-current assets		
Property, plant and equipment	4 975,200	1,061,380
Intangible assets	15,836	24,457
Investment property	41,385	44,836
Long term investments	5 1,177,090	1,185,402
Long term loans and deposits	3,307	3,466
	2,212,818	2,319,541
Current assets		
Stores, spares and loose tools	88,005	72,919
Stock-in-trade	6 1,421,624	1,026,614
Trade debts	7 184,604	276,880
Loan and advances	8 145,530	54,919
Trade deposits and short term prepayments	8,782	6,407
Investments	9 482,736	463,746
Current portion of long term investments	10 19,657	17,004
Mark-up accrued	4,386	820
Other receivables	71,572	25,156
Taxation - net	-	18,612
Cash and bank balances	33,155	153,679
	2,460,051	2,116,756
Total assets	4,672,869	4,436,297
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital	1,000,000	1,000,000
100,000,000 ordinary shares of Rs. 10 each		
Issued, subscribed and paid-up capital	564,600	564,600
Capital reserves	340,576	361,702
Revenue reserves	2,050,664	1,696,310
	2,955,840	2,622,612
Non-current liability		
Deferred taxation	48,044	71,587
Current liabilities		
Trade and other payables	520,961	871,469
Interest and mark-up accrued	37,427	34,198
Short term borrowings	11 1,091,642	780,288
Current portion of long term loan	-	56,143
Taxation - net	18,955	-
	1,668,985	1,742,098
Total equity and liabilities	4,672,869	4,436,297
Contingencies and commitments	12	

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


 Chief Executive


 Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter and nine months period ended 31 March 2011

Note	Quarter ended		Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Sales - net	13 1,327,766	860,731	3,338,818	2,438,724
Cost of sales	989,194	627,557	2,553,782	1,923,495
Gross profit	338,572	233,174	785,036	515,229
Income from investments	14 26,973	19,095	164,557	206,861
	365,545	252,269	949,593	722,090
Distribution and selling expenses	11,800	7,375	29,598	19,008
Administrative expenses	37,368	36,119	119,245	100,751
Other operating expenses	15 19,601	35,680	74,020	78,119
	68,769	79,174	222,863	197,878
	296,776	173,095	726,730	524,212
Other operating income	22,136	804	35,648	10,803
Operating profit before finance costs	318,912	173,899	762,378	535,015
Finance costs	16 38,958	34,592	107,059	85,844
Profit before taxation	279,954	139,307	655,319	449,171
Taxation - current	88,991	69,767	212,300	147,376
- prior	-	-	(712)	1,256
- deferred	(6,564)	(13,651)	(23,543)	(32,468)
	82,427	56,116	188,045	116,164
Profit after taxation for the period	197,527	83,191	467,274	333,007
	(Rupees)			
Basic and diluted earnings per share	17 3.50	1.47	8.28	5.90

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


 Chief Executive


 Director



CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the quarter and nine months period ended 31 March 2011

	Quarter ended		Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Profit after taxation for the period	197,527	83,191	467,274	333,007
Other comprehensive (loss) / income				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(10,783)	6,613	(21,126)	(23,181)
Reclassification adjustments relating to (loss) / gain realized on disposal of investments classified as 'available for sale'	-	(1,895)	-	1,105
Impairment loss on investments classified as 'available for sale'	-	-	-	5,020
Other comprehensive (loss) / income for the period	(10,783)	4,718	(21,126)	(17,056)
Total comprehensive income for the period	186,744	87,909	446,148	315,951

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive


Director

CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
For the nine months period ended 31 March 2011

	Note	Nine months period ended	
		31 March 2011	31 March 2010
		(Rupees in '000)	
Cash flows from operating activities			
Cash (used in) / generated from operations	18	(15,103)	610,758
Taxes paid		(187,358)	(90,743)
Financial charges paid		(103,830)	(78,922)
Contribution to pension and gratuity funds		(7,895)	(6,751)
Contribution to Workers Profit Participation Fund		(28,666)	(24,384)
Compensated absences paid		(9)	(78)
Payment for 10-C bonus		(800)	(717)
Long term loans and deposits - net		12	(21)
Net cash (used in) / generated from operating activities		(343,649)	409,142
Cash flows from investing activities			
Capital expenditure		(33,445)	(22,420)
Acquisition of intangible asset		(41)	(5,544)
Proceeds from sale of property, plant and equipment		6,454	4,227
Investments - net		36,491	36,195
Dividend income received		53,802	34,478
Interest income received		3,271	2,120
Net cash inflows from investing activities		66,532	49,056
Cash flows from financing activities			
Proceeds from short term loans / (repayments against short term loans) - net		184,093	(241,014)
Repayments against long term loan		(56,250)	(84,376)
Dividends paid		(98,511)	(23)
Net cash inflows / (outflows) from financing activities		29,332	(325,413)
Net (decrease) / increase in cash and cash equivalents		(247,785)	132,785
Cash and cash equivalents at beginning of the period		(499,196)	(644,736)
Cash and cash equivalents at end of the period	19	(746,981)	(511,951)

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive


Director

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the nine months period ended 31 March 2011

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale' (Rupees in '000)	General reserve	Unappro- priated (loss) / profit*	
Balance as at 1 July 2009	564,600	349,959	21,554	1,842,000	(449,317)	2,328,796
Total comprehensive income for the period						
Profit after taxation for the period ended 31 March 2010	-	-	-	-	333,007	333,007
Other comprehensive (loss) / income						
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(23,181)	-	-	(23,181)
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	1,105	-	-	1,105
Impairment loss on investments classified as 'available for sale'	-	-	5,020	-	-	5,020
Other comprehensive loss for the period	-	-	(17,056)	-	-	(17,056)
	-	-	(17,056)	-	333,007	315,951
Transactions with owners						
Dividend:						
- First interim @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	(56,460)	(56,460)
Balance as at 31 March 2010	564,600	349,959	4,498	1,842,000	(172,770)	2,588,287
Balance as at 1 July 2010	564,600	349,959	11,743	1,842,000	(145,690)	2,622,612
Total comprehensive income for the period						
Profit after taxation for the period ended 31 March 2011	-	-	-	-	467,274	467,274
Other comprehensive loss						
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(21,126)	-	-	(21,126)
Other comprehensive loss for the period	-	-	(21,126)	-	-	(21,126)
	-	-	(21,126)	-	467,274	446,148
Transactions with owners						
Dividend:						
- Final dividend @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	(56,460)	(56,460)
- First interim @ 10% (i.e. Re. 1 per share) for the year ending 30 June 2011	-	-	-	-	(56,460)	(56,460)
	-	-	-	-	(112,920)	(112,920)
Balance as at 31 March 2011	564,600	349,959	9,383	1,842,000	208,664	2,955,840

* Please refer to note 2.3 to this condensed interim unconsolidated financial information.

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

1. Crescent Steel and Allied Products Limited ('the Company') was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is quoted on all stock exchanges of Pakistan. The registered office of the Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

2. **BASIS OF PREPARATION**

2.1 This condensed interim unconsolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2010.

2.2 This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

2.3 For the year ended 30 June 2010, the Company prepared its annual separate financial statements for the first time for reasons specified in those financial statements and also presented corresponding figures for the year ended 30 June 2009. This resulted in all equity accounted investments to be carried at cost in accordance with the requirement of paragraph 35 of International Accounting Standard (IAS) 28, 'Investments in Associates'.

Prior to the year ended 30 June 2010, the Company in its individual financial statements accounted for its investments in associates using the equity method of accounting. Consequent to the preparation of separate financial statements as mentioned above, the Company now accounts for those investments at cost as more fully explained in the Company's audited annual separate financial statements for the year ended 30 June 2010. Had the Company accounted for those investments using the equity method of accounting in this condensed interim unconsolidated financial information, the carrying amount of those investments as at 31 March 2011 would have been higher by Rs. 632.171 million (30 June 2010: Rs. 464.327 million). Profit after taxation for the period and earnings per share would have been higher by Rs. 140.324 million (2010: Rs. 117.329 million) and Rs. 2.48 per share (2010: Rs. 2.08 per share) respectively, whereas capital reserves would have been lower by Rs. 57.213 million (30 June 2010: Rs. 90.387 million).

