# Condensed Interim Report for the Six Months Period ended December 2008

Crescent Steel & Allied Products Ltd.

Crescent Steel & Allied Products Ltd.

# COMPANY INFORMATION

## BOARD OF DIRECTORS

| | |
|---|---|
| *Non-Executive Chairman* | Mazhar Karim |
| *Chief Executive & MD* | Ahsan M. Saleem |
| *Non-Executive Director (Independent)* | Javed A. Callea |
| *Non-Executive Director (Independent)* | Javed Iqbal |
| *Non-Executive Director* | Mohammad Anwar |
| *Non-Executive Director* | Nasir Shafi |
| *Finance Director & CFO* | S.M. Ehtishamullah |
| *Non-Executive Director* | Zahid Bashir |

## COMPANY SECRETARY

M. Saad Thaniana

## AUDIT COMMITTEE

| | |
|---|---|
| *Chairman* | Javed A. Callea |
| | Javed Iqbal |
| | Nasir Shafi |
| *Head of Internal Audit* | Ford, Rhodes, Sidat Hyder & Co. (Sharjeel Jamil Ahmed -Engagement Partner) |

## HUMAN RESOURCE COMMITTEE

| | |
|---|---|
| *Chairman* | Ahsan M. Saleem |
| | Javed Iqbal |
| | Nasir Shafi |

## EXECUTIVE COMMITTEE

| | |
|---|---|
| *Chairman* | Ahsan M. Saleem |
| | S.M. Ehtishamullah |
| | S.A.N. Kazmi |

## BUSINESS STRATEGY COMMITTEE

| | |
|---|---|
| *Chairman* | Ahsan M. Saleem |
| | S.M. Ehtishamullah |
| | S.A.N. Kazmi |
| | Abdul Rouf |
| | Iqbal Zafar Siddiqui |
| | M. Saad Thaniana |

## SYSTEM AND TECHNOLOGY COMMITTEE

| | |
|---|---|
| *Chairman* | Ahsan M. Saleem |
| | M. Saad Thaniana |
| | Shahid H. Mir |

## INVESTMENT COMMITTEE

| | |
|---|---|
| *Chairman* | Ahsan M. Saleem |
| | S.M. Ehtishamullah |
| | M. Saad Thaniana |

## THE MANAGEMENT

Chief Executive and
Managing Director
Ahsan M. Saleem, 55
1983*

Advisor to CEO (Technical)
Mohammad Sharif, 76
1984*

Finance Director & CFO
S.M. Ehtishamullah, 69
1996*

Commercial Director /
Head of Buying
S.A.N. Kazmi, 66
1986*

BU Head - Steel Division
Iqbal Zafar Siddiqui, 58
2008*

BU Head - Cotton Division
Abdul Rouf, 48
2000*

Chief Information Officer
Shahid H. Mir, 54
2006*

Senior Vice President
(Finance & Control)
M. Saad Thaniana, 41
2007*

Head of Risk & Compliance
Shah Muhammad Chaudhry
2008*

Human Resource Advisor
Ehsan Durrani
2008*

Head of Marketing
Steel Division
Arif Raza, 46
1985*

* *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

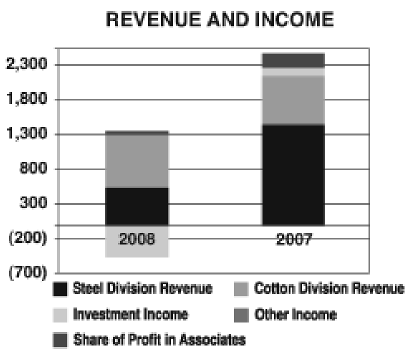
The Spiral Pipe Plant has a capability of manufacturing high quality steel pipes in the diameter range of 8" – 90" (219 mm – 2,286 mm) in wall thickness from 4 mm – 20 mm and material grades up to API 5L X-80. The Company has been gradually enhancing and upgrading the pipe production capacity which has 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" – 56" (114 mm – 1,422 mm). 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.

