

TRIBUTE TO MEN OF
HONOR & WISDOM

CONDENSED
INTERIM REPORT
FOR THE FIRST
QUARTER ENDED
SEPTEMBER 2011

Designed by CIRCUIT | DRAFTFCB





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 Saad Thaniana*	<i>Executive Director</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>

Muhammad Saad Thaniana *Company Secretary*

AUDIT COMMITTEE

Syed Zahid Hussain	<i>Chairman</i>
Nasir Shafi	
S.M. Ehtishamullah	

BDO Ebrahim & Co.
Chartered Accountants
(Zulfikar Ali Causer -
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	
Muhammad Saad Thaniana	

BUSINESS STRATEGY COMMITTEE

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

SYSTEM AND TECHNOLOGY COMMITTEE

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

INVESTMENT COMMITTEE

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

SOCIAL INVESTMENT COMMITTEE

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

THE MANAGEMENT

Chief Executive and
Managing Director
Ahsan M. Saleem, 58
1983**

Chief Financial Officer
Muhammad Saad Thaniana, 44
2007**

BU Head - Steel Division
Iqbal Zafar Siddiqui, 61
2008**

BU Head - Cotton Division
Abdul Rouf, 51
2000**

Human Resource Advisor
Ehsan Durrani, 63
2008**

Head of Marketing
Steel Division
Arif Raza, 49
1985**

* Joined Board with effect from 29 October 2011
in place of Mr. Muhammad Abdul Aleem

** Year joined Company



Crescent Steel &
Allied Products Ltd.

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 / Poly-propylene and Polyethylene Tape Coating on steel pipes ranging from 4" – 60" (114 mm – 1,524 mm). 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 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 100s 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.

ENERGY DIVISION – SUBSIDIARY COMPANY SHAKARGANJ ENERGY (PRIVATE) LIMITED

The company acquired a 100% stake in Shakarganj Energy (Private) Limited on 4 January 2010 to build, own, operate and maintain a bagasse fired thermal generation power plant. This company will generate, accumulate, distribute, sell and supply electricity to PEPCO and to other distribution companies under agreement with the Government of Pakistan or to any other company as permitted. This plant is under commissioning at Bhone.

DIRECTOR'S REVIEW

Dear Shareholders

I am pleased to present to you the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the first quarter ended 30 September 2011.

ECONOMIC OUTLOOK

Our Country continues to face tough challenges in the face of worsening economic conditions aggravated by yet again another wave of floods and various domestic challenges including energy shortages due to circular debt, high fiscal deficit whose financing has become difficult; build-up of domestic debt, raising concerns for macro stability; and inflationary pressures which are not receding readily. Looking forward, these challenges could lead to adverse implications for the business environment.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall financial performance

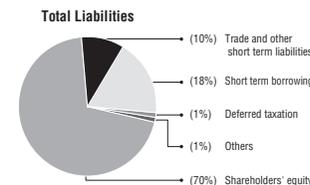
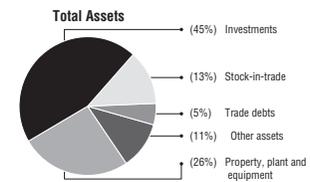
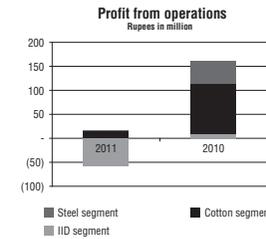
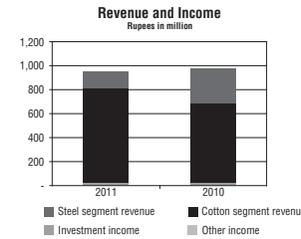
On the basis of unconsolidated results, the Company's loss after taxation for the first quarter ended 30 September 2011 stood at Rs. 81.6 million as compared to profit after taxation of Rs. 90.1 for the same quarter last year. Loss per share (LPS) stood at Rs. 1.45 as compared to earnings per share (EPS) of Rs. 1.60 during Q1FY11. The dismal performance during the current quarter was a result of

inventory losses incurred by the Cotton segment and lower order intake in the Steel segment triggered by continuing instability in political and economic conditions prevailing in the Country.

Loss before taxation sustained during the current period amounted to Rs. 69.6 million which is attributable to loss sustained by the Cotton segment amounting to Rs. 79.8 million which has been partially set-off against minimal profits from the Steel and IID segments.

On Group basis (including the results of wholly owned subsidiary companies), consolidated loss after taxation for the first quarter amounted to Rs. 69.3 million (Q1FY11: profit after taxation of Rs. 140.5 million) and LPS stood at Rs. 1.23 (Q1FY11: EPS of Rs. 2.49). In the condensed interim consolidated financial information, investments in associates have been accounted for under the equity method of accounting. Share of profit from such associates during the current period amounted to Rs. 16.2 million (Q1FY11: 50.2 million).

On 26 September 2011, the Company has acquired 100% ordinary shares of CS Capital (Private) Limited making it a wholly owned subsidiary. The principal activity of this subsidiary will be to effectively manage investment portfolios in shares, commodities and other securities both strategic as well as short term.





Crescent Steel &
Allied Products Ltd.

DIRECTOR'S REVIEW

Summary of operating results as per unconsolidated financial information of the Company

- Sales revenue (net) generated during Q1FY12 stood at Rs. 930.1 million as compared to Rs. 961 million for Q1FY11 (i.e. lower by 2.3%).
- Income earned from investments amounted to Rs. 18.2 million as compared to Rs. 17.7 million for the corresponding period last year.
- EBITDA for the first quarter ended 30 September 2011 aggregated Rs. 0.6 million as compared to Rs. 206.6 million for the quarter ended 30 September 2010.
- LPS stood at Rs. 1.45 for Q1FY12 as compared to EPS of Rs. 1.6 in Q1FY11.
- Return on average capital employed (annualized) was negative 4.8% for the current period as compared to 21.8% for the corresponding period last year.
- Return on average equity (annualized) stood at negative 11.6% for the current quarter as compared to 15.7% for the first quarter ended 30 September 2010.
- Break-up value per share decreased to Rs. 47.8 from Rs. 50.9 as at 30 June 2011.

BUSINESS SEGMENTS

Steel segment

Segment performance

Sales revenue (net) for the first quarter ended 30 September 2011 amounted to Rs. 149.6 million (Q1FY11: Rs. 315.4 million). Revenue for the current period was lower by 52.6%; whereas gross profit was lower by 69.3% and stood at Rs. 26.1 million as

compared to Rs. 85.1 million for the corresponding period last year.

Steel segment is largely dependent upon the external environment being the driving force behind its performance and is undergoing a difficult period attributable to delay in materialization of several key orders as infrastructure development projects have been suspended or postponed due to curtailment of development budget of the public sector organizations and local governments. This remains the primary reason behind the low output during the quarter.

Cotton segment

Segment performance

There was a sharp decline in cotton prices in the first quarter ended 30 September 2011 the impact of which was to the tune of about Rs. 100 million on our inventory. This contributed to the Cotton segment posting a gross loss of Rs. 41.6 million for the quarter as against gross profit of Rs. 119.6 million in the same period last year. The pre-tax net loss for this quarter stood at Rs. 79.8 million as compared to net profit before taxation of Rs. 83.7 million in the same quarter last year.

Investment and infrastructure development segment

Segment performance

Income from investment activities for the first quarter amounted to Rs. 18.2 million as compared to Rs. 17.7 million for the corresponding period last year. As per unconsolidated financial

information, profit before taxation for Q1FY12 stood at Rs. 9.5 million as compared to Rs. 5.1 million in Q1FY11. Profit before taxation as per the consolidated financial information amounted to Rs. 21.2 million (Q1FY11: Rs. 47.3 million) including share of profit from equity accounted associates amounting to Rs. 14.2 million as compared to Rs. 42.3 million for same period last year.