2.4 The comparative balance sheet presented in this condensed interim unconsolidated financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2010, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine months period ended 31 March 2010 except for the share in results of equity accounted investees as the investments in associates are accounted for on the basis of direct equity interest.

3. **ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the preceding year ended 30 June 2010.



NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

Amendments to certain existing standards and new interpretation on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating fixed assets added / transferred and disposed off during the nine months period ended 31 March 2011:

	Nine months period ended 31 March 2011		Nine months period ended 31 March 2010	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000)			
Buildings on freehold land	510	-	-	-
Plant and machinery	16,387	3,298	6,540	6
Furniture and fittings	-	-	122	-
Electrical / office equipment and installation	151	-	1,841	278
Computers	652	-	937	23
Motor vehicles	8,777	10,443	1,161	5,362
	<u>26,477</u>	<u>13,741</u>	<u>10,601</u>	<u>5,669</u>

5. LONG TERM INVESTMENTS

		Unaudited 31 March 2011	Audited 30 June 2010
		(Rupees in '000)	
Subsidiary companies - at cost	5.1	330,100	330,100
Associated companies - at cost	5.2	651,418	651,418
Other long term investments	5.3	195,572	203,884
		<u>1,177,090</u>	<u>1,185,402</u>

5.1 Subsidiary companies - at cost

	31 March 2011 (Number of shares)			Unaudited 31 March 2011 (Rupees in '000)			Audited 30 June 2010 (Rupees in '000)	
	31 March 2011 (Number of shares)	30 June 2010		31 March 2011 (Rupees in '000)	30 June 2010			
	33,010,000	33,010,000						
			Unquoted					
			Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	5.1.1	330,100		330,100	
	2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	5.1.2	-		-	
					<u>330,100</u>		<u>330,100</u>	

5.1.1 This represents the Company's investment in 100% equity shares of Shakarganj Energy (Private) Limited.

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

5.1.2 This represents investment in subsidiary of Rs. 90 only. The subsidiary company has not commenced operation and accordingly no financial statements have been prepared.

5.2 Associated companies - at cost

	31 March 2011 (Number of shares)			Unaudited 31 March 2011	Audited 30 June 2010
	31 March 2011 (Number of shares)	30 June 2010		(Rupees in '000)	
	60,475,416	60,475,416	Quoted		
			Altern Energy Limited (Chief Executive Officer - Mr. Syed Zamanat Abbas)	593,488	593,488
	15,244,665	15,244,665	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)	388,562	388,562
				<u>982,050</u>	<u>982,050</u>
			Less: Provision for impairment	330,632	330,632
				<u>651,418</u>	<u>651,418</u>

5.2.1 The Company holds 17.65% shareholding in Altern Energy Limited and has no common directorship. In the condensed interim consolidated financial information, the investee company has been treated as an associate due to the Group companies' effective holding of over 20%. Consequently, as per the requirements of IAS 28 'Investments in Associates', the investee company has also been treated as an associate in this condensed interim unconsolidated financial information.

5.2.2 The fair value of investments in associates as at 31 March 2011 is Rs. 632.546 million (30 June 2010: Rs. 682.641 million).

5.3 Other long term investments

		Unaudited 31 March 2011	Audited 30 June 2010
		(Rupees in '000)	
Related parties			
Available for sale	5.3.1	-	-
Others			
Available for sale		178,946	178,946
Held to maturity		16,626	24,938
		<u>195,572</u>	<u>203,884</u>

5.3.1 This includes investment in Crescent Bahuman Limited which is carried at carrying value of Rs. Nil (30 June 2010: Rs. Nil). The break-up value of shares of the investee company is Rs. 1.05 per share, calculated on the basis of audited annual financial statements for the year ended 30 June 2010.

This further includes investment in Crescent Industrial Chemicals Limited which is also carried at carrying value of Rs. Nil for reasons specified in the Company's audited annual separate financial statements for the year ended 30 June 2010.



Crescent Steel &
Allied Products Ltd.

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

6. STOCK-IN-TRADE

	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010
Raw materials		
Hot rolled steel coils (HR Coil)	25,405	379,555
Coating materials	33,195	50,585
Others	18,980	25,610
Raw cotton	792,638	95,989
Stock-in-transit	304,361	318,812
	<u>1,174,579</u>	<u>870,551</u>
Work-in-process	54,534	30,156
Finished goods	188,987	14,925
Scrap / cotton waste	4,639	10,982
Provision for obsolescence and slow-moving finished goods	(1,115)	—
	<u>247,045</u>	<u>156,063</u>
	<u>1,421,624</u>	<u>1,026,614</u>

7. TRADE DEBTS

Secured		
Considered good	54,023	167,275
Unsecured		
Considered good	130,581	109,605
Considered doubtful	10,509	2,387
Provision for doubtful trade debts	(10,509)	(2,387)
	<u>130,581</u>	<u>109,605</u>
	<u>184,604</u>	<u>276,880</u>

8. LOAN AND ADVANCES

Unsecured			
Loan to related party - considered good			
Loan to subsidiary company	8.1	50,000	—
Advances - considered good			
Advances to staff		1,176	894
Suppliers for goods and services		94,354	54,025
Advances - considered doubtful			
Suppliers for goods and services		157	290
Provision for doubtful advances		(157)	(290)
		<u>—</u>	<u>—</u>
		<u>145,530</u>	<u>54,919</u>

8.1 On 29 September 2010 the Company has extended a bridge loan to its wholly owned subsidiary company Shakarganj Energy (Private) Limited amounting to Rs. 50 million (30 June 2010: Rs. Nil).

The mark-up rate on the said loan is 3 months KIBOR prevailing on the base rate setting date plus 3 percent per annum. Mark-up is payable on a quarterly basis. The effective mark-up charged during the period ranged from 16.06% to 16.52% per annum (2010: Nil).

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

9. INVESTMENTS

	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010
Related parties		
Available for sale	7,089	9,758
Others		
Available for sale	89,519	107,976
Held for trading	386,128	346,012
	<u>475,647</u>	<u>453,988</u>
	<u>482,736</u>	<u>463,746</u>

9.1 Investments having an aggregate market value of Rs. 505.439 million (30 June 2010: Rs. 474.493 million) have been pledged with financial institutions as security against financing facilities (see note 11.4) out of which Rs. 246.390 million (30 June 2010: Rs. 306.698 million) relates to long term investments.

10. CURRENT PORTION OF LONG TERM INVESTMENTS

	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010
Preference shares of Shakarganj Mills Limited	29,994	29,994
Preference shares of Maple Leaf Cement Factory Limited	1,836	1,836
Term finance certificates of United Bank Limited	8,317	10
Dividend receivable on preference shares of Shakarganj Mills Limited and Maple Leaf Cement Factory Limited	5,198	5,198
	<u>45,345</u>	<u>37,038</u>
Less: Provision for impairment	25,688	20,034
	<u>19,657</u>	<u>17,004</u>

11. SHORT TERM BORROWINGS

Secured from banking companies		
Running finances under mark-up arrangements	780,136	652,875
Short term loans / Murabaha	311,506	127,413
	<u>1,091,642</u>	<u>780,288</u>

11.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 811 million (30 June 2010: Rs. 911 million) out of which Rs. 500 million (30 June 2010: Rs. 600 million) is interchangeable with Term Finance / Demand Finance and letters of credit. During the period, the mark-up on such arrangements ranged between 13.44% to 16.46% (2010: 13.50% to 15.79%) per annum.

11.2 Short term loan / murabaha financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,000 million (30 June 2010: Rs. 700 million) out of which Rs. 300 million (30 June 2010: Rs. 300 million) is interchangeable with letters of credit. During the period, the mark-up on such arrangements ranged between 15.26% to 16.46% (2010: 12.74% to 15.00%) per annum.



Crescent Steel &
Allied Products Ltd.