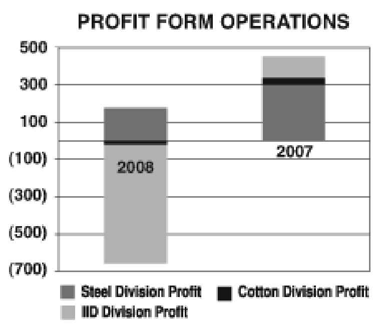
## COTTON DIVISION

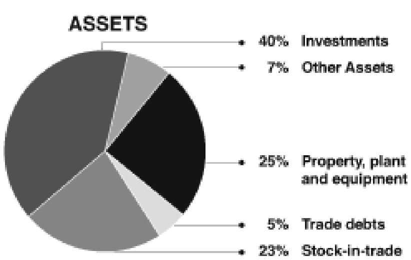
In the year 2000, the Company acquired a running cotton spinning mill located at Jaranwala near Faisalabad, which is the hub of textile industry and carries out this activity under the name and title of "Crescent Cotton Products" (CCP) a division of Crescent Steel and Allied Products Limited. CCP is 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 80s having a notional capacity based on 20s of 6.5 and 9.3 million kgs per annum in CCP-I and CCP-II respectively and its products are consistently in demand and generally sold at a premium.

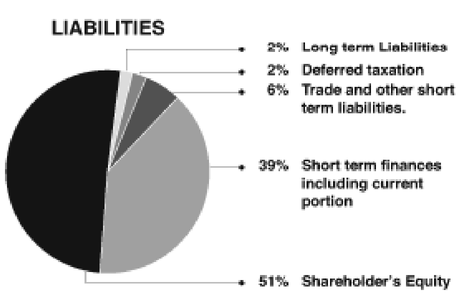
## INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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




Dear Shareholders,

I am pleased to present the unaudited results of your company for six months ended 31 December 2008.

During the half year of FY09 Global and Pakistan's economy was gripped with crisis. Pakistan entered into a macroeconomic stabilization program to support medium-term reforms under the aegis of the IMF. While many of the country's macroeconomic indicators may no longer be worsening, the imbalances are nonetheless still quite large.

The evidence of excess domestic demand, reflected in high government borrowings from the central bank and widening current account deficit, underpinned the central bank's decision to further tighten monetary policy by increasing the policy rate by 300 bps in two rounds i.e. 100 bps on July 29 to 13% and 200 bps on November to 15%. In addition, the banking system was experiencing an acute liquidity crunch due to the deteriorating economic conditions and rumors circulating among the public regarding the default of specific banks leading to a rush to withdraw cash.

Due to tightening of the monetary policy and reduction in the foreign currency reserves the exchange rates increased from Rs. 68.2 per dollar at 30 June 2008 to Rs. 78.9 per dollar at 31 December 2008 with all time peak of over Rs. 84 per dollar in October. Further, the financial crunch and increase in discount rate lead to increase in KIBOR rates and borrowing rates for the private sector increased substantially. These factors have significantly added to the cost of doing business for industry.

Global and local economic and financial crisis along with law and order situation created some panic in the stock market causing benchmark KSE-100 Index to tumble. The KSE-100 plunged by over 6,500 points or about 42% from its all-time peak on April 18 to 9,144 on August 27 i.e. 52.3% from its July 01 points and it remained dull and lackluster since August 27 due to the flooring of stock prices as it has caused volumes to shrink dramatically making it hard for most investors to exit. The market eventually opened on 15 December 2008 since then the KSE-100 Index further shed 36% or 3,322 points up to 31 December 2008 reflecting the selling pressure that was built-up during the flooring period.

In the background discussed above, during the current half year end December 2008 the Company sustained after tax loss of Rupees 587.3 million as compared to profit after tax of Rupees 413.4 million in the corresponding period, mainly due to loss on investment of Rs. 501.2 million, impairment on investment in equity accounted investees and stock in trade amounting to Rs. 90 million and Rs. 51.4 million respectively. The increase in financial costs due to escalation of interest rates and plant shut down costs caused by load shedding of power and gas also contributed to the negative EPS of Rs. 10.4 for the H1FY2009 as against an EPS of Rs. 7.32 in the corresponding period last year.

In the following paragraphs operating performance of divisions is set out separately.

