



Balance Sheet

As at 30 June 2006

	Note	2006	2005 Restated
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs 10 each (2005: 30,000,000 ordinary shares of Rs 10 each)		<u>1,000,000</u>	<u>300,000</u>
Issued, subscribed and paid-up capital	7	349,959	243,027
Reserves		1,237,322	1,295,472
Unappropriated profit		<u>450,417</u>	<u>322,033</u>
		<u>2,037,698</u>	<u>1,860,532</u>
Deferred income	8	–	304
Non-current liabilities			
Long term loan	9	392,591	–
Redeemable capital	10	147,753	221,854
Liabilities against assets subject to finance leases	11	7,970	14,289
Deferred taxation	12	1,635	3,883
Current liabilities			
Trade and other payables	13	229,887	221,942
Interest and mark-up accrued	14	20,272	13,454
Short-term borrowings	15	739,374	142,204
Current portion of long term loan	9	56,250	–
Current portion of redeemable capital	10	75,000	75,000
Current portion of liabilities against assets subject to finance leases	11	<u>6,319</u>	<u>16,292</u>
		<u>1,127,102</u>	<u>468,892</u>
Contingencies and commitments	16		
		<u>3,714,749</u>	<u>2,569,754</u>

Balance Sheet

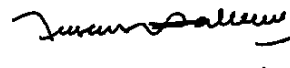
As at 30 June 2006

	Note	2006	2005 Restated
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	17	1,339,589	441,836
Intangible assets	18	1,106	4,989
Long-term investments	19	485,191	339,122
Long-term deposits and prepayments	20	5,748	4,313
Current assets			
Stores, spares and loose tools	21	36,342	34,937
Stock-in-trade	22	468,519	194,329
Trade debts	23	75,147	132,037
Advances	24	221,325	15,663
Trade deposits and short-term prepayments	25	2,804	3,583
Current portion of long-term investments		10	10
Investments	26	827,350	1,163,364
Mark-up accrued	27	8,780	4,730
Other receivables	28	210,342	164,571
Taxation-net	29	16,738	13,188
Cash and bank balances	30	15,758	53,082
		1,883,115	1,779,494
		3,714,749	2,569,754

The annexed notes 1 to 49 form an integral part of these financial statements.



Chairman



Chief Executive



Crescent Steel &
Allied Products Ltd.

Profit and Loss Account

For the year ended 30 June 2006

	Note	2006			2005		
		Steel division	Cotton division	Total	Steel division	Cotton division	Total
(Rupees in '000)							
Sales	31	1,014,182	692,950	1,707,132	2,046,540	640,060	2,686,600
Cost of sales	32	902,974	663,829	1,566,803	1,697,491	617,193	2,314,684
Gross profit		111,208	29,121	140,329	349,049	22,867	371,916
Distribution and selling expenses	33	7,618	7,195	14,813	7,748	4,110	11,858
Administrative expenses	34	88,372	15,453	103,825	75,717	20,731	96,448
Other operating expenses	35	12,578	9,290	21,868	67,058	2,937	69,995
		108,568	31,938	140,506	150,523	27,778	178,301
Other operating income	36	355,083	2,365	357,448	251,296	12,757	264,053
Operating profit / (loss) before financing costs		357,723	(452)	357,271	449,822	7,846	457,668
Finance costs	37	14,978	67,962	82,940	14,286	29,663	43,949
Share of loss in associates		(11,922)	-	(11,922)	(19,501)	-	(19,501)
Profit / (loss) before taxation		330,823	(68,414)	262,409	416,035	(21,817)	394,218
Taxation	38			2,790			81,823
Profit for the year				259,619			312,395
Basic and diluted earnings per share	39			Rs. 7.42			Rs. 8.93

The annexed notes 1 to 49 form an integral part of these financial statements.