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

11.3 The facilities for opening letters of credit amounted to Rs. 1,650 million (30 June 2010: Rs. 1,750 million) out of which Rs. 500 million (30 June 2010: Rs. 600 million), Rs. 300 million (30 June 2010: Rs. 300 million) and Rs. 150 million (30 June 2010: Rs. 100 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 11.1 and 11.2 above. The facility for letters of guarantee as at 31 March 2011 amounted to Rs. 419.145 million (30 June 2010: Rs. 717 million) which is interchangeable with letters of credit as stated above. Amounts unutilized for letters of credit and guarantees as at 31 March 2011 were Rs. 815.004 million and Rs. 190.169 million (30 June 2010: Rs. 1,520.844 million and Rs. 54.131 million) respectively.

11.4 The above facilities are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document.

12. CONTINGENCIES AND COMMITMENTS

12.1 There is no change in the status of contingencies set out in note 12 to the Company's audited annual separate financial statements for the year ended 30 June 2010, except as set out in note 12.2 below.

12.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated Rs. 228.976 million (30 June 2010: Rs. 662.869 million).

12.3 Commitments in respect of capital expenditure contracted for as at 31 March 2011 amounted to Rs. 19.164 million (30 June 2010: Rs. 19.164 million), payable over the period of three years in 15 quarterly installments representing office premises located in Islamabad.

12.4 Commitments under letters of credit as at 31 March 2011 amounted to Rs. 177.460 million (30 June 2010: Rs. 24.911 million).

12.5 Commitment in respect of future purchase of shares amounted to Rs. 78.276 million (30 June 2010: Rs. Nil).

13. SALES - NET

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Local sales				
Bare pipes (own product excluding coating revenue)	163,822	212,327	662,343	589,592
Revenue from conversion	4,689	31,212	7,084	94,410
Coating of pipes	93,976	143,070	270,457	349,788
Cotton yarn / raw cotton	1,053,498	492,822	2,368,305	1,464,223
Others (including pipes laboratory testing)	3,372	14,795	22,262	25,332
Scrap / waste	48,095	20,213	113,584	75,575
Sales returns	(46,121)	(8,573)	(64,014)	(19,495)
Export sales				
Cotton yarn	-	11,037	-	11,037
Cotton waste	14,300	-	14,300	-
	1,335,631	916,903	3,394,321	2,590,462
Sales tax and special excise duty	(7,865)	(56,172)	(55,503)	(151,738)
	1,327,766	860,731	3,338,818	2,438,724

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

14. INCOME FROM INVESTMENTS

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Return on term finance certificates	517	338	1,582	1,412
Dividend income	12,628	13,250	59,548	37,343
Gain on sale of investments - net	44,468	17,801	76,732	106,627
Unrealized (loss) / gain on held for trading investments - net	(32,777)	(14,326)	20,050	56,120
Rent from investment property	2,137	2,032	6,645	5,359
	26,973	19,095	164,557	206,861

14.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.806 million (2010: Rs. 2.7 million). Further, Rs. 2.149 million (2010: Rs. 2.1 million) were incurred against non rented out area.

15. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Provision for slow moving stores and spare	-	-	11,637	-
Provision for stock-in-trade	-	19,046	1,115	19,046
Provision for doubtful trade debts	-	-	8,460	-
Provision for Workers Welfare Fund	5,671	3,271	13,929	11,897
Provision for Workers Profit Participation Fund	13,715	7,112	28,234	16,612
Provision for doubtful advances	45	-	45	-
Provision for diminution in the value of investments	-	-	5,654	23,126
Provision for liquidated damages	-	5,000	-	5,000
Exchange loss	170	1,251	4,946	2,438
	19,601	35,680	74,020	78,119

16. FINANCE COSTS

Mark-up on				
- Running finances / short term loans	38,641	25,508	104,033	67,425
- Long term loan	-	3,803	1,703	12,021
- Workers Profit Participation Fund	-	3,141	-	3,141
Bank charges	317	2,140	1,323	3,257
	38,958	34,592	107,059	85,844



NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

17. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Profit after taxation for the period	<u>197,527</u>	83,191	<u>467,274</u>	333,007
	(Number of shares)		(Number of shares)	
Average number of ordinary shares in issue during the period	<u>56,459,993</u>	56,459,993	<u>56,459,993</u>	56,459,993
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	<u>3.50</u>	1.47	<u>8.28</u>	5.90

18. CASH (USED IN) / GENERATED FROM OPERATIONS

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Profit before taxation for the period	655,319	449,171
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment property	120,234	130,200
Amortization of intangible assets	8,662	7,190
Amortization of loans to staff	147	266
Provision for doubtful advances	45	-
Unrealized gain on held for trading investments - net	(20,050)	(56,120)
Provision for diminution in the value of investments	5,654	23,126
Provision against stock-in-trade and stores, spares and loose tools - net	12,728	14,292
Provision for Workers Profit Participation Fund	28,234	16,612
Provision for Workers Welfare Fund	13,929	11,897
Reversal of provision for infrastructure fee	-	(3,127)
Provision / (reversal of provision) for doubtful trade debts	8,460	(324)
Provision for 10-C bonus	3,717	389
(Reversal of provision) / provision for liquidated damages	(2,782)	5,000
Gain on sale of investments - net	(76,732)	(106,627)
Pension and gratuity expense	12,377	6,751
Charge for compensated absences	511	844
Finance costs	107,059	85,844
Gain on disposal of operating fixed assets	(3,612)	(1,615)
Dividend income	(59,548)	(37,343)
Return on deposits, loan and investments	(6,837)	(1,422)
Amortization of initial transaction costs	107	197
Working capital changes	18.1	(822,725)
	<u>(15,103)</u>	610,758

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

18.1 Working capital changes

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
(Increase) / decrease in current assets		
Stores, spares and loose tools	(26,699)	1,096
Stock-in-trade	(388,932)	(347,378)
Trade debts	83,775	(296,434)
Loan and advances	(90,656)	(111,888)
Trade deposits and short term prepayments	(2,375)	(2,189)
Other receivables	(20,371)	79,163
	<u>(445,258)</u>	(677,630)
(Decrease) / increase in current liabilities		
Trade and other payables	(377,467)	743,187
	<u>(822,725)</u>	65,557

19. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(780,136)	(541,980)
Cash and bank balances	33,155	30,029
	<u>(746,981)</u>	(511,951)

20. SEGMENT REPORTING

20.1 Reportable segments

The Company's reportable segments under International Financial Reporting Standard 8 are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.
- Cotton segment - It comprises of manufacturing of yarn.
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment property (held for rentals as well as long term appreciation).



NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

Information regarding the Company's reportable segments is presented below.

20.2 Segment revenues and results

Following is an analysis of the Company's revenue and results by reportable segment

For the nine months period ended 31 March 2011	Steel segment	Cotton segment	IID segment	Total
	(Rupees in '000)			
Sales - net	920,242	2,418,576	–	3,338,818
Cost of sales	666,510	1,887,272	–	2,553,782
Gross profit	253,732	531,304	–	785,036
Income from investments	–	–	164,557	164,557
	253,732	531,304	164,557	949,593
Distribution and selling expenses	10,516	19,082	–	29,598
Administrative expenses	67,741	39,570	11,934	119,245
Other operating expenses	32,755	34,362	6,903	74,020
	111,012	93,014	18,837	222,863
	142,720	438,290	145,720	726,730
Other operating income	13,216	22,432	–	35,648
Operating profit before finance costs	155,936	460,722	145,720	762,378
Finance costs	3,348	89,538	14,173	107,059
Profit before taxation	152,588	371,184	131,547	655,319
Taxation				188,045
Profit after taxation				467,274

For the nine months period ended 31 March 2010

Sales - net	908,815	1,529,909	–	2,438,724
Cost of sales	598,358	1,325,137	–	1,923,495
Gross profit	310,457	204,772	–	515,229
Income from investments	–	–	206,861	206,861
	310,457	204,772	206,861	722,090
Distribution and selling expenses	8,119	10,889	–	19,008
Administrative expenses	74,472	8,324	17,955	100,751
Other operating expenses	34,394	16,611	27,114	78,119
	116,985	35,824	45,069	197,878
	193,472	168,948	161,792	524,212
Other operating income	6,717	4,086	–	10,803
Operating profit before finance costs	200,189	173,034	161,792	535,015
Finance costs	9,262	52,959	23,623	85,844
Profit before taxation	190,927	120,075	138,169	449,171
Taxation				116,164
Profit after taxation				333,007

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

20.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2010: Nil).