STEEL DIVISION

Order intake in period was much less than the corresponding period last year mainly due to economic condition and high steel prices resulting in deferring of projects by the customers. This was to some extent, mitigated by large coating orders. Sales revenue of the steel division stood at Rs. 568.6 million was 60.5 percent less than Rs. 1,439.7 million of the corresponding period of last year; the reduction in sales was partly due to conversion jobs. Cost of sales and gross profit for the steel division stood at Rs. 354.3 million and Rs. 214.4 million as against Rs. 1,059.2 million and Rs. 380.6 million in last year, whereas the gross profit margin improved during the period from 26.4% to 37.7%. Profit before tax amounted to Rs. 134.3 million as compared to Rs. 307.6 million in the corresponding period last year.

COTTON DIVISION

Cotton division's performance in terms of revenue is slightly improved as compared to corresponding period. Sales amounting to Rs. 762.2 million is 4 percent higher than corresponding period last year. Gross profit margin increased to 6.3 percent as against 5.9 percent in corresponding period.

Division's overall loss before tax of Rs. 73.9 million was mainly due to increase in financial charges by Rs. 14.4 million, impairment of Rs.41 million and Rs.10 million on account of raw cotton and finished stock.

INVESTMENT AND INFRASTRUCTURE DIVISION

The financial meltdown and onset of global recession near the beginning of 1QFY09 took a very heavy toll on equity markets all over the world. Markets in Pakistan were also affected due to the decision of the KSE management to floor the market for over 3 months. In hindsight, if the market was not floored, it could be reasonably assumed that the selling pressure would have ended by end-October and the market might have experienced a mild recovery in the last 2 months of the year to close 2008 on a positive note.

Total investments appearing in long term and short term classification aggregated to Rs. 1,182.6 million and Rs. 603.3 million on 31 December 2008 compared to Rs. 1,279.5 million and Rs. 1,407.6 million respectively, as at 30 June 2008.

During the period the company has booked impairment of Rs.90.0 million against Investment in Associates undertakings - equity accounted investment due to decrease in market / book value of their shares.

As explained in note no. 7.1, management believes that in view of the current economic conditions in the country, the plunge in equity markets cannot be considered to be a fair reflection of equity values. Therefore, in accordance with SRO 150(I)/2009 dated 13 February 2009, the impairment loss on available for sale equity securities has been reported in equity. Had the impairment loss been routed through profit and loss account, the unrealized gain on remeasurement of available for sale securities and loss for the period would have been increased by Rs. 33.3 million and loss per share would have been higher by Re. 0.59 per share. However there would have been no impact on shareholders' equity. Further the amount taken to equity at 31 December 2008 shall not be available for the purpose of distribution as dividend.

Loss on investments (excluding equity accounted undertakings) on an average investment of Rs. 1,082.2 million (Rs. 1,464.4 million - Rs. 700 million) stood at 46.8% (KSE 100 index fall by 52.3%) for the period ended 31 December 2008. The division made a loss of Rs. 632.9 million as compared to profit of Rs. 232.1 million in the corresponding period last year. This was due to impairment against value of investment of Rs. 90 million, marked to market loss of Rs. 458.9 million and realized loss of Rs. 83 million during the period under review; had this loss not been realized, in today's value, the loss would have been higher.

## CHIEF EXECUTIVE'S REVIEW

Balance Sheet and Cash Flow
The Company's balance sheet continues to remain healthy with the liquidity ratio of 1.07 : 1 and gearing remained at 5 : 95. Shareholders' funds as at 31 December 2008 amounted to Rs. 2,343.3 million whereas balance sheet footing is Rs. 4,622 million as compared to Rs. 2,994 million and Rs. 4,846.7 million respectively as at 30 June 2008.

Cash used in operating activities was Rs. 594.4 million which was financed by inflow from sale of investment of Rs. 207.6 million and net receipt of short term loans of Rs. 424.4 million.

Due to liquidity problem the borrowing rates which were 10 – 11% in the corresponding period last year increased to 18 – 20% in the current period, resultantly financing cost was increased by 97 percent i.e. Rs. 61 million.

FUTURE OUTLOOK
Although the gas transmission sector expansion has slowed down due to shortage of gas but we are expecting other infrastructure development programs to accelerate which would result in increased demand for Steel line Pipe especially in the water sector and in Steel Division, order position is expected to improve ensuring profitability during the next half of the year.