The value of investments in marketable securities (excluding strategic investments) amounted to Rs. 506.9 million as compared to Rs. 490.6 million as of 30 June 2011. The closing position of the portfolio as of 30 September 2011 was Rs. 1,691.3 million and Rs. 2,081.9 million as per unconsolidated and consolidated financial information respectively as compared to Rs. 1,683.4 million and Rs. 2,005.3 million respectively as of 30 June 2011. Income from held for trading investments during the quarter stood at 2.7% on an average investment of Rs. 395.6 million.

The KSE-100 benchmark during Q1FY12 dropped by 734 points (i.e. negative 5.9%) to close at 11,761 points. As a result of net outflow of foreign portfolio to the tune of US\$ 46.1 million from KSE during the quarter, adverse law and order situation in the Country's financial hub and selling pressure in global equity markets, KSE displayed sharp descent followed by partial recovery till the end of September 2011. Trading activity remained sub-par with average daily volumes during the

DIRECTOR'S REVIEW

quarter recorded at 59.4 million shares vis-à-vis an average of 62.1 million shares during corresponding period last year.

It is expected that KSE would spring back during ensuing quarter on the back of treasury rate cut of 150 basis points by the State Bank of Pakistan, and strong growth in corporate profitability particularly in fertilizer, cement and banking sectors. This segment has contributed positively to the bottom line and we are expecting to outperform KSE-100 index in the remaining period of the financial year.

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

Commercial operations of SEL have not yet commenced and the power plant is in commissioning stage and is expected to complete in the coming season. During the current period, SEL posted profit after taxation of Rs. 1.8 million mainly being share of profit from equity accounted associate (Altern Energy Limited).

CS Capital (Private) Limited (wholly owned subsidiary company)

Commercial operations of this newly acquired subsidiary have not yet commenced as of 30 September 2011.

FINANCIAL POSITION

Balance sheet

The Company's balance sheet remained strong with a footing of Rs. 3,879.2 million as of

30 September 2011 as compared to Rs. 4,054.9 million as of 30 June 2011. The break-up value per share decreased to Rs. 47.8 as compared to Rs. 50.9 as of 30 June 2011. The Company's gearing position remained constant with the gearing ratio maintained at 20% as at 30 September 2011 and 30 June 2011.

On a Group basis, the consolidated balance sheet footing stood at Rs. 4,788 million as compared to Rs. 4,905.2 million as of 30 June 2011. The total of shareholder's fund stood at Rs. 3,488 million as compared to Rs. 3,601.3 million as of 30 June 2011.

FUTURE OUTLOOK

With respect to the Steel segment, the order book has improved and we expect order intake to improve in the coming quarters as well. The Iran Pakistan Gas Pipeline project has shown slow but steady progress with ILF and NESPAK having started pipeline route survey and it is expected that actual construction work on the pipeline shall commence by the mid of 2012. Accordingly, we are geared up to participate in this mega project.

Conditions of the Cotton segment continue to remain uncertain as a result of sluggish cotton market affected by global economic uncertainty. This has posed difficulties for the entire textile chain having strong impact on profit margins and capacity utilization. In this situation, spinning sector will continue to remain

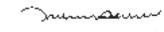
under pressure during the coming quarters.

CHANGES IN THE BOARD OF DIRECTORS

During the current period, Mr. Muhammad Abdul Aleem resigned from the Board on 29 September 2011.

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

For and on behalf of the Board of Directors


Ahsan M. Saleem
Chief Executive
29 October 2011



Crescent Steel &
Allied Products Ltd.

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2011

	Note	Unaudited 30 September 2011 (Rupees in '000)	Audited 30 June 2011 (Rupees in '000)
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,029,674	1,020,812
Intangible assets		10,117	12,964
Investment property		39,084	40,234
Long term investments	6	1,168,787	1,168,777
Long term loans and deposits		16,572	15,348
		<u>2,264,234</u>	<u>2,258,135</u>
Current assets			
Stores, spares and loose tools		61,973	66,217
Stock-in-trade	7	509,999	840,571
Trade debts	8	183,990	145,072
Loan and advances	9	190,122	103,765
Trade deposits and short term prepayments		7,364	5,803
Investments	10	506,856	490,605
Current portion of long term investments	11	15,662	23,974
Mark-up accrued		5,705	2,807
Other receivables		44,172	60,264
Taxation - net		42,290	41,140
Cash and bank balances		46,809	16,518
		<u>1,614,942</u>	<u>1,796,736</u>
Total assets		<u>3,879,176</u>	<u>4,054,871</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		564,600	564,600
Capital reserves		341,159	353,007
Revenue reserves		1,792,401	1,958,719
		<u>2,698,160</u>	<u>2,876,326</u>
Non-current liabilities			
Liabilities against assets subject to finance lease	12	17,789	15,362
Deferred taxation		50,357	50,357
		<u>68,146</u>	<u>65,719</u>
Current liabilities			
Trade and other payables		386,508	370,138
Mark-up accrued		22,900	23,735
Short term borrowings	13	692,376	706,966
Current portion of liabilities against assets subject to finance lease	12	11,086	11,987
		<u>1,112,870</u>	<u>1,112,826</u>
Contingencies and commitments	14		
Total equity and liabilities		<u>3,879,176</u>	<u>4,054,871</u>

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 first quarter ended 30 September 2011

	Note	First quarter ended 30 September 2011 (Rupees in '000)	30 September 2010 (Rupees in '000)
Sales - net	15	930,141	961,048
Cost of sales		945,696	756,314
Gross (loss) / profit		<u>(15,555)</u>	<u>204,734</u>
Income from investments	16	18,212	17,684
		<u>2,657</u>	<u>222,418</u>
Distribution and selling expenses		9,331	9,247
Administrative expenses		40,499	38,613
Other operating expenses	17	1,176	13,437
		<u>51,006</u>	<u>61,297</u>
		<u>(48,349)</u>	<u>161,121</u>
Other operating income		5,749	2,583
Operating (loss) / profit before finance costs		<u>(42,600)</u>	<u>163,704</u>
Finance costs	18	26,992	28,349
(Loss) / profit before taxation		<u>(69,592)</u>	<u>135,355</u>
Taxation - current		12,036	54,381
- deferred		-	(9,107)
		<u>12,036</u>	<u>45,274</u>
(Loss) / profit after taxation for the period		<u>(81,628)</u>	<u>90,081</u>
		(Rupees)	
Basic and diluted (loss) / earnings per share	19	<u>(1.45)</u>	<u>1.60</u>

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

Chief Executive

Director

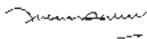


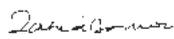
CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (UNAUDITED)

For the first quarter ended 30 September 2011

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
(Loss) / profit after taxation for the period	(81,628)	90,081
Other comprehensive (loss) / income		
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(11,848)	672
Other comprehensive (loss) / income for the period	(11,848)	672
Total comprehensive (loss) / income for the period	(93,476)	90,753

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


Chief Executive

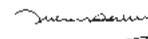

Director

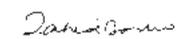
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the first quarter ended 30 September 2011