20.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as disclosed in the audited annual separate financial statements of the Company for the preceeding year ended 30 June 2010. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial charges between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

20.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 13 to this condensed interim unconsolidated financial information.

20.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 837.782 million (2010: Rs. 786.888 million) of total Steel segment revenue of Rs. 920.242 million (2010: Rs. 908.815 million). Further, revenue from major customers of Cotton segment represents an aggregate amount of Rs. 560.336 million (2010: Rs. Nil) of total Cotton segment revenue of Rs. 2,418.576 million (2010: Rs. 1,529.909 million).

20.5 Geographical information

20.5.1 The Company's revenue from external customers by geographical location is detailed below:

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Pakistan	1,313,466	849,694	3,324,518	2,427,687
Far East	–	11,037	–	11,037
Europe	14,300	–	14,300	–
	1,327,766	860,731	3,338,818	2,438,724

20.5.2 All non-current assets of the Company as at 31 March 2011 and 30 June 2010 were located and operated in Pakistan.



NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

20.6 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Steel segment	Cotton segment	IID segment	Total
	(Rupees in '000)			
As at 31 March 2011				
Segment assets for reportable segments	599,954	2,107,357	1,831,772	4,539,083
Unallocated corporate assets				133,786
Total assets as per balance sheet				4,672,869
Segment liabilities for reportable segments	175,013	107,770	(11,487)	271,296
Unallocated corporate liabilities				1,445,733
Total liabilities as per balance sheet				1,717,029
As at 30 June 2010				
Segment assets for reportable segments	1,094,906	1,373,999	1,804,001	4,272,906
Unallocated corporate assets				163,391
Total assets as per balance sheet				4,436,297
Segment liabilities for reportable segment	524,468	320,828	2,707	848,003
Unallocated corporate liabilities				965,682
Total liabilities as per balance sheet				1,813,685

20.6.1 For the purposes of monitoring segment performance and allocating resources between segments

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
- all liabilities are allocated to reportable segments other than 'trade and other payables' directly relating to corporate, 'short term borrowings', 'interest and mark-up accrued' and liabilities relating to current and deferred taxation.

Cash and bank balances, borrowings and related interest and mark-up payable thereon and receivable therefrom are not allocated to reporting segments as these are managed by the Company's central treasury function.

NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

20.7 Other segment information

	Steel segment	Cotton segment	IID segment	Total
	(Rupees in '000)			
For the nine months period ended 31 March 2011				
Capital expenditure	2,620	22,471	-	25,091
Depreciation and amortization	26,608	98,643	3,899	129,150
Non-cash items other than depreciation and amortization - net	31,864	127,750	(136,461)	23,153
For the nine months period ended 31 March 2010				
Capital expenditure	7,318	10,921	2,000	20,239
Depreciation and amortization	28,489	104,606	4,758	137,853
Non-cash items other than depreciation and amortization - net	43,119	65,464	(150,406)	(41,823)

21. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds.

Transactions with related parties other than those disclosed elsewhere are as follows:

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Subsidiary companies		
Right shares subscribed	-	115,000
Share deposit money	-	170,000
Sale of finished goods	21.1	2,727
Short term loan provided		50,000
Mark-up on short term loan provided		4,096
Associated companies		
Receiving of services		4,883
Rendering of services	21.1	2,210
Rental income	21.1	-
Sale of finished goods including waste	21.1	1,761
Other related parties		
Contribution to gratuity fund	21.2	2,211
Contribution to pension fund	21.2	5,495
Contribution to provident fund	21.2	4,462
Donations		15,465
Remuneration to key management personnel	21.3	31,350



NOTES TO THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

- 21.1 Sale of finished goods, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 21.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefits schemes and actuarial advice.
- 21.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel other than their terms of employment / entitlements.

22. ESTIMATES AND JUDGEMENTS

Estimates and judgements made by management in the preparation of this condensed interim unconsolidated financial information were the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2010.

23. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2010.

24. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 28 April 2011 has declared second interim cash dividend of Re. 1 (i.e. 10%), amounting to Rs. 56.460 million. This is in addition to the first interim cash dividend of Re. 1 per share already distributed and recorded in this condensed interim unconsolidated financial information. This condensed interim unconsolidated financial information does not reflect this proposed issue.

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 28 April 2011.


Chief Executive


Director

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2011



Crescent Steel &
Allied Products Ltd.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2011

Note	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010 (Rupees in '000)
ASSETS		
Non-current assets		
Property, plant and equipment	4 1,376,884	1,256,891
Intangible assets	15,836	24,457
Investment property	41,385	44,836
Investment in equity accounted investees	5 1,422,692	1,230,702
Other long term investments	6 197,343	205,655
Long term loans and deposits	3,307	3,466
	<u>3,057,447</u>	<u>2,766,007</u>
Current assets		
Stores, spares and loose tools	88,005	72,919
Stock-in-trade	7 1,421,624	1,026,614
Trade debts	8 181,877	276,880
Advances	9 95,530	54,919
Trade deposits and short term prepayments	9,157	6,407
Investments	10 482,736	463,746
Current portion of long term investments	11 8,317	10
Mark-up accrued on term finance certificates	290	820
Other receivables	72,511	25,156
Taxation - net	-	18,698
Cash and bank balances	58,780	182,657
	<u>2,418,827</u>	<u>2,128,826</u>
Total assets	<u>5,476,274</u>	<u>4,894,833</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital	1,000,000	1,000,000
100,000,000 ordinary shares of Rs. 10 each		
Issued, subscribed and paid-up capital	564,600	564,600
Capital reserves	288,867	274,066
Revenue reserves	2,752,977	2,240,513
	<u>3,606,444</u>	<u>3,079,179</u>
Non-current liability		
Deferred taxation	48,044	71,587
Current liabilities		
Trade and other payables	673,597	873,438
Interest and mark-up accrued	37,427	34,198
Short term borrowings	12 1,091,642	780,288
Current portion of long term loan	-	56,143
Taxation - net	19,120	-
	<u>1,821,786</u>	<u>1,744,067</u>
Total equity and liabilities	<u>5,476,274</u>	<u>4,894,833</u>
Contingencies and commitments	13	

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter and nine months period ended 31 March 2011

Note	Quarter ended		Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
(Rupees in '000)				
Sales - net	14 1,327,766	860,731	3,336,118	2,438,724
Cost of sales	989,194	627,557	2,551,368	1,923,495
Gross profit	<u>338,572</u>	233,174	<u>784,750</u>	515,229
Income from investments	15 26,973	70,196	164,557	257,962
	<u>365,545</u>	303,370	<u>949,307</u>	773,191
Distribution and selling expenses	11,800	7,375	29,598	19,008
Administrative expenses	37,708	37,382	119,642	102,014
Other operating expenses	16 19,603	35,680	68,390	60,013
	<u>69,111</u>	80,437	<u>217,630</u>	181,035
	<u>296,434</u>	222,933	<u>731,677</u>	592,156
Other operating income	20,574	844	33,189	29,388
Operating profit before finance costs	<u>317,008</u>	223,777	<u>764,866</u>	621,544
Finance costs	17 38,975	34,592	107,082	85,844
Share of profit in equity accounted investees - net of taxation	48,388	59,516	156,063	30,814
Profit before taxation	<u>326,421</u>	248,701	<u>813,847</u>	566,514
Taxation - current	89,020	69,781	212,718	147,390
- prior	-	-	(712)	1,256
- deferred	(6,564)	(13,651)	(23,543)	(32,468)
	<u>82,456</u>	56,130	<u>188,463</u>	116,178
Profit after taxation for the period	<u>243,965</u>	192,571	<u>625,384</u>	450,336
	<u>(Rupees)</u>			
Basic and diluted earnings per share	18 4.32	3.41	11.08	7.98

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director



CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the quarter and nine months period ended 31 March 2011