The steep reduction in the steel price will help in the selection / promotion of steel pipe in the low pressure pipeline category against fiberglass reinforced plastic (GRP) and Polyethylene Pipes which were gaining ground due to higher steel prices in the recent past.

As regards Iran Pakistan and India gas pipeline is concerned, consensus on tariff has still not been finalized. Nevertheless the crash of oil prices resulting in declining revenue through oil exports and the exclusion of India may compel Iran to accept Pakistan's proposal.

In the next half year the state of affairs in the spinning industry is likely to remain depressed. Power shortages in the national grid, from March onwards, are expected to further disrupt the textile cycle as many downstream industries are dependent on it. Consequently there could be stocks build up, resultantly yarn prices would be under pressure as the weaving industry would not be operating on 100%. However there may arise an opportunity in the export market of yarn and fabric, due to lowering of stock held in China and India.

Yarn prices are expected to decrease due to decline in local raw material prices in line with the international market. Further due to increase in electricity and gas prices, the cost of production has already increased.

Management expects that the stock market may not substantially improve, in view of little stability being observed in the market. However in case of relaxation in monetary policy and political stability there is expectation of positive development.

We are hopeful that the improvements in external sector at the macro level are expected to be more visible during H2-FY09 and coupled with fiscal prudence could potentially have positive impact on monetary policy and economy as a whole.

Ahsan M. Saleem
Chief Executive
24 February 2009

**KPMG Taseer Hadi &Co.**
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road
Karachi 75530 Pakistan

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# Independent Report on review of Condensed Interim Financial Information to the Members

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Crescent Steel and Allied Products Limited ("the Company") as at 31 December 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

## Other Matters

The figures for the quarter ended 31 December 2008 and 31 December 2007 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion thereon.

**24 February 2009**
**Karachi**

**KPMG Taseer Hadi & Co.**
**Chartered Accountants**
**Moneeza Usman Butt**

# CONDENSED INTERIM BALANCE SHEET
As at 31 December 2008

| | Notes | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **1,171,776** | 1,233,231 |
| Investment property | 4 | **50,239** | 50,003 |
| Intangible assets | | **525** | 620 |
| Long term investments | 5 | **1,182,597** | 1,279,480 |
| Long term loan and deposits | | **4,072** | 4,241 |
| | | **2,409,209** | 2,567,575 |
| **Current assets** | | | |
| Stores, spares and loose tools | | **80,431** | 77,385 |
| Stock-in-trade | 6 | **1,060,948** | 606,059 |
| Trade debts | | **226,107** | 118,696 |
| Advances | | **42,146** | 24,599 |
| Trade deposits and short term prepayments | | **7,562** | 2,413 |
| Current portion of long term investments | | **10** | 10 |
| Investments | 7 | **603,346** | 1,407,638 |
| Mark-up accrued | | **838** | 813 |
| Other receivables | | **85,576** | 33,303 |
| Taxation – net | | **31,044** | – |
| Cash and bank balances | | **74,808** | 8,199 |
| | | **2,212,816** | 2,279,115 |
| **Total assets** | | **4,622,025** | 4,846,690 |
| **EQUITY AND LIABILITIES** | | | |
| **Share capital and reserves** | | | |
| Authorized capital | | | |
| 100,000,000 ordinary shares of Rs. 10 each | | **1,000,000** | 1,000,000 |
| Issued, subscribed and paid-up capital | | **564,600** | 513,273 |
| Capital reserves | | **307,665** | 371,080 |
| Revenue reserves | | **1,471,042** | 2,109,651 |
| | | **2,343,307** | 2,994,004 |
| **Non-current liabilities** | | | |
| Long term loan | | **111,998** | 168,117 |
| Deferred taxation | | **98,454** | 111,505 |
| | | **210,452** | 279,622 |
| **Current liabilities** | | | |
| Trade and other payables | | **201,773** | 240,819 |
| Interest and mark-up accrued | | **61,536** | 19,765 |
| Short term borrowings | 9 | **1,654,957** | 1,119,331 |
| Current portion of long term loan | | **112,500** | 112,500 |
| Current portion of redeemable capital | 8 | **37,500** | 74,551 |
| Taxation – net | | **–** | 6,098 |
| | | **2,068,266** | 1,573,064 |
| **Total equity and liabilities** | | **4,622,025** | 4,846,690 |
| Contingencies and commitments | 10 | | |