	Note	First quarter ended	
		30 September 2011	30 September 2010
		(Rupees in '000)	
Cash flows from operating activities			
Cash generated from operations	20	274,215	122,420
Taxes paid		(13,186)	(37,567)
Finance costs paid		(27,827)	(37,025)
Contribution to gratuity and pension funds		(2,794)	(2,591)
Contribution to Workers' Profit Participation Fund		(25,862)	(28,666)
Payment of infrastructure fee		(20,319)	-
Compensated absences paid		(163)	-
10-C bonus paid		(862)	(792)
Long term loans and deposits - net		(1,244)	(9)
Net cash generated from operating activities		181,958	15,770
Cash flows from investing activities			
Capital expenditure		(48,035)	(10,476)
Acquisition of intangible assets		-	(15)
Proceeds from disposal of operating fixed assets		167	3,376
Investments - net		10,920	(21,605)
Dividend income received		1,078	3,682
Interest income received		1,167	1,842
Net cash outflows from investing activities		(34,703)	(23,196)
Cash flows from financing activities			
Repayments against long term loan		-	(28,125)
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		4,980	-
Payments against finance lease obligations		(3,454)	-
Repayments against short term loans - net		(70,907)	(27,728)
Dividends paid		(103,900)	(59,038)
Net cash outflows from financing activities		(173,281)	(114,891)
Net decrease in cash and cash equivalents		(26,026)	(122,317)
Cash and cash equivalents at beginning of the period		(553,661)	(499,196)
Cash and cash equivalents at end of the period	21	(579,687)	(621,513)

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


Chief Executive

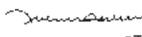

Director

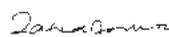
CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 September 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	Unappropri- ated (loss)/ profit	
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 30 September 2010	-	-	-	-	90,081	90,081
Other comprehensive income						
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	672	-	-	672
Other comprehensive income for the period	-	-	672	-	-	672
	-	-	672	-	90,081	90,753
Transaction with owners						
Dividend: - Final @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	(56,460)	(56,460)
Balance as at 30 September 2011	564,600	349,959	12,415	1,842,000	(112,069)	2,656,905
Balance as at 1 July 2011	564,600	349,959	3,048	1,842,000	116,719	2,876,326
Total comprehensive loss for the period						
Loss after taxation for the period ended 30 September 2011	-	-	-	-	(81,628)	(81,628)
Other comprehensive loss						
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(11,848)	-	-	(11,848)
Other comprehensive loss for the period	-	-	(11,848)	-	-	(11,848)
	-	-	(11,848)	-	(81,628)	(93,476)
Transaction with owners						
Dividend: - Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2011	-	-	-	-	(84,690)	(84,690)
Balance as at 30 September 2011	564,600	349,959	(8,800)	1,842,000	(49,599)	2,698,160

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 first quarter ended 30 September 2011

- 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.
- BASIS OF PREPARATION**
 - 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 2011.
 - 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.
 - 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 2011, 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 unconsolidated financial information for the first quarter ended 30 September 2010.
- 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 2011.

Amendments to certain existing standards and interpretations 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.
- ESTIMATES AND JUDGEMENTS**

Estimates and judgements made by management in the preparation of this condensed interim unconsolidated financial information are 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 2011.

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5. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating fixed assets added / transferred and disposed off during the first quarter ended 30 September 2011:

	First quarter ended 30 September 2011		First quarter ended 30 September 2010	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000)			
Plant and machinery - owned	46,245	4,880	480	3,298
Plant and machinery - leased	5,056	-	-	-
Furniture and fittings	74	-	-	-
Electrical/office equipment and installation	649	-	-	-
Computers	21	-	38	-
Motor vehicles - owned	684	283	1,944	2,461
Motor vehicles - leased	1,795	-	-	-
	<u>54,524</u>	<u>5,163</u>	<u>2,462</u>	<u>5,759</u>

6. LONG TERM INVESTMENTS

		Unaudited 30 September 2011	Audited 30 June 2011
		(Rupees in '000)	
Subsidiary companies - at cost	6.1	330,110	330,100
Associated companies - at cost	6.2	651,418	651,418
Other long term investments	6.3	187,259	187,259
		<u>1,168,787</u>	<u>1,168,777</u>

6.1 Subsidiary companies - at cost

30 September 2011	30 June 2011		Unaudited 30 September 2011	Audited 30 June 2011
			(Rupees in '000)	
33,010,000	33,010,000	Unquoted		
		Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1 330,100	330,100
1,000	-	CS Capital (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.2 10	-
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.3 -	-
			<u>330,110</u>	<u>330,100</u>

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
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6.1.2 This represents the Company's investment in 100% equity shares of CS Capital (Private) Limited. The Company acquired 1,000 ordinary shares of Rs. 10 each in the investee company on 26 September 2011 for a total consideration of Rs. 0.010 million.

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

6.2 Associated companies - at cost

30 September 2011	30 June 2011		Unaudited 30 September 2011	Audited 30 June 2011
			(Rupees in '000)	
60,475,416	60,475,416	Quoted		
		Altern Energy Limited (Chief Executive Officer - 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	<u>330,632</u>	<u>330,632</u>
			<u>651,418</u>	<u>651,418</u>

6.2.1 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 International Accounting Standard (IAS) 28 'Investments in Associates', the investee company has also been treated as an associate in this condensed interim unconsolidated financial information.

6.2.2 The fair value of investments in associates as at 30 September 2011 is Rs. 410.338 million (30 June 2011: Rs. 646.977 million).

6.3 Other long term investments

		Unaudited 30 September 2011	Audited 30 June 2011
		(Rupees in '000)	
Investments in related parties			
Available for sale	6.3.1	-	-
Other investments			
Available for sale		178,946	178,946
Held to maturity		8,313	8,313
		<u>187,259</u>	<u>187,259</u>

6.3.1 This includes investment in Crescent Bahuman Limited which is carried at carrying value of Rs. Nil (30 June 2011: 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 2011.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
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For the first quarter ended 30 September 2011

7. STOCK-IN-TRADE

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Raw materials		
Hot rolled steel coils (HR Coil)	24,719	27,080
Coating materials	46,477	44,064
Others	15,081	16,619
Raw cotton	281,386	493,592
Stock-in-transit	—	28,577
	<u>367,663</u>	<u>609,932</u>
Work-in-process	<u>36,681</u>	<u>51,481</u>
Finished goods	<u>91,925</u>	<u>174,766</u>
Scrap / cotton waste	<u>13,730</u>	<u>4,392</u>
	<u>142,336</u>	<u>230,639</u>
	<u>509,999</u>	<u>840,571</u>

8. TRADE DEBTS

Secured		
Considered good	101,548	10,243
Unsecured		
Considered good	82,442	134,829
Considered doubtful	5,561	5,561
Provision for doubtful trade debts	(5,561)	(5,561)
	<u>82,442</u>	<u>134,829</u>
	<u>183,990</u>	<u>145,072</u>

9. LOAN AND ADVANCES

Unsecured			
Loan to related party - considered good			
Loan to subsidiary company	9.1	90,000	74,000
Advances - considered good			
Advances to executives		635	300
Suppliers for goods and services		99,487	29,465
Advances - considered doubtful			
Suppliers for goods and services		157	157
Provision for doubtful advances		(157)	(157)
		<u>—</u>	<u>—</u>
		<u>190,122</u>	<u>103,765</u>

9.1 The Company has entered into a bridge finance arrangement with its wholly owned subsidiary company Shakarganj Energy (Private) Limited on 15 September 2010. Under the arrangement, the Company shall disburse bridge loan to the subsidiary company in one or more tranches on a short term basis.