	Quarter ended		Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Profit after taxation for the period	243,965	192,571	625,384	450,336
Other comprehensive (loss) / income				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(10,783)	6,613	(21,126)	(23,181)
Reclassification adjustments relating to (loss) / gain realized on disposal of investments classified as 'available for sale'	-	(1,895)	-	1,105
Proportionate share of other comprehensive income / (loss) of equity accounted investees	19,754	(115)	35,927	46,271
Proportionate share of other comprehensive income of held for sale investment transferred to condensed interim profit and loss account on disposal of shares	-	(13,129)	-	(13,129)
Impairment loss on investments classified as 'available for sale'	-	-	-	5,020
Other comprehensive income / (loss) for the period	8,971	(8,526)	14,801	16,086
Total comprehensive income for the period	252,936	184,045	640,185	466,422

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director

CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
For the nine months period ended 31 March 2011

	Note	Nine months period ended	
		31 March 2011	31 March 2010
		(Rupees in '000)	
Cash flows from operating activities			
Cash generated from operations	19	186,270	614,308
Taxes paid		(187,525)	(90,747)
Financial charges paid		(103,853)	(78,922)
Contribution to pension and gratuity funds		(7,895)	(6,751)
Contribution to Workers Profit Participation Fund		(28,666)	(24,384)
Compensated absences paid		(9)	(78)
Payment for 10-C bonus		(800)	(717)
Long term loans and deposits - net		12	(21)
Net cash (used in) / generated from operating activities		(142,466)	412,688
Cash flows from investing activities			
Capital expenditure		(239,618)	(28,960)
Acquisition of intangible assets		(41)	(5,544)
Proceeds from sale of property, plant and equipment		6,454	4,227
Investments - net		36,491	209,487
Dividend income received		53,802	34,478
Interest income received		4,908	2,120
Net cash (outflows) / inflows from investing activities		(138,004)	215,808
Cash flows from financing activities			
Proceeds from short term loans / (repayments against short term loans) - net		184,093	(241,014)
Repayments against long term loan		(56,250)	(84,376)
Dividends paid		(98,511)	(23)
Net cash inflows / (outflows) from financing activities		29,332	(325,413)
Net (decrease) / increase in cash and cash equivalents		(251,138)	303,083
Cash and cash equivalents at beginning of the period		(470,218)	(644,636)
Cash and cash equivalents at end of the period	20	(721,356)	(341,553)

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director



**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**
For the nine months period ended 31 March 2011

	Issued, subscribed and paid-up capital	Share premium	Capital reserves		Revenue reserves		Total
			Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Others*	General reserve	Unappro- priated (loss) / profit	
(Rupees in '000)							
Balance as at 1 July 2009	564,600	349,959	21,554	(208,873)	1,842,000	(23,425)	2,545,815
Total comprehensive (loss) / income for the period							
Profit after taxation for the period ended 31 March 2010	-	-	-	-	-	450,336	450,336
Other comprehensive (loss) / income							
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(23,181)	-	-	-	(23,181)
Reclassification adjustments relating to loss realized on disposal of investments classified as 'available for sale'	-	-	1,105	-	-	-	1,105
Proportionate share of other comprehensive income of equity accounted investees	-	-	-	46,271	-	-	46,271
Proportionate share of other comprehensive income of held for sale investment transferred to condensed interim profit and loss	-	-	-	(13,129)	-	-	(13,129)
Impairment loss on investments classified as 'available for sale'	-	-	5,020	-	-	-	5,020
Other comprehensive (loss) / income for the period	-	-	(17,056)	33,142	-	-	16,086
	-	-	(17,056)	33,142	-	450,336	466,422
Transactions with owners							
Dividend:							
- First interim @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	-	(56,460)	(56,460)
Balance as at 31 March 2010	564,600	349,959	4,498	(175,731)	1,842,000	370,451	2,955,777
Balance as at 1 July 2010	564,600	349,959	11,743	(87,636)	1,842,000	398,513	3,079,179
Total comprehensive (loss) / income for the period							
Profit after taxation for the period ended 31 March 2011	-	-	-	-	-	625,384	625,384
Other comprehensive (loss) / income							
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(21,126)	-	-	-	(21,126)
Proportionate share of other comprehensive income of equity accounted investees	-	-	-	35,927	-	-	35,927
Other comprehensive (loss) / income for the period	-	-	(21,126)	35,927	-	-	14,801
	-	-	(21,126)	35,927	-	625,384	640,185
Transactions with owners							
Dividend:							
- Final dividend @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	-	(56,460)	(56,460)
- First interim @ 10% (i.e. Re. 1 per share) for the year ending 30 June 2011	-	-	-	-	-	(56,460)	(56,460)
	-	-	-	-	-	(112,920)	(112,920)
Balance as at 31 March 2011	564,600	349,959	(9,383)	(51,709)	1,842,000	910,977	3,606,444

* This represents the Group's share of various reserves held by equity accounted investees.

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial information.

Mumtaz
Chief Executive

Zahid Bano
Director

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**
For the nine months period ended 31 March 2011

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and it's wholly owned subsidiary companies Shakarganj Energy (Private) Limited ('the Subsidiary Company') and Crescent Continental Gas Pipelines Limited.
- 1.2 The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is quoted on all stock exchanges of Pakistan. The registered office of the Holding Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.
- 1.3 The Subsidiary Company was incorporated on 2 April 2008 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company will be to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.
- 1.4 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.5 Details regarding the Group's associates are given in note 5 to this condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2010.
- 2.2 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 2.3 The comparative balance sheet presented in this condensed interim consolidated financial information has been extracted from the audited annual consolidated financial statements of the Group for the year ended 30 June 2010, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from the unaudited condensed interim financial information for the nine months period ended 31 March 2010.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2010.

Amendments to certain existing standards and new interpretation on approved accounting standards effective during the period were not relevant to the Group's operations and did not have any impact on the accounting policies of the Group.



NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating fixed assets added / transferred and disposed off during the nine months period ended 31 March 2011:

	Nine months period ended 31 March 2011		Nine months period ended 31 March 2010	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000)			
Buildings on freehold land	510	-	-	-
Plant and machinery	16,387	3,298	6,540	6
Furniture and fittings	-	-	122	-
Electrical / office equipment and installation	151	-	1,841	278
Computers	652	-	937	23
Motor vehicles	8,777	10,443	1,161	5,362
	<u>26,477</u>	<u>13,741</u>	<u>10,601</u>	<u>5,669</u>

5. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

The following associates, over which the Group has significant influence either due to representation on the investee company's board or percentage of holding of voting power or both, are accounted for under the equity method of accounting as defined in International Accounting Standard (IAS) 28, 'Investments in Associates'.

31 March 2011 (Number of shares)	30 June 2010		Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010 (Rupees in '000)
		Quoted		
69,175,416	69,175,416	Altern Energy Limited (Chief Executive Officer - Mr. Syed Zamanat Abbas)	1,422,692	1,230,702
15,244,665	15,244,665	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)	-	-
			<u>1,422,692</u>	<u>1,230,702</u>

5.1 The Holding Company and the Subsidiary Company hold 17.65% and 2.54% shareholding in Altern Energy Limited respectively and have no common directorship. The Group has an effective holding of 20.19% in the investee company and accordingly has been treated as an associate and accounted for under the equity method.

5.2 The above figures are based on financial statements of these companies as at 31 December 2010.

5.3 The fair value of investments in associates as at 31 March 2011 is Rs. 710.845 million (30 June 2010: Rs. 772.512 million).

6. OTHER LONG TERM INVESTMENTS

		Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010 (Rupees in '000)
Related parties			
Available for sale	6.1	-	-
Others			
Available for sale		180,717	180,717
Held to maturity		16,626	24,938
		<u>197,343</u>	<u>205,655</u>

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

6.1 This includes investment in Crescent Bahuman Limited which is carried at carrying value of Rs. Nil (30 June 2010: Rs. Nil). The break-up value of shares of the investee company is Rs. 1.05 per share, calculated on the basis of audited annual financial statements for the year ended 30 June 2010.

This further includes investment in Crescent Industrial Chemicals Limited which is also carried at carrying value of Rs. Nil for reasons specified in the Group's audited annual consolidated financial statements for the year ended 30 June 2010.