The investments in equity securities held as available for sale are valued at prices quoted on the stock exchange as of 31 December 2008 and the resulting decline in market value below cost is reported in the 'unrealized gain on remeasurement of available for sale securities' in equity. Had the impairment loss been transferred to condensed interim profit and loss account, the unrealized gain on remeasurement of available for sale securities would have been increased by Rs. 33.308 million with consequential effect on 'revenue reserve'. (See note 7.1 )

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**Chief Executive** **Director**

Crescent Steel & Allied Products Ltd.

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
## For the six months and quarter ended 31 December 2008

| | Notes | Six months period ended | | Quarter ended | |
|---|---|---|---|---|---|
| | | **31 December 2008** | 31 December 2007 | **31 December 2008** | 31 December 2007 |
| | | (Rupees in '000) | | | |
| Sales | 11 | **1,330,871** | 2,172,575 | **542,937** | 1,280,447 |
| Cost of sales | | **1,068,164** | 1,748,597 | **416,772** | 1,036,005 |
| Gross profit | | **262,707** | 423,978 | **126,165** | 244,442 |
| (Loss) on / income from investments | 12 | **(501,218)** | 103,138 | **(253,136)** | 25,745 |
| | | **(238,511)** | 527,116 | **(126,971)** | 270,187 |
| Distribution and selling expenses | | **8,390** | 7,453 | **3,042** | 4,143 |
| Administrative expenses | | **61,257** | 55,423 | **26,124** | 29,075 |
| Other operating expenses | 13 | **164,210** | 27,994 | **156,520** | 13,937 |
| | | **233,857** | 90,870 | **185,686** | 47,155 |
| | | **(472,368)** | 436,246 | **(312,657)** | 223,032 |
| Other operating income | | **22,071** | 7,303 | **4,153** | 4,649 |
| Operating (loss) / profit before finance costs | | **(450,297)** | 443,549 | **(308,504)** | 227,681 |
| Finance costs | | **123,839** | 62,837 | **73,224** | 33,585 |
| Share of profit / (loss) in equity accounted investees | | **1,622** | 154,155 | **(100,864)** | (21,856) |
| (Loss) / profit before taxation | | **(572,514)** | 534,867 | **(482,592)** | 172,240 |
| Taxation - current | | **54,215** | 61,647 | **15,714** | 57,186 |
| - prior | | **(26,396)** | – | **(26,396)** | – |
| - deferred | | **(13,051)** | 59,793 | **(4,971)** | 29,793 |
| | | **14,768** | 121,440 | **(15,653)** | 86,979 |
| (Loss) / profit for the period | | **(587,282)** | 413,427 | **(466,939)** | 85,261 |
| | | (Rupees) | | | |
| Basic and diluted (loss) / earnings per share | 14 | **(10.40)** | 7.32 | **(8.27)** | 1.51 |

In accordance with SRO 150(I)2009 dated 13 February 2009, the impairment loss on available for sale equity securities has been reported in equity. In case the impairment loss was charged to condensed interim profit and loss account, loss for the period would have been higher by Rs. 33.308 million and loss per share would have been higher by Re. 0.59 (See note 7.1).

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**Chief Executive** **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
For the six months period ended 31 December 2008