The mark-up rate on the said loan is three months KIBOR prevailing on the base rate setting date plus 3% per annum. Mark-up is payable on a quarterly basis. The effective mark-up charged during the period ranged from 16.25% to 16.60% (2010: 16.06%) per annum.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
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10. INVESTMENTS

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Investments in related parties		
Available for sale	5,212	7,044
Other investments		
Available for sale	91,979	101,995
Held for trading	409,665	381,566
	<u>501,644</u>	<u>483,561</u>
	<u>506,856</u>	<u>490,605</u>

- 10.1 Investments having an aggregate market value of Rs. 277.068 million (30 June 2011: Rs. 345.335 million) have been pledged with financial institutions as security against financing facilities (see note 13.4) out of which Rs. 151.376 million (30 June 2011: Rs. 248.203 million) relates to long term investments.
- 10.2 Investments having an aggregate market value of Rs. 179.910 million (30 June 2011: Rs. 182.542 million) have been pledged with a financial institution as security against long term financing aggregating (30 June 2011: Rs. 115 million) sanctioned to the wholly owned subsidiary company, Shakarganj Energy (Private) Limited.

11. CURRENT PORTION OF LONG TERM INVESTMENTS

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Preference shares of Shakarganj Mills Limited	29,994	29,994
Term finance certificates of United Bank Limited	8,313	16,625
Dividend receivable on preference shares of Shakarganj Mills Limited	5,106	5,198
	<u>43,413</u>	<u>51,725</u>
Less: Provision for impairment	27,751	27,751
	<u>15,662</u>	<u>23,974</u>

12. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	30 September 2011	30 June 2011	30 September 2011	30 June 2011	30 September 2011	30 June 2011
	(Rupees in '000)					
Not later than one year	14,188	15,049	3,102	3,062	11,086	11,987
Later than one year and not later than five years	19,744	17,272	1,955	1,910	17,789	15,362
	<u>33,932</u>	<u>32,321</u>	<u>5,057</u>	<u>4,972</u>	<u>28,875</u>	<u>27,349</u>
Less: Current portion shown under current liabilities					11,086	11,987
					<u>17,789</u>	<u>15,362</u>



Crescent Steel &
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NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
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18. FINANCE COSTS

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Incurring on		
- finance lease obligations	1,055	-
- long term loan	-	879
- running finances / short term loans	23,914	26,857
- Workers' Profit Participation Fund	563	-
Bank charges	1,460	613
	<u>26,992</u>	<u>28,349</u>

19. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

(Loss) / profit after taxation for the period	<u>(81,628)</u>	<u>90,081</u>
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(Number of shares)

Average number of ordinary shares in issue during the period	<u>56,459,993</u>	<u>56,459,993</u>
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(Rupees)

Basic and diluted (loss) / earnings per share	<u>(1.45)</u>	<u>1.60</u>
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20. CASH GENERATED FROM OPERATIONS

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
(Loss) / profit before taxation for the period	(69,592)	135,355
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment property	40,258	39,890
Amortization of intangible assets	2,847	2,887
Charge for the period on staff retirement benefit funds	2,794	2,591
Charge for compensated absences	163	-
Amortization of advances to staff	20	74
Amortization of initial transaction costs	-	66
Dividend income	(9,537)	(7,252)
Unrealized gain on held for trading investments - net	(3,849)	(3,522)
Gain on sale of investments - net	(1,856)	(3,944)
Provision for Workers' Welfare Fund	-	3,456
Provision for Workers' Profit Participation Fund	-	7,030
Return on deposits, loan and investments	(4,065)	(1,366)
Gain on disposal of operating fixed assets	(102)	(1,425)
Liabilities written back	(430)	-
Finance costs	26,992	28,349
Working capital changes	290,572	(79,769)
	<u>274,215</u>	<u>122,420</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
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20.1 Working capital changes

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Decrease / (increase) in current assets		
Stores, spares and loose tools	4,244	6,477
Stock-in-trade	330,725	229,206
Trade debts	(38,918)	88,994
Loan and advances	(86,357)	(253,436)
Trade deposits and short term prepayments	(1,561)	(1,176)
Other receivables	(1,969)	3,390
	<u>206,164</u>	<u>73,455</u>
Increase / (decrease) in current liabilities		
Trade and other payables	84,408	(153,224)
	<u>290,572</u>	<u>(79,769)</u>

21. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(626,496)	(682,023)
Cash and bank balances	46,809	60,510
	<u>(579,687)</u>	<u>(621,513)</u>

22. SEGMENT REPORTING

22.1 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).



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

22.2 Segment revenues and results

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

For the first quarter ended 30 September 2011	Steel segment	Cotton segment (Rupees in '000)	IID segment	Total
Sales - net	149,638	780,503	-	930,141
Cost of sales	123,550	822,146	-	945,696
Gross profit / (loss)	26,088	(41,643)	-	(15,555)
Income from investments	-	-	18,212	18,212
	26,088	(41,643)	18,212	2,657
Distribution and selling expenses	2,616	6,715	-	9,331
Administrative expenses	23,710	12,032	4,757	40,499
Other operating expenses	72	1,104	-	1,176
	26,398	19,851	4,757	51,006
	(310)	(61,494)	13,455	(48,349)
Other operating income	1,570	1,732	2,447	5,749
Operating profit / (loss) before finance costs	1,260	(59,762)	15,902	(42,600)
Finance costs	593	20,035	6,364	26,992
Profit / (loss) before taxation	667	(79,797)	9,538	(69,592)
Taxation				12,036
Loss after taxation				(81,628)
For the first quarter ended 30 September 2010				
Sales - net	315,398	645,650	-	961,048
Cost of sales	230,260	526,054	-	756,314
Gross profit	85,138	119,596	-	204,734
Income from investments	-	-	17,684	17,684
	85,138	119,596	17,684	222,418
Distribution and selling expenses	4,056	5,191	-	9,247
Administrative expenses	30,317	2,743	5,553	38,613
Other operating expenses	4,178	9,101	158	13,437
	38,551	17,035	5,711	61,297
	46,587	102,561	11,973	161,121
Other operating income	1,718	865	-	2,583
Operating profit before finance costs	48,305	103,426	11,973	163,704
Finance costs	1,722	19,728	6,899	28,349
Profit before taxation	46,583	83,698	5,074	135,355
Taxation				45,274
Profit after taxation				90,081

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

22.2.2 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 2011. 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.

22.3 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 15 to this condensed interim unconsolidated financial information.

22.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 107.544 million (2010: Rs. 276.715 million) of total Steel segment revenue of Rs. 149.638 million (2010: Rs. 315.398 million). Further, revenue from major customers of Cotton segment represents an aggregate amount of Rs. 98.430 million (2010: Rs. 141.711 million) of total Cotton segment revenue of Rs. 780.503 million (2010: Rs. 645.650 million).

22.5 Geographical information

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

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Pakistan	893,298	961,048
Far East	36,843	-
	<u>930,141</u>	<u>961,048</u>

22.5.2 All non-current assets of the Company as at 30 September 2011 and 30 June 2011 were located and operated in Pakistan.



Crescent Steel &
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22.6 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 30 September 2011				
Segment assets for reportable segments	565,875	1,445,932	1,854,906	3,866,713
Unallocated corporate assets				12,463
Total assets as per balance sheet				3,879,176
Segment liabilities for reportable segments	102,901	237,963	2,684	343,584
Unallocated corporate liabilities				837,468
Total liabilities as per balance sheet				1,181,016
As at 30 June 2011				
Segment assets for reportable segments	568,387	1,626,917	1,867,006	4,062,310
Unallocated corporate assets				(7,439)
Total assets as per balance sheet				4,054,871
Segment liabilities for reportable segments	149,065	146,966	4,449	300,480
Unallocated corporate liabilities				878,065
Total liabilities as per balance sheet				1,178,545

22.6.1 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', 'mark-up accrued' and liabilities relating to current and deferred taxation.