7. STOCK-IN-TRADE

	Unaudited 31 March 2011 (Rupees in '000)	Audited 30 June 2010 (Rupees in '000)
Raw materials		
Hot rolled steel coils (HR Coil)	25,405	379,555
Coating materials	33,195	50,585
Others	18,980	25,610
Raw cotton	792,638	95,989
Stock-in-transit	<u>304,361</u>	<u>318,812</u>
	<u>1,174,579</u>	<u>870,551</u>
Work-in-process	54,534	30,156
Finished goods	188,987	114,925
Scrap / cotton waste	4,639	10,982
Provision for obsolescence and slow-moving finished goods	(1,115)	-
	<u>247,045</u>	<u>156,063</u>
	<u>1,421,624</u>	<u>1,026,614</u>

8. TRADE DEBTS

Secured		
Considered good	54,023	167,275
Unsecured		
Considered good	127,854	109,605
Considered doubtful	10,509	2,387
Provision for doubtful trade debts	(10,509)	(2,387)
	<u>127,854</u>	<u>109,605</u>
	<u>181,877</u>	<u>276,880</u>

9. ADVANCES

Unsecured		
Considered good		
Advances to staff	1,176	894
Suppliers for goods and services	94,354	54,025
Considered doubtful		
Suppliers for goods and services	157	290
Provision for doubtful advances	(157)	(290)
	<u>-</u>	<u>-</u>
	<u>95,530</u>	<u>54,919</u>



NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

10. INVESTMENTS

	Unaudited 31 March 2011	Audited 30 June 2010
	(Rupees in '000)	
Related parties		
Available for sale	7,089	9,758
Others		
Available for sale	89,519	107,976
Held for trading	386,128	346,012
	475,647	453,988
	<u>482,736</u>	<u>463,746</u>

10.1 Investments having an aggregate market value of Rs. 505.439 million (30 June 2010: Rs. 474.493 million) have been pledged with financial institutions as security against financing facilities (see note 12.4) out of which Rs. 246.390 million (30 June 2010: Rs. 304.469 million) relates to long term investments.

11. CURRENT PORTION OF LONG TERM INVESTMENTS

	Unaudited 31 March 2011	Audited 30 June 2010
	(Rupees in '000)	
Preference shares of Shakarganj Mills Limited	29,994	29,994
Preference shares of Maple Leaf Cement Factory Limited	1,836	1,836
Term finance certificates of United Bank Limited	8,317	10
Dividend receivable on preference shares of Shakarganj Mills Limited and Maple Leaf Cement Factory Limited	5,198	5,198
	<u>45,345</u>	<u>37,038</u>
Less: Share of loss on Shakarganj Mills Limited attributed to preference shares and dividend receivable thereon	11.1 35,100	35,100
Less: Provision for impairment on preference shares of Maple Leaf Cement Factory Limited and dividend receivable thereon	1,928	1,928
	<u>8,317</u>	<u>10</u>

11.1 The Group's share of unadjusted loss on equity accounted investment in Shakarganj Mills Limited has been allocated to the preference shares and dividend receivable thereon in accordance with the requirements of IAS 28, 'Investments in Associates'.

12. SHORT TERM BORROWINGS

	Unaudited 31 March 2011	Audited 30 June 2010
	(Rupees in '000)	
Secured from banking companies		
Running finances under mark-up arrangements	780,136	652,875
Short term loans / Murabaha	311,506	127,413
	<u>1,091,642</u>	<u>780,288</u>

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

12.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 811 million (30 June 2010: Rs. 911 million) out of which Rs. 500 million (30 June 2010: Rs. 600 million) is interchangeable with Term Finance / Demand Finance and letters of credit. During the period, the mark-up on such arrangements ranged between 13.44% to 16.46% (2010: 13.50% to 15.79%) per annum.

12.2 Short term loan / murabaha financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,000 million (30 June 2010: Rs. 700 million) out of which Rs. 300 million (30 June 2010: Rs. 300 million) is interchangeable with letters of credit. During the period, the mark-up on such arrangements ranged between 15.26% to 16.46% (2010: 12.74% to 15.00%) per annum.

12.3 The facilities for opening letters of credit amounted to Rs. 1,650 million (30 June 2010: Rs. 1,750 million) out of which Rs. 500 million (30 June 2010: Rs. 600 million), Rs. 300 million (30 June 2010: Rs. 300 million) and Rs. 150 million (30 June 2010: Rs. 100 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 12.1 and 12.2 above. The facility for letters of guarantee as at 31 March 2011 amounted to Rs. 419.145 million (30 June 2010: Rs. 717 million) which is interchangeable with letters of credit as stated above. Amounts unutilized for letters of credit and guarantees as at 31 March 2011 were Rs. 815.004 million and Rs. 190.169 million (30 June 2010: Rs. 1,520.844 million and Rs. 54.131 million) respectively.

12.4 The above facilities are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document.

13. CONTINGENCIES AND COMMITMENTS

13.1 There is no change in the status of contingencies set out in note 12 to the Group's audited annual consolidated financial statements for the year ended 30 June 2010, except as set out in note 13.2 below.

13.2 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated Rs. 228.976 million (30 June 2010: Rs. 662.869 million).

13.3 Commitments in respect of capital expenditure contracted for by the Group as at 31 March 2011 amounted to Rs. 38.628 million (30 June 2010: Rs. 218.432 million). This represents / includes an amount of Rs. 19.164 million (30 June 2010: Rs. 19.164 million) payable over the period of three years in 15 quarterly installments representing office premises located in Islamabad. This also includes commitments contracted for aggregating Rs. 19.464 million (30 June 2010: Rs. 199.268 million) in respect of capital expenditure to acquire plant and machinery.

13.4 Commitments under letters of credit as at 31 March 2011 amounted to Rs. 177.460 million (30 June 2010: Rs. 24.911 million).

13.5 Commitment in respect of future purchase of shares amounted to Rs. 78.276 million (30 June 2010: Rs. Nil).



Crescent Steel &
Allied Products Ltd.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

14. SALES - NET

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Local sales				
Bare pipes (own product excluding coating revenue)	163,822	212,327	662,343	589,592
Revenue from conversion	4,689	31,212	7,084	94,410
Coating of pipes	93,976	143,070	270,457	349,788
Cotton yarn / raw cotton	1,053,498	492,822	2,368,305	1,464,223
Others (including pipes laboratory testing)	3,372	14,795	19,535	25,332
Scrap / waste	48,095	20,213	113,584	75,575
Sales returns	(46,121)	(8,573)	(64,014)	(19,495)
Export sales				
Cotton yarn	-	11,037	-	11,037
Cotton waste	14,300	-	14,300	-
	1,335,631	916,903	3,391,594	2,590,462
Sales tax and special excise duty	(7,865)	(56,172)	(55,476)	(151,738)
	1,327,766	860,731	3,336,118	2,438,724

15. INCOME FROM INVESTMENTS

Return on term finance certificates	517	338	1,582	1,412
Dividend income	12,628	13,250	59,548	37,343
Gain on sale of investments - net	44,468	22,817	76,732	111,643
Unrealized (loss) / gain on held for trading investments - net	(32,777)	(14,326)	20,050	56,120
Gain on transfer of equity accounted investment to available for sale securities on loss of significant influence	-	46,085	-	46,085
Rent from investment property	2,137	2,032	6,645	5,359
	26,973	70,196	164,557	257,962

15.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.806 million (2010: Rs. 2.7 million). Further, Rs. 2.149 million (2010: Rs. 2.1 million) were incurred against non rented out area.

16. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Provision for slow moving stores and spares	-	-	11,637	-
Provision for stock-in-trade	-	19,046	1,115	19,046
Provision for doubtful trade debts	-	-	8,460	-
Provision for Workers Welfare Fund	5,673	3,271	13,953	11,897
Provision for Workers Profit Participation Fund	13,715	7,112	28,234	16,612
Provision for doubtful advances	45	-	45	-
Provision for diminution in the value of investments	-	-	-	5,020
Provision for liquidated damages	-	5,000	-	5,000
Exchange loss	170	1,251	4,946	2,438
	19,603	35,680	68,390	60,013

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

17. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Mark-up on				
- Running finances / short term loans	38,641	25,508	104,033	67,425
- Long term loan	-	3,803	1,703	12,021
- Workers Profit Participation Fund	-	3,141	-	3,141
Bank charges	334	2,140	1,346	3,257
	38,975	34,592	107,082	85,844

18. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)			
Profit after taxation for the period	243,965	192,571	625,384	450,336
	(Number of shares)		(Number of shares)	
Average number of ordinary shares in issue during the period	56,459,993	56,459,993	56,459,993	56,459,993
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	4.32	3.41	11.08	7.98



Crescent Steel &
Allied Products Ltd.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

19. CASH GENERATED FROM OPERATIONS

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Profit before taxation for the period	813,847	566,514
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment property	120,234	130,200
Amortization of intangible assets	8,662	7,190
Amortization of loans to staff	147	266
Provision for doubtful advances	45	-
Unrealized gain on held for trading investments - net	(20,050)	(56,120)
Reversal of impairment in the value of equity accounted investee	-	(18,544)
Provision for diminution in the value of investments	-	5,020
Provision against stock-in-trade and stores, spares and loose tools - net	12,728	14,292
Provision for Workers Profit Participation Fund	28,234	16,612
Provision for Workers Welfare Fund	13,953	11,897
Reversal of provision for infrastructure fee	-	(3,127)
Provision / (reversal of provision) for doubtful trade debts	8,460	(325)
Provision for 10-C bonus	3,717	389
(Reversal of provision) / provision against liquidated damages	(2,782)	5,000
Gain on sale of investments - net	(76,732)	(111,643)
Gain on transfer of equity accounted investment to available for sale securities on loss of significant influence	-	(46,085)
Pension and gratuity expense	12,377	6,751
Charge for compensated absences	511	844
Finance costs	107,082	85,844
Gain on disposal of operating fixed assets	(3,612)	(1,615)
Dividend income	(59,548)	(37,343)
Return on deposits and investments	(4,378)	(1,422)
Share of profit in equity accounted investees - net of taxation	(156,063)	(30,814)
Amortization of initial transaction costs	107	197
Working capital changes	(620,669)	70,330
	186,270	614,308
19.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(26,699)	1,096
Stock-in-trade	(388,932)	(347,378)
Trade debts	86,502	(296,434)
Advances	(40,656)	(111,888)
Trade deposits and short term prepayments	(2,750)	(2,189)
Other receivables	(21,310)	83,816
	(393,845)	(672,977)
(Decrease) / increase in current liabilities		
Trade and other payables	(226,824)	743,307
	(620,669)	70,330

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

20. CASH AND CASH EQUIVALENTS

	Nine months period ended	
	31 March 2011	31 March 2010
	(Rupees in '000)	
Running finances under mark-up arrangements	(780,136)	(541,980)
Cash and bank balances	58,780	200,427
	(721,356)	(341,553)

21. SEGMENT REPORTING

21.1 Reportable segments

The Group's reportable segments under International Financial Reporting Standard 8 are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.
- Cotton segment - It comprises of manufacturing of yarn.
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment property (held for rentals as well as long term appreciation).
- Energy segment - It comprises operations of Shakarganj Energy (Private) Limited.

Information regarding the Group's reportable segments is presented below.

21.2 Segment revenues and results

Following is an analysis of the Group's revenue and results by reportable segment

For the nine months period ended 31 March 2011	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
Sales - net	917,542	2,418,576	-	-	3,336,118
Cost of sales	664,096	1,887,272	-	-	2,551,368
Gross profit	253,446	531,304	-	-	784,750
Income from investments	-	-	164,557	-	164,557
	253,446	531,304	164,557	-	949,307
Distribution and selling expenses	10,516	19,082	-	-	29,598
Administrative expenses	67,741	39,570	11,934	397	119,642
Other operating expenses	32,755	34,362	1,249	24	68,390
	111,012	93,014	13,183	421	217,630
	142,434	438,290	151,374	(421)	731,677
Other operating income	9,120	22,432	-	1,637	33,189
Operating profit before finance costs	151,554	460,722	151,374	1,216	764,866
Finance costs	3,348	89,538	14,173	23	107,082
Share of profit in equity accounted investees - net of taxation	-	-	134,670	21,393	156,063
Profit before taxation	148,206	371,184	271,871	22,586	813,847
Taxation	-	-	-	-	188,463
Profit after taxation					625,384

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

For the nine months period ended 31 March 2010	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
Sales - net	908,815	1,529,909	-	-	2,438,724
Cost of sales	598,358	1,325,137	-	-	1,923,495
Gross profit	310,457	204,772	-	-	515,229
Income from investments	-	-	257,962	-	257,962
	310,457	204,772	257,962	-	773,191
Distribution and selling expenses	8,119	10,889	-	-	19,008
Administrative expenses	74,472	8,324	17,955	1,263	102,014
Other operating expenses	34,394	16,611	9,008	-	60,013
	116,985	35,824	26,963	1,263	181,035
	193,472	168,948	230,999	(1,263)	592,156
Other operating income	6,717	4,087	18,544	40	29,388
Operating profit / (loss) before finance costs	200,189	173,035	249,543	(1,223)	621,544
Finance costs	9,262	52,959	23,623	-	85,844
Share of profit in equity accounted investees - net of taxation	-	-	30,814	-	30,814
Profit / (loss) before taxation	190,927	120,076	256,734	(1,223)	566,514
Taxation					116,178
Profit after taxation					450,336

21.2.1 Revenue reported above represents revenue generated from external customers. Inter-segment sale during the period comprised of sale made by Steel segment to Energy segment amounting to Rs. 2.727 million (2010: Nil).

21.2.2 Transfer prices between reportable segments are on an arm's length basis in a manner similar to transactions between third parties.

21.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as disclosed in the audited annual consolidated financial statements of the Group for the preceeding year ended 30 June 2010. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial charges between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

21.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 14 to this condensed interim consolidated financial information.

21.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 837.782 million (2010: Rs. 786.888 million) of total Steel segment revenue of Rs. 917.542 million (2010: Rs. 908.815 million). Further, revenue from major customers of Cotton segment represent an aggregate amount of Rs. 560.336 million (2010: Rs. Nil) of total Cotton segment revenue of Rs. 2,418.576 million (2010: Rs. 1,529.909 million).

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

21.5 Geographical information

21.5.1 The Group's revenue from external customers by geographical location is detailed below:

	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
(Rupees in '000)				
Pakistan	1,313,466	849,694	3,321,818	2,427,687
Far East	-	11,037	-	11,037
Europe	14,300	-	14,300	-
	1,327,766	860,731	3,336,118	2,438,724

21.5.2 All non-current assets of the Group as at 31 March 2011 and 30 June 2010 were located and operated in Pakistan.

21.6 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
As at 31 March 2011					
Segment assets for reportable segments	597,227	2,107,357	840,685	428,623	3,973,892
Investment in equity accounted investees			1,283,589	139,103	1,422,692
Unallocated corporate assets					79,690
Total assets as per balance sheet					5,476,274
Segment liabilities for reportable segments	175,013	107,770	(11,487)	152,801	424,097
Unallocated corporate liabilities					1,445,733
Total liabilities as per balance sheet					1,869,830
As at 30 June 2010					
Segment assets for reportable segments	1,094,906	1,373,999	807,260	224,575	3,500,740
Investment in equity accounted investees			1,115,745	114,957	1,230,702
Unallocated corporate assets					163,391
Total assets as per balance sheet					4,894,833
Segment liabilities for reportable segments	524,468	320,828	2,707	1,969	849,972
Unallocated corporate liabilities					965,682
Total liabilities as per balance sheet					1,815,654

21.6.1 For the purposes of monitoring segment performance and allocating resources between segments

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
- all liabilities are allocated to reportable segments other than 'trade and other payables' directly relating to corporate, 'short term borrowings', 'interest and mark-up accrued' and liabilities relating to current and deferred taxation.

Cash and bank balances, borrowings and related interest and mark-up payable thereon and receivable therefrom are not allocated to reporting segments as these are managed by the Group's central treasury function.



NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

21.7 Other segment information

For the nine months period ended 31 March 2011	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
Capital expenditure	2,620	22,471	–	206,173	231,264
Depreciation and amortization	26,608	98,643	3,899	–	129,150
Non-cash items other than depreciation and amortization - net	35,960	127,750	(276,785)	(22,983)	(136,058)
For the nine months period ended 31 March 2010					
Capital expenditure	7,318	10,921	2,000	6,540	26,779
Depreciation and amortization	28,489	104,606	4,758	–	137,853
Non-cash items other than depreciation and amortization - net	43,119	65,464	(268,972)	–	(160,389)

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds.

Transactions with related parties other than those disclosed elsewhere are as follows:

		Nine months period ended	
		31 March 2011	31 March 2010
		(Rupees in '000)	
Associated companies			
Purchase of operating fixed assets	22.1	300,000	–
Receiving of services		4,883	2,374
Rendering of services	22.2	2,210	3,717
Rental income	22.2	–	3,128
Sale of finished goods including waste	22.2	1,761	7,647
Other related parties			
Contribution to gratuity fund	22.3	2,211	1,860
Contribution to pension fund	22.3	5,495	4,728
Contribution to provident fund	22.3	4,462	3,776
Donations		15,465	7,050
Remuneration to key management personnel	22.4	31,350	31,258

22.1 Payments aggregating Rs. 150 million (2010: Rs. Nil) have been made to date against the purchase.

22.2 Sale of finished goods, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the nine months period ended 31 March 2011

22.3 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefits schemes and actuarial advice.

22.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group. There were no transactions with the key management personnel other than their terms of employment / entitlements.

23. ESTIMATES AND JUDGEMENTS

Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information were the same as those that were applied to the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2010.

24. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2010.

25. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on 28 April 2011 has declared second interim cash dividend of Re. 1 (i.e. 10%), amounting to Rs. 56,460 million. This is in addition to the first interim cash dividend of Re. 1 per share already distributed and recorded in this condensed interim consolidated financial information. This condensed interim consolidated financial information does not reflect this proposed issue.

26. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 28 April 2011.


Chief Executive


Director



Crescent Steel &
Allied Products Ltd.

SHAREHOLDERS' INFORMATION

STOCK EXCHANGE LISTING

Crescent Steel and Allied Products Limited is a listed company and its shares are traded on all the three stock exchanges of Pakistan.

The Company's shares are quoted in leading dailies under the Industrial metals and Mining Sectors.

PUBLIC INFORMATION

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company should contact Mr. Mohammad Yamin at the Company's Principal Office, Karachi.

Telephone: 021-35674881-5
Email: mohammad.yamin@
crescent.com.pk

SHAREHOLDERS' INFORMATION

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to M/s CorpTec Associates (Private) Limited, 7/3-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, Lahore.
Telephone: 042-35788097-98
Fax: 042-35755215
Email: info@corptech.com.pk

PRODUCTS

Steel Division
Manufacturer of DSAW steel line pipes in diameters ranging from 8" to 90" and applicator of internal and external coating conforming to international standards.

Cotton Division

Manufacturer of quality cotton yarn of various counts of 10s to 80s.

AUDITORS

KPMG Taseer Hadi & Co.

LEGAL ADVISOR

Hassan & Hassan, Advocates,
Lahore

BANKERS

Allied Bank Limited
Barclays Bank PLC, Pakistan
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
Soneri Bank Limited
Standard Chartered Bank
(Pakistan) Limited

REGISTERED OFFICE

10th Floor, BOP Tower, 10-B,
Block E-2, Main Boulevard,
Gulberg-III, Lahore.
Telephone: 042-35783801-2
042-35783811

LIAISON OFFICE LAHORE

10th Floor, BOP Tower, 10-B,
Block E-2, Main Boulevard,
Gulberg-III, Lahore.
Telephone: 042-35783801-4
Fax: 042-35783801-5
Email: ejaz.ahmed@shakarganj.
com.pk

PRINCIPAL OFFICE

9th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi-74200.
Telephone: 021-35674881-5
Fax: 021-35680476
Email: arif.raza@crescent.com.pk
URL: www.crescent.com.pk

FACTORY – STEEL DIVISION

Pipe and Coating Plants
A/25, S.I.T.E., Nooriabad,
District Jamshoro, Sindh.
Telephone: 025-4670020-2
Email: iqbal.siddiqui@crescent.
com.pk

Engineering Unit

17 Km Summudri Road,
Dalowal, District Faisalabad,
Punjab.
Telephone: 041-2569825
Fax: 041-2569826

MILLS – COTTON DIVISION

Crescent Cotton Products
(Spinning Unit)
1st Mile, Lahore Road, Jaranwala,
District Faisalabad, Punjab.
Telephone: 041-4313799,
4312899, 4311741
Fax: 041-4315475
Email: abdul.rouf@crescent.
com.pk

COMPANY PROFILE

Crescent Steel and Allied Products Limited is a Public Limited Company listed on all the Stock Exchanges of Pakistan. It started commercial production in March 1987. The manufacturing facilities consist of a Spiral Pipe Production line and a multi-layer Polyolefin and stand-alone Epoxy Coating line, both located side by side at the Sindh Industrial Trading Estate, Nooriabad in Jamshoro district of Sindh and a Cotton Spinning Unit of 19,680 spindles CCP-I and 25,344 spindles CCP-II both at Jaranwala, Faisalabad.

Company's Investment and Infrastructure Development Division manages an investment portfolio and real estate.

Crescent Steel and Allied Products Limited is an equal opportunity employer with a sense of social responsibility and strongly supports education, healthcare and environmental causes.

STEEL DIVISION

The Spiral Pipe Plant has a capability of manufacturing high quality steel pipes in the diameter range of 8" – 90" (219 mm – 2,286 mm) in wall thickness from 4 mm – 20 mm and material grades up to API 5L X-80. The Company has been gradually enhancing and upgrading the pipe production capacity which has increased from 80,000 tons initially to the present notional capacity of 90,000 tons extendable upto maximum 200,000 tons per annum. The Company has authorization to use API monogram of the American Petroleum Institute – the highest

international standard accredited for quality of steel line pipe. It also has the ISO 9001:2000 certification. In addition, we have become the first Pakistani company to have acquired oil and gas industry specifics ISO/TS 29001, Quality Management System Certification from API.

The Polyolefin Coating Plant was added adjacent to the pipe mills which is capable of applying single and multi-layer Coatings comprising of Fusion Bonded Epoxy, Co-Polymer Adhesive and High Density Polyethylene / Polypropylene and Polyethylene Heat Shrink Tape Coating on steel pipes ranging from 4" – 60" (114 mm – 1,524 mm).

In the current year we added our Pipe Internal Epoxy Coating facility which is capable of providing coatings on steel linepipe in diameter range from 8" – 60" (219 mm – 1524 mm) for water supply transmission and distribution system and gas flow efficiency. Further, during the last year we diversified our product offering by adding capabilities to fabricate and erect machinery specially for sugar and cement industry. We have also developed capability for manufacturing of boilers, cane shredders upto dia 1700mm, juice heaters, evaporators, batch and continuous vacuum pans, centrifugal machines, stainless steel spray clusters and multijet condensers, perforated plates and vibro screens, and high voltage transformer tanks. Crescent Steel and Allied Products Limited

maintains high quality norms in all its products and has consistently exceeded the requirements of international standards both in steel line pipe and multi-layer coatings and will continue to remain at the cutting edge in terms of technology, quality control and quality assurance.

COTTON DIVISION

In the year 2000, the Company acquired a running cotton spinning mill located at Jaranwala near Faisalabad, which is the hub of textile industry and carries out this activity under the name and title of "Crescent Cotton Products" (CCP) a division of Crescent Steel and Allied Products Limited. CCP is a division of the Company but its operating results are shown separately. CCP as a division holds ISO 9001 : 2000 Quality Management Credential. CCP produces good quality cotton yarn of various counts from 10s to 80s having a notional capacity based on 20s of 6.5 and 9.3 million kgs per annum in CCP-I and CCP-II respectively and its products are consistently in demand and generally sold at a premium.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The division manages an investment portfolio in shares and other securities, across diversified sectors and real estate. Our strategy has been to focus on those sectors and projects which have potential for growth and where real investments are being made.