| | Notes | 2008 | 2007 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Cash flows from operating activities** | | | |
| Cash used in operations | 15 | **(431,907)** | (604,918) |
| Taxes paid | | **(73,312)** | (21,613) |
| Financial charges paid | | **(81,979)** | (60,827) |
| Contribution to workers' profit participation fund | | **(2,492)** | (12,067) |
| Contribution to pension and gratuity fund | | **(4,254)** | (3,712) |
| Payment for 10-C bonus | | **(652)** | (587) |
| Decrease in long term loan and deposits | | **169** | 300 |
| Net cash used in operating activities | | **(594,427)** | (703,424) |
| **Cash flows from investing activities** | | | |
| Capital expenditure | | **(28,550)** | (63,106) |
| Purchase of intangible assets | | **(125)** | – |
| Proceeds from sale of property, plant and equipment | | **687** | 890 |
| Investments - net | | **207,552** | (272,209) |
| Dividends received | | **44,693** | 48,233 |
| Interest received | | **1,277** | 976 |
| Net cash from / (used in) investing activities | | **225,534** | (285,216) |
| **Cash flows from financing activities** | | | |
| Short term loans received | | **424,422** | 802,798 |
| Repayments against long term loan | | **(56,250)** | (56,250) |
| Repayment of redeemable capital | | **(37,500)** | (37,500) |
| Repayment of liabilities against assets subject to finance leases | | **–** | (2,466) |
| Dividend paid | | **(6,374)** | (47,547) |
| Net cash generated from financing activities | | **324,298** | 659,035 |
| Net decrease in cash and cash equivalents | | **(44,595)** | (329,605) |
| Cash and cash equivalents at beginning of the period | | **(828,926)** | 26,275 |
| Cash and cash equivalents at end of the period | 16 | **(873,521)** | (303,330) |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**Chief Executive** **Director**

Crescent Steel & Allied Products Ltd.

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31 December 2008

| | Issued, subscribed and paid-up capital | Share Premium |
|---|---|---|
| **Balance as at 1 July 2007** | **466,612** | **349,959** |
| **Changes in equity for the six months period ended 31 December 2007** | | |
| Unrealized loss on available for sale investment securities | – | – |
| Realized gain on sale of investments securities | – | – |
| Proportionate share of various reserves of equity accounted investees * | – | – |
| Reversal of proportionate share of reserve on disposal of shares | – | – |
| Profit for the period | – | – |
| Total recognized income and expense for the period | – | – |
| Transfer to general reserve | – | – |
| Interim dividend @ 10% | – | – |
| Final dividend @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2007 | – | – |
| Issuance of bonus shares @ 10% (i.e. 1 share for every 10 shares held) for the year ended 30 June 2007 | 46,661 | – |
| **Balance as at 31 December 2007** | **513,273** | **349,959** |
| **Balance as at 1 July 2008** | **513,273** | **349,959** |
| **Changes in equity for the six months period ended 31 December 2008** | | |
| Unrealized loss on available for sale investment securities | – | – |
| Realized gain on sale of investments securities | – | – |
| Proportionate share of various reserves of equity accounted investees * | – | – |
| Proportionate share of associate transferred to available for sale investment securities | – | – |
| Loss for the period | – | – |
| Total recognized income and expense for the period | – | – |
| Issuance of bonus shares @ 10% (i.e. 1 share for every 10 shares held) for the year ended 30 June 2008 | 51,327 | – |
| **Balance as at 31 December 2008** | **564,600** | **349,959** |

*This represents various reserves maintained by the associated undertakings

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

| Capital reserves | | Revenue reserves | | Total |
|---|---|---|---|---|
| Unrealized gain on remeasurement of available for sale investment securities | Others* | General reserve | Unappropriated profit / (loss) | |
| (Rupees in ’000) | | | | |
| **294,218** | **148,341** | **1,342,000** | **599,273** | **3,200,403** |
| (16,630) | – | – | – | (16,630) |
| (34,642) | – | – | – | (34,642) |
| – | (181,245) | – | – | (181,245) |
| – | 5,325 | – | – | 5,325 |
| – | – | – | 413,427 | 413,427 |
| (51,272) | (175,920) | – | 413,427 | 186,235 |
| – | – | 500,000 | (500,000) | – |
| – | – | – | (51,327) | (51,327) |
| – | – | – | (46,661) | (46,661) |
| – | – | – | (46,661) | – |
| **242,946** | **(27,579)** | **1,842,000** | **368,051** | **3,288,650** |
| **85,279** | **(64,158)** | **1,842,000** | **267,651** | **2,994,004** |
| (41,345) | – | – | – | (41,345) |
| (11,702) | – | – | – | (11,702) |
| – | (9,452) | – | – | (9,452) |
| (916) | – | – | – | (916) |
| – | – | – | (587,282) | (587,282) |
| (53,963) | (9,452) | – | (587,282) | (650,697) |
| – | – | – | (51,327) | – |
| **31,316** | **(73,610)** | **1,842,000** | **(370,958)** | **2,343,307** |

**Chief Executive**

**Director**

**1.** Crescent Steel and Allied Products Limited ("the Company") was incorporated on 1 August 1983 as a public limited company in Pakistan under Companies Act 1913 (now Companies Ordinance 1984) and is quoted on all stock exchanges of Pakistan. The registered office of the Company is located at 6th floor, BOP Tower, 10-B, Block E-2, main Boulevard, Gulberg-III, Lahore.