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

22.7 Other segment information

	Steel segment	Cotton segment	IID segment	Total
	(Rupees in '000)			
For the first quarter ended 30 September 2011				
Capital expenditure	28	47,263	-	47,291
Depreciation and amortization	9,488	32,304	1,333	43,125
Non-cash items other than depreciation and amortization - net	2,059	19,655	(11,604)	10,110

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	Steel segment	Cotton segment	IID segment	Total
	(Rupees in '000)			
For the first quarter ended 30 September 2010				
Capital expenditure	-	10,438	-	10,438
Depreciation and amortization	10,018	31,230	1,669	42,917
Non-cash items other than depreciation and amortization - net	6,098	25,878	(8,059)	23,917

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary and associated companies, directors of the Company, companies in which 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

Name of entity	Nature of relationship	Nature of transaction	First quarter ended	
			30 September 2011	30 September 2010
			(Rupees in '000)	
Crescent Jute Products Limited **	Related party	Services received	-	57
		Services rendered	-	473
Crescent Sugar Mills & Distillery Limited **	Related party	Dividend paid	-	668
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
Premier Insurance Company *	Related party	Dividend paid	60	40
		Insurance premium	1,271	702
Shakarganj Energy (Private) Limited	Subsidiary company	Short term loan provided	16,000	50,000
		Mark-up on short term loan	3,517	44
Shakarganj Mills Limited	Associated company	Dividend paid	3,672	2,007
		Sales of finished goods	6,551	-
		Services received	217	1,065
		Services rendered	305	357



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Name of entity	Nature of relationship	Nature of transaction	First quarter ended	
			30 September 2011	30 September 2010
			(Rupees in '000)	
The Citizens' Foundation *	Related party	Donation given	<u>-</u>	<u>5,365</u>
The Crescent Textile Mills Limited *	Related party	Dividend paid	<u>8,384</u>	<u>5,589</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>996</u>	<u>373</u>
		Dividend paid	<u>1</u>	<u>1</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>854</u>	<u>724</u>
		Dividend paid	<u>715</u>	<u>342</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>2,131</u>	<u>1,800</u>
		Dividend paid	<u>1,475</u>	<u>554</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,181</u>	<u>1,035</u>
		Dividend paid	<u>600</u>	<u>393</u>
Key management personnel	Related parties	Remuneration and benefits	<u>10,726</u>	<u>10,610</u>

*These entities are / have been related parties of the Company by virtue of common directorship only.

**These entities have been related parties of the Company by virtue of common directorship only. The Company no longer has significant influence over the entities as at 30 September 2011.

- 23.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 23.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 23.3 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 during the period other than their terms of employment / entitlements.

24. 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 2011.

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 29 October 2011.


Chief Executive


Director

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED SEPTEMBER 2011



Crescent Steel &
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CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

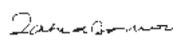
As at 30 September 2011

	Note	Unaudited 30 September 2011 (Rupees in '000)	Audited 30 June 2011
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,445,080	1,431,179
Intangible assets		10,117	12,964
Investment property		39,084	40,234
Investment in equity accounted investees	6	1,566,774	1,498,023
Other long term investments	7	189,030	189,030
Long term loans and deposits		16,572	15,348
		<u>3,266,657</u>	<u>3,186,778</u>
Current assets			
Stores, spares and loose tools		61,973	66,217
Stock-in-trade	8	509,999	840,571
Trade debts	9	183,990	145,072
Advances	10	100,122	29,765
Trade deposits and short term prepayments		7,518	6,074
Investments	11	506,856	490,605
Current portion of long term investments	12	8,313	16,625
Mark-up accrued on term finance certificates		200	820
Other receivables		46,191	62,283
Taxation - net		42,571	41,415
Cash and bank balances		53,624	19,000
		<u>1,521,357</u>	<u>1,718,447</u>
Total assets		<u>4,788,014</u>	<u>4,905,225</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		564,600	564,600
Capital reserves		366,431	325,764
Revenue reserves		2,557,011	2,710,952
		<u>3,488,042</u>	<u>3,601,316</u>
Non-current liabilities			
Long term loan		115,000	115,000
Liabilities against assets subject to finance lease		17,789	15,362
Deferred taxation	13	50,357	50,357
		<u>183,146</u>	<u>180,719</u>
Current liabilities			
Trade and other payables		387,949	377,995
Mark-up accrued		25,415	26,242
Short term borrowings	14	692,376	706,966
Current portion of liabilities against assets subject to finance lease	13	11,086	11,987
		<u>1,116,826</u>	<u>1,123,190</u>
Contingencies and commitments	15		
Total equity and liabilities		<u>4,788,014</u>	<u>4,905,225</u>

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



Chief Executive



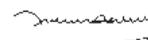
Director

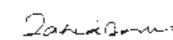
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the first quarter ended 30 September 2011

	Note	First quarter ended	
		30 September 2011 (Rupees in '000)	30 September 2010
Sales - net	16	930,141	961,048
Cost of sales		<u>945,696</u>	<u>756,314</u>
Gross (loss) / profit		(15,555)	204,734
Income from investments	17	<u>18,212</u>	<u>17,684</u>
		2,657	222,418
Distribution and selling expenses		9,331	9,247
Administrative expenses		40,894	38,637
Other operating expenses	18	1,176	13,437
		<u>51,401</u>	<u>61,321</u>
		(48,744)	161,097
Other operating income		2,289	2,949
Operating (loss) / profit before finance costs		<u>(46,455)</u>	<u>164,046</u>
Finance costs	19	26,996	28,353
Share of profit in equity accounted investees - net of taxation		16,236	50,181
(Loss) / profit before taxation		<u>(57,215)</u>	<u>185,874</u>
Taxation - current		12,036	54,515
- deferred		-	(9,107)
		<u>12,036</u>	<u>45,408</u>
(Loss) / profit after taxation for the period		<u>(69,251)</u>	<u>140,466</u>
		(Rupees)	
Basic and diluted (loss) / earnings per share	20	<u>(1.23)</u>	<u>2.49</u>

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 first quarter ended 30 September 2011

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
(Loss) / profit after taxation for the period	(69,251)	140,466
Other comprehensive (loss) / income		
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(11,848)	672
Proportionate share of other comprehensive income of equity accounted investees	52,515	13,140
Other comprehensive income for the period	40,667	13,812
Total comprehensive (loss) / income for the period	(28,584)	154,278

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


Chief Executive

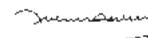

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the first quarter ended 30 September 2011

	Note	First quarter ended	
		30 September 2011	30 September 2010
		(Rupees in '000)	
Cash flows from operating activities			
Cash generated from operations	21	283,521	272,240
Taxes paid		(13,192)	(37,609)
Finance costs paid		(27,823)	(37,029)
Contribution to gratuity and pension funds		(2,794)	(2,591)
Contribution to Workers' Profit Participation Fund		(25,862)	(28,666)
Payment of infrastructure fee		(20,319)	-
Compensated absences paid		(163)	-
10-C bonus paid		(862)	(792)
Long term loans and deposits - net		(1,244)	(9)
Net cash generated from operating activities		<u>191,262</u>	<u>165,544</u>
Cash flows from investing activities			
Capital expenditure		(53,074)	(175,742)
Acquisition of intangible assets		-	(15)
Proceeds from disposal of operating fixed assets		167	3,376
Investments - net		10,930	(21,605)
Dividend income received		1,078	3,682
Interest income received		1,225	2,252
Net cash outflows from investing activities		<u>(39,674)</u>	<u>(188,052)</u>
Cash flows from financing activities			
Repayments against long term loan		-	(28,125)
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		4,980	-
Payments against finance lease obligations		(3,454)	-
Repayments against short term loans - net		(70,907)	(27,728)
Dividends paid		(103,900)	(59,038)
Net cash outflows from financing activities		<u>(173,281)</u>	<u>(114,891)</u>
Net decrease in cash and cash equivalents		<u>(21,693)</u>	<u>(137,399)</u>
Cash and cash equivalents at beginning of the period		<u>(551,179)</u>	<u>(470,218)</u>
Cash and cash equivalents at end of the period	22	<u>(572,872)</u>	<u>(607,617)</u>