Chairman

Chief Executive

Statement of Changes in Equity

For the year ended 30 June 2006

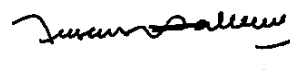
	Issued subscribed and paid-up capital	Reserve			Unappropriated profit	Total	
		General reserve	Reserve for issue of bonus shares	Unrealised gain on remeasurement of available-for- sale investment securities (Rupees in '000)			Others*
Balance as at 1 July 2004 as previously reported	220,934	921,000	22,093	327,371	–	28,016	1,519,414
Net effect of change in accounting policy (refer note 6.10):							
- Reversal of fair value in available-for-sale investments	–	–	–	(170,159)	–	–	(170,159)
- Proportionate share of reserves	–	–	–	–	105,916	–	105,916
- Proportionate share of profits	–	–	–	–	–	30,228	30,228
Effect of change in Accounting policy with respect to bonus shares (refer note 6.7)	–	–	(22,093)	–	–	22,093	–
Balance as at 1 July 2004 as restated	220,934	921,000	–	157,212	105,916	80,337	1,485,399
Changes in equity for the year ended 30 June 2005							
Unrealised gains on available-for-sale investment securities - restated	–	–	–	52,528	–	–	52,528
Realised gain on sale of investments - restated	–	–	–	(35,992)	–	–	(35,992)
Proportionate share of various reserve of associated undertakings	–	–	–	–	94,808	–	94,808
Profit for the year - restated	–	–	–	–	–	312,395	312,395
Total recognised income and expenses for the year	–	–	–	16,536	94,808	312,395	423,739
Dividends - First interim 2005 (10%)	–	–	–	–	–	(24,303)	(24,303)
- Second interim 2005 (10%)	–	–	–	–	–	(24,303)	(24,303)
Issuance of bonus shares final 2004 (10%)	22,093	–	–	–	–	(22,093)	–
Balance as at 30 June 2005	243,027	921,000	–	173,748	200,724	322,033	1,860,532
Changes in equity for the year ended 30 June 2006							
Unrealised loss on available-for-sale investment securities	–	–	–	(9,865)	–	–	(9,865)
Realised gain on sale of investments	–	–	–	(57,903)	–	–	(57,903)
Proportionate share of various reserve of associated undertakings	–	–	–	–	9,618	–	9,618
Profit for the year	–	–	–	–	–	259,619	259,619
Total recognised income and expense for the year	–	–	–	(67,768)	9,618	259,619	201,469
Dividend final 2005 (10%)	–	–	–	–	–	(24,303)	(24,303)
Issuance of bonus shares final 2005 (20%)	48,605	–	–	–	–	(48,605)	–
Issuance of bonus shares interim 2006 (20%)	58,327	–	–	–	–	(58,327)	–
Balance as at 30 June 2006	349,959	921,000	–	105,980	210,342	450,417	2,037,698

*This represents various reserves maintained by the associates

The annexed notes 1 to 49 form an integral part of these financial statements.



Chairman



Chief Executive



Crescent Steel &
Allied Products Ltd.

Cash Flow Statement

For the year ended 30 June 2006

	Note	2006	2005 Restated (Rupees in '000)
Cash flows from operating activities			
Cash generated from operations	40	29,876	268,000
Taxes paid		(14,085)	(42,477)
Financial charges paid		(96,759)	(34,293)
Contribution to pension and gratuity fund		(5,556)	(5,046)
Payment for 10C bonus		(483)	(448)
(Increased) / decrease in long-term deposits and prepayments		(1,546)	1,424
Net cash (used in) / from operating activities		(88,553)	187,160
Cash flows from investing activities			
Capital expenditure		(980,504)	(66,273)
Purchase of intangible assets		(802)	(4,051)
Proceeds from sale of property, plant and equipment		2,125	13,841
Investments - net		127,991	(69,550)
Dividends received		65,526	61,617
Interest received		7,616	6,359
Net cash used in investing activities		(778,048)	(58,057)
Cash flows from financing activities			
Receipts against short term loans		360,000	70,000
Receipts against long term loan		448,687	-
Redemption of commercial paper		-	(75,000)
Repayment of redeemable capital		(75,000)	-
Repayment of liabilities against assets subject to finance leases		(18,312)	(16,728)
Dividend paid		(33,268)	(76,678)
Net cash from / (used in) financing activities		682,107	(98,406)
Net (decrease) / increase in cash and cash equivalents		(184,494)	30,697
Cash and cash equivalents at beginning of the year		30,878	181
Cash and cash equivalents at end of the year	41	(153,616)	30,878

The annexed notes 1 to 49 form an integral part of these financial statements.

Chairman

Chief Executive