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 first quarter ended 30 September 2011

	Issued, subscribed and paid-up capital	Share premium	Capital reserves		Revenue reserve	Unappro- priated profit / (loss)	Total
			Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Others*			
(Rupees in '000)							
Balance as at 1 July 2010	564,600	349,959	11,743	(87,636)	1,842,000	398,513	3,079,179
Total comprehensive income for the period							
Profit after taxation for the period ended 30 September 2010	-	-	-	-	-	140,466	140,466
Other comprehensive income							
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	672	-	-	-	672
Proportionate share of other comprehensive income of equity accounted investees	-	-	-	13,140	-	-	13,140
Other comprehensive income for the period	-	-	672	13,140	-	-	13,812
	-	-	672	13,140	-	140,466	154,278
Transaction with owners							
Dividend:							
- Final @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2010	-	-	-	-	-	(56,460)	(56,460)
Balance as at 30 September 2010	564,600	349,959	12,415	(74,496)	1,842,000	482,519	3,176,997
Balance as at 1 July 2011	564,600	349,959	3,048	(27,243)	1,842,000	868,952	3,601,316
Total comprehensive (loss) / income for the period							
Loss after taxation for the period ended 30 September 2011	-	-	-	-	-	(69,251)	(69,251)
Other comprehensive (loss) / income							
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	-	-	(11,848)	-	-	-	(11,848)
Proportionate share of other comprehensive income of equity accounted investees	-	-	-	52,515	-	-	52,515
Other comprehensive (loss) / income for the period	-	-	(11,848)	52,515	-	-	40,667
	-	-	(11,848)	52,515	-	(69,251)	(28,584)
Transaction with owners							
Dividend:							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2011	-	-	-	-	-	(84,690)	(84,690)
Balance as at 30 September 2011	564,600	349,959	(8,800)	25,272	1,842,000	715,011	3,488,042

* 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.


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies Shakarganj Energy (Private) Limited, CS Capital (Private) Limited 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 Shakarganj Energy (Private) Limited (SEL) 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 SEL 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 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of this company will be to effectively manage investment portfolios in shares, commodities and other securities (strategic as well as short term).
- 1.5 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.6 Details regarding the Group's associates are given in note 6 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 2011.
- 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 2011, whereas the comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are stated from the unaudited condensed interim consolidated financial information for the first quarter ended 30 September 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 2011.

Amendments to certain existing standards and interpretations 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.

4. 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 2011.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

5. **PROPERTY, PLANT AND EQUIPMENT**

Following is the cost of operating fixed assets added / transferred and disposed off during the first quarter ended 30 September 2011:

	First quarter ended 30 September 2011		First quarter ended 30 September 2010	
	Additions	Disposals	Additions	Disposals
		(Rupees in '000)		
Plant and machinery - owned	46,245	4,880	480	3,298
Plant and machinery - leased	5,056	-	-	-
Furniture and fittings	74	-	-	-
Electrical/office equipment and installation	649	-	-	-
Computers	21	-	38	-
Motor vehicles - owned	684	283	1,944	2,461
Motor vehicles - leased	1,795	-	-	-
	<u>54,524</u>	<u>5,163</u>	<u>2,462</u>	<u>5,759</u>

6. **INVESTMENT IN EQUITY ACCOUNTED INVESTEES**

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'.

30 September 2011	30 June 2011		Unaudited 30 September 2011	Audited 30 June 2011
(Number of shares)			(Rupees in '000)	
		Quoted		
69,175,416	69,175,416	Altern Energy Limited (Chief Executive Officer - Syed Zamanat Abbas)	6.1 1,566,774	1,498,023
15,244,665	15,244,665	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)	6.2 -	-
			<u>1,566,774</u>	<u>1,498,023</u>

6.1 The Holding Company and SEL 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.

6.2 As at 30 September 2011 and 30 June 2011, the carrying amount of equity accounted investment in Shakarganj Mills Limited has been reduced to Nil due to recognition of the Group's share of losses incurred by the investee company. The Group has already further recognized its share of losses against the carrying amount in respect of preference shares of the investee company held by the Group and dividend receivable thereon as more fully explained in notes 17.2 and 26.1 to the audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2011.

The Group has discontinued any further recognition of its share of losses of the investee company. The unrecognized share of net losses for the period amounted to Rs. 12.716 million (2010: Rs. 37.237 million) and cumulatively share of net losses as at 30 September 2011 amounted to Rs. 106.562 million (30 June 2011: Rs. 93.801 million). Included in the unrecognized share of net losses for the period, is an amount aggregating Rs. 1.903 million (2010: Rs. Nil) representing the Group's share of net loss from discontinued operations of the investee company.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

6.3 The above figures are based on financial statements of these companies as at 30 June 2011.

6.4 The fair value of investments in associates as at 30 September 2011 is Rs. 458.622 million (30 June 2011: Rs. 726.147 million).

7. **OTHER LONG TERM INVESTMENTS**

		Unaudited 30 September 2011	Audited 30 June 2011
		(Rupees in '000)	
Investments in related parties			
Available for sale	7.1	-	-
Other investments			
Available for sale		180,717	180,717
Held to maturity		8,313	8,313
		<u>189,030</u>	<u>189,030</u>

7.1 This includes investment in Crescent Bahuman Limited which is carried at carrying value of Rs. Nil (30 June 2011: 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 2011.

8. **STOCK-IN-TRADE**

	Unaudited 30 September 2011	Audited 30 June 2011
		(Rupees in '000)
Raw materials		
Hot rolled steel coils (HR Coil)	24,719	27,080
Coating materials	46,477	44,064
Others	15,081	16,619
Raw cotton	281,386	493,592
Stock-in-transit	-	28,577
	<u>367,663</u>	<u>609,932</u>
Work-in-process	36,681	51,481
Finished goods	91,925	174,766
Scrap / cotton waste	13,730	4,392
	<u>142,336</u>	<u>230,639</u>
	<u>509,999</u>	<u>840,571</u>

9. **TRADE DEBTS**

Secured		
Considered good	101,548	10,243
Unsecured		
Considered good	82,442	134,829
Considered doubtful	5,561	5,561
Provision for doubtful trade debts	(5,561)	(5,561)
	<u>82,442</u>	<u>134,829</u>
	<u>183,990</u>	<u>145,072</u>

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

10. ADVANCES

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Unsecured - Considered good		
Advances to executives	635	300
Suppliers for goods and services	99,487	29,465
Unsecured - Considered doubtful		
Suppliers for goods and services	157	157
Provision for doubtful advances	(157)	(157)
	-	-
	<u>100,122</u>	<u>29,765</u>

11. INVESTMENTS

Investments in related parties

Available for sale

5,212

7,044

Other investments

Available for sale

91,979

101,995

Held for trading

409,665

381,566

501,644

483,561

506,856

490,605

11.1 Investments having an aggregate market value of Rs. 277.068 million (30 June 2011: Rs. 345.335 million) have been pledged with financial institutions as security against financing facilities (see note 14.4) out of which Rs. 151.376 million (30 June 2011: Rs. 248.203 million) relates to long term investments.

11.2 Investments having an aggregate market value of Rs. 179.910 million (30 June 2011: Rs. 182.54 million) have been pledged with a financial institution as security against long term financing aggregating Rs. 115 million (30 June 2011: Rs. 115 million) sanctioned to SEL.

12. CURRENT PORTION OF LONG TERM INVESTMENTS

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Preference shares of Shakarganj Mills Limited	29,994	29,994
Term finance certificates of United Bank Limited	8,313	16,625
Dividend receivable on preference shares of Shakarganj Mills Limited	5,106	5,106
	<u>43,413</u>	<u>51,725</u>
Less: Share of loss on Shakarganj Mills Limited attributed to preference shares and dividend receivable thereon	12.1	35,100
	<u>8,313</u>	<u>16,625</u>

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

12.1 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' (see note 6.2).

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	30 September 2011	30 June 2011	30 September 2011	30 June 2011	30 September 2011	30 June 2011
	(Rupees in '000)					
Not later than one year	14,188	15,049	3,102	3,062	11,086	11,987
Later than one year and not later than five years	19,744	17,272	1,955	1,910	17,789	15,362
	<u>33,932</u>	<u>32,321</u>	<u>5,057</u>	<u>4,972</u>	<u>28,875</u>	<u>27,349</u>

Less: Current portion shown under current liabilities

11,086

17,789

15,362

13.1 The Holding Company has entered into finance lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangements is three years (30 June 2011: three years) and the liability is payable by the year 2014. The periodic lease payments include built-in rates of mark-up ranging between 19.29% to 20.25% (2010: Nil) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 17.730 million (30 June 2011: Rs. 20.285 million) which pertains to obligations arising from sale and leaseback of assets.

The Holding Company intends to exercise its options to purchase the leased assets upon completion of the respective lease term. The Holding Company's obligations under these arrangements are secured by the lessor's title to the leased assets.

14. SHORT TERM BORROWINGS

	Unaudited 30 September 2011	Audited 30 June 2011
	(Rupees in '000)	
Secured from banking companies		
Running finances under mark-up arrangements	626,496	570,179
Short term loans	65,880	136,787
	<u>692,376</u>	<u>706,966</u>

14.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 811 million (30 June 2011: Rs. 844 million) out of which Rs. 500 million (30 June 2011: Rs. 500 million) is interchangeable with Term Finance / Demand Finance and letters of credit. During the period, the mark-up on such arrangements ranged between 14.68% to 16.56% (2010: 13.44% to 15.26%) per annum.

14.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2011: Rs. 1,000 million) out of which Rs. 400 million (30 June 2011: Rs. 300 million) is interchangeable with letters of credit. During the period, the mark-up on such arrangements ranged between 16.30% to 16.81% (2010: 15.26%) per annum.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

14.3 The facilities for opening letters of credit amounted to Rs. 2,012 million (30 June 2011: Rs. 1,650 million) out of which Rs. 500 million (30 June 2011: Rs. 500 million), Rs. 400 million (30 June 2011: Rs. 300 million) and Rs. 150 million (30 June 2011: Rs. 150 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at 30 September 2011 amounted to Rs. 500 million (30 June 2011: Rs. 500 million) which is interchangeable with letters of credit as stated above. Amounts unutilized for letters of credit and guarantees as at 30 September 2011 were Rs. 1,158.928 million and Rs. 250.929 million (30 June 2011: Rs. 999.895 million and Rs. 224.419 million) respectively.

14.4 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.

15. CONTINGENCIES AND COMMITMENTS

15.1 There is no change in the status of contingencies set out in note 13 to the Group's audited annual consolidated financial statements for the year ended 30 June 2011, except as set out in note 15.2 below.

15.2 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated Rs. 249.071 million (30 June 2011: Rs. 275.581 million).

15.3 Commitments in respect of capital expenditure contracted for by the Group as at 30 September 2011 amounted to Rs. 33.958 million (30 June 2011: Rs. 218.432 million). This represents / includes an amount of Rs. 19.164 million (30 June 2011: Rs. 19.164 million) payable by the holding over the period of three years in 15 quarterly installments representing office premises located in Islamabad. This also includes commitments contracted for by SEL aggregating Rs. 14.794 million (30 June 2011: Rs. 199.268 million) in respect of capital expenditure to acquire plant and machinery.

15.4 Commitments under letters of credit as at 30 September 2011 amounted to Rs. 303.347 million (30 June 2011: Rs. 41.335 million).

15.5 Commitment in respect of future purchase of shares amounted to Rs. 28.982 million (30 June 2011: Rs. 30.980 million).

16. SALES - NET

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Local sales		
Bare pipes (own product excluding coating revenue)	59,683	292,886
Revenue from conversion	4,257	1,775
Coating of pipes	102,661	46,802
Cotton yarn / raw cotton	717,303	617,065
Others (including pipes laboratory testing)	5,979	7,596
Scrap / waste	33,679	45,421
Sales returns	(7,320)	(7,978)
	<u>916,242</u>	<u>1,003,567</u>
Export sales		
Cotton yarn	36,843	-
	<u>953,085</u>	<u>1,003,567</u>
Sales tax and special excise duty	(22,944)	(42,519)
	<u>930,141</u>	<u>961,048</u>

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

17. INCOME FROM INVESTMENTS

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Return on term finance certificates	434	534
Dividend income	9,537	7,252
Gain on sale of investments - net	1,856	3,944
Unrealized gain on held for trading investments - net	3,849	3,522
Rent from investment property	2,536	2,432
	<u>18,212</u>	<u>17,684</u>

17.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.813 million (2010: Rs. 1.010 million). Further, Rs. 0.336 million (2010: Rs. 0.298 million) were incurred against non rented out area.

18. OTHER OPERATING EXPENSES

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Exchange loss	1,176	2,951
Provision for Workers' Welfare Fund	-	3,456
Provision for Workers' Profit Participation Fund	-	7,030
	<u>1,176</u>	<u>13,437</u>

19. FINANCE COSTS

Incurred on		
- finance lease obligations	1,055	-
- long term loan	-	879
- running finances / short term loans	23,914	26,857
- Workers' Profit Participation Fund	563	-
Bank charges	1,464	617
	<u>26,996</u>	<u>28,353</u>

20. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

(Loss) / profit after taxation for the period	<u>(69,251)</u>	<u>140,466</u>
	(Number of shares)	
Average number of ordinary shares in issue during the period	<u>56,459,993</u>	<u>56,459,993</u>
	(Rupees)	
Basic and diluted (loss) / earnings per share	<u>(1.23)</u>	<u>2.49</u>



Crescent Steel &
Allied Products Ltd.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

21. CASH GENERATED FROM OPERATIONS

	First quarter ended 30 September 2011	30 September 2010
	(Rupees in '000)	
(Loss) / profit before taxation for the period	(57,215)	185,874
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment property	40,258	39,890
Amortization of intangible assets	2,847	2,887
Charge for the period on staff retirement benefit funds	2,794	2,591
Charge for compensated absences	163	-
Amortization of advances to staff	20	74
Amortization of initial transaction costs	-	66
Dividend income	(9,537)	(7,252)
Unrealised gain on held for trading investments - net	(3,849)	(3,522)
Gain on sale of investments - net	(1,856)	(3,944)
Provision for Workers' Welfare Fund	-	3,456
Provision for Workers' Profit Participation Fund	-	7,030
Return on deposits and investments	(605)	(1,732)
Gain on disposal of operating fixed assets	(102)	(1,425)
Liabilities written back	(430)	-
Finance costs	26,996	28,353
Share of profit from equity accounted investees - net of taxation	(16,236)	(50,181)
Working capital changes	21.1 300,273	70,075
	<u>283,521</u>	<u>272,240</u>

21.1 Working capital changes

Decrease / (increase) in current assets		
Stores, spares and loose tools	4,244	6,477
Stock-in-trade	330,725	229,206
Trade debts	(38,918)	88,994
Advances	(70,357)	(203,436)
Trade deposits and short term prepayments	(1,444)	(1,176)
Other receivables	(1,969)	3,390
	<u>222,281</u>	<u>123,455</u>
Increase / (decrease) in current liabilities		
Trade and other payables	77,992	(53,380)
	<u>300,273</u>	<u>70,075</u>

22. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(626,496)	(682,023)
Cash and bank balances	53,624	74,406
	<u>(572,872)</u>	<u>(607,617)</u>

23. SEGMENT REPORTING

23.1 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.

NOTES TO THE CONDENSED INTERIM
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For the first quarter ended 30 September 2011

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

23.2 Segment revenues and results

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

For the first quarter ended 30 September 2011	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
Sales - net	149,638	780,503	-	-	930,141
Cost of sales	123,550	822,146	-	-	945,696
Gross profit / (loss)	26,088	(41,643)	-	-	(15,555)
Income from investments	-	-	18,212	-	18,212
	26,088	(41,643)	18,212	-	2,657
Distribution and selling expenses	2,616	6,715	-	-	9,331
Administrative expenses	23,710	12,032	4,836	316	40,894
Other operating expenses	72	1,104	-	-	1,176
	26,398	19,851	4,836	316	51,401
	(310)	(61,494)	13,376	(316)	(48,744)
Other operating income	1,050	1,182	-	57	2,289
Operating profit / (loss) before finance costs	740	(60,312)	13,376	(259)	(46,455)
Finance costs	593	20,035	6,364	4	26,996
Share of profit in equity accounted investees - net of taxation	-	-	14,194	2,042	16,236
Profit / (loss) before taxation	147	(80,347)	21,206	1,779	(57,215)
Taxation					12,036
Loss after taxation					(69,251)
For the first quarter ended 30 September 2010					
Sales - net	315,398	645,650	-	-	961,048
Cost of sales	230,260	526,054	-	-	756,314
Gross profit	85,138	119,596	-	-	204,734
Income from investments	-	-	17,684	-	17,684
	85,138	119,596	17,684	-	222,418
Distribution and selling expenses	4,056	5,191	-	-	9,247
Administrative expenses	30,317	2,743	5,553	24	38,637
Other operating expenses	4,178	9,101	158	-	13,437
	38,551	17,035	5,711	24	61,321
	46,587	102,561	11,973	(24)	161,097
Other operating income	1,674	865	-	410	2,949
Operating profit before finance costs	48,261	103,426	11,973	386	164,046
Finance costs	1,722	19,728	6,899	4	28,353
Share of profit in equity accounted investees - net of taxation	-	-	42,254	7,927	50,181
Profit before taxation	46,539	83,698	47,328	8,309	185,874
Taxation					45,408
Profit after taxation					140,466

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

23.2.2 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 preceding year ended 30 June 2011. 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.

23.3 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 16 to this condensed interim consolidated financial information.

23.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 107,544 million (2010: Rs. 276.715 million) of total Steel segment revenue of Rs. 149,638 million (2010: Rs. 315,398 million). Further, revenue from major customers of Cotton segment represent an aggregate amount of Rs. 98.43 million (2010: Rs. 141.711 million) of total Cotton segment revenue of Rs. 780.503 million (2010: Rs. 645.650 million).

23.5 Geographical information

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

	First quarter ended	
	30 September 2011	30 September 2010
	(Rupees in '000)	
Pakistan	893,298	961,048
Far East	36,843	-
	<u>930,141</u>	<u>961,048</u>

23.5.2 All non-current assets of the Group as at 30 September 2011 and 30 June 2011 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 30 September 2011					
Segment assets for reportable segments	565,875	1,445,932	867,811	424,664	3,304,282
Investment in equity accounted investees	-	-	1,426,501	140,273	1,566,774
Unallocated corporate assets					(83,042)
Total assets as per balance sheet					<u>4,788,014</u>
Segment liabilities for reportable segments	102,901	237,963	2,764	118,877	462,505
Unallocated corporate liabilities					837,467
Total liabilities as per balance sheet					<u>1,299,972</u>
As at 30 June 2011					
Segment assets for reportable segments	568,387	1,626,917	879,910	415,414	3,490,628
Investment in equity accounted investees	-	-	1,349,446	148,577	1,498,023
Unallocated corporate assets					(83,426)
Total assets as per balance sheet					<u>4,905,225</u>
Segment liabilities for reportable segments	149,065	146,966	4,449	125,364	425,844
Unallocated corporate liabilities					878,065
Total liabilities as per balance sheet					<u>1,303,909</u>

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For the first quarter ended 30 September 2011

23.6.1 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', 'mark-up accrued' and liabilities relating to current and deferred taxation.

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

23.7 Other segment information

	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				

For the first quarter ended 30 September 2011

Capital expenditure	28	47,263	-	5,039	52,330
Depreciation and amortization	9,488	32,304	1,333	-	43,125
Non-cash items other than depreciation and amortization - net	2,579	20,205	(23,351)	(2,095)	(2,662)

For the first quarter ended 30 September 2010

Capital expenditure	-	(10,438)	-	(165,266)	(175,704)
Depreciation and amortization	10,018	31,230	1,669	-	42,917
Non-cash items other than depreciation and amortization - net	6,142	25,878	(50,313)	(8,333)	(26,626)

24. 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. Balances and transactions between the Holding Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

NOTES TO THE CONDENSED INTERIM
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For the first quarter ended 30 September 2011

Transactions with related parties of the Group other than those disclosed elsewhere are as follows

Name of entity	Nature of relationship	Nature of transaction	First quarter ended	
			30 September 2011	30 September 2010
			(Rupees in '000)	
Crescent Jute Products Limited **	Related party	Services received	-	57
		Services rendered	-	473
Crescent Sugar Mills & Distillery Limited **	Related party	Dividend paid	-	668
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
Premier Insurance Company *	Related party	Dividend paid	60	40
		Insurance premium	1,271	702
Shakarganj Mills Limited	Associated company	Dividend paid	3,672	2,007
		Sales of finished goods	6,551	-
		Services rendered	217	1,065
		Services rendered	305	357
The Citizens' Foundation *	Related party	Donation given	-	5,365
The Crescent Textile Mills Limited *	Related party	Dividend paid	8,384	5,589
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	996	373
		Dividend paid	1	1
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	854	724
		Dividend paid	715	342
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	2,131	1,800
		Dividend paid	1,475	554
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	1,181	1,035
		Dividend paid	600	393
Key management personnel	Related parties	Remuneration and benefits	10,726	10,610

* These entities are / have been related parties of the Group by virtue of common directorship only.

** These entities have been related parties of the Group by virtue of common directorship only. The Group no longer has significant influence over the entities as at 30 September 2011.

NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2011

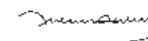
- 24.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 24.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 24.3 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 during the period other than their terms of employment / entitlements.

25. 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 2011.

26. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 29 October 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 Sector.

PUBLIC INFORMATION

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the company should contact Mr. Muhammad Yousof Imtiaz at the Company's Principal Office, Karachi.
Telephone: 021-35674881-5
Email: yousuf.imtiaz@crestent.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 the 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 100s.

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

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042-35783811

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Gulberg-III, Lahore.
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Fax: 021-35680476
Email: arif.raza@crestent.com.pk

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Jamshoro, Sindh.
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Email: iqbal.siddiqui@crestent.com.pk

Engineering Unit
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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@crestent.com.pk

CORPORATE WEBSITE

www.crescent.com.pk
All financial reports and other
financial data is available under
Investor Centre on the website.