**1.1** This interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2008. This condensed interim financial information is unaudited and has been reviewed by the auditor.

**1.2** This condensed interim financial information is presented in Pak Rupees which is the Company's functional and presentation currency and has been rounded off to the nearest thousand rupees.

**1.3** The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited financial statements of the Company for the year ended 30 June 2008, whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim financial statements for the six months period ended 31 December 2007.

**2.** The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June 2008. The impairment in available for sale equity securities is detailed in note 7.1.

## 3. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating property, plant and equipment that have been added / disposed off during the six months period ended 31 December 2008.

| | Six months period ended 31 December 2008 | | Six months period ended 31 December 2007 | |
|---|---|---|---|---|
| | Additions | Disposals | Additions | Disposals |
| | (Rupees in '000) | | | |
| Plant and machinery | **885** | – | 4,467 | – |
| Building on freehold land | **12,019** | – | 1,794 | – |
| Furniture and fittings | **157** | – | 1,567 | – |
| Electrical / office equipment and installations | **707** | – | 613 | – |
| Computers | **1,003** | – | 1,701 | – |
| Motor vehicles - owned | **1,759** | **1,386** | 10,841 | 1,721 |
| | **16,530** | **1,386** | 20,983 | 1,721 |

## 4. INVESTMENT PROPERTY

Following is the cost of investment property, that have been added during the six months period ended 31 December 2008.

| | Six months period ended 31 December 2008 | | Six months period ended 31 December 2007 | |
|---|---|---|---|---|
| | Additions | Disposals | Additions | Disposals |
| | (Rupees in '000) | | | |
| Building and office premises | – | – | 25,561 | – |
| Furniture and fittings | **255** | – | 858 | – |
| Electrical / office equipment and installations | **337** | – | 1,786 | – |
| | **592** | – | 28,205 | – |

## 5. LONG TERM INVESTMENTS

| | Note | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Related Parties** | | | |
| Investment in equity accounted investees | 5.1 | **1,085,970** | 1,222,695 |
| Held to maturity | | **29,994** | 29,994 |
| Available for sale | 5.2 | **–** | – |
| **Others** | | | |
| Available for sale | 5.1.2 | **39,845** | – |
| Held to maturity | | **26,788** | 26,791 |
| | | **1,182,597** | 1,279,480 |

**5.1** The following associates, over which the Company has significant influence either due to representation on investee company's board or percentage of holding of voting power or both, are accounted for using equity method of accounting as defined in International Accounting Standard - 28 "Investments in Associates".

| 31 December 2008 | 30 June 2008 | | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|---|---|
| (Number of shares) | | | (Rupees in '000) | |
| | | **Quoted** | | |
| **60,475,416** | 60,475,416 | Altern Energy Limited (Chief Executive Officer - Mr. Sheikh Muhammad Iqbal) | **795,086** | 647,239 |
| **15,244,665** | 15,089,665 | Shakarganj Mills Limited (Chief Executive Officer Mr. Ahsan M. Saleem) | **267,391** | 405,448 |
| | | | **1,062,477** | 1,052,687 |
| | | **Unquoted** | | |
| – | 528,937 | Central Depository Company of Pakistan Limited (Chief Executive Officer - Mr. Mohammad Hanif Jakhura) (Refer note 5.1.2) | **–** | 38,075 |
| **6,000,000** | 6,000,000 | Shakarganj Food Products Limited (Chief Executive Officer - Mr. Anjum M. Saleem) | **30,257** | 50,168 |
| **1,031,250** | 1,031,250 | Safeway Fund Limited (Chief Executive Officer - Mr. Nihal Cassim) | **42,707** | 42,117 |
| **2,250,000** | 2,250,000 | Asian Capital Management Limited (Chief Executive Officer - Ms. Tehmeena Khan) | **40,529** | 39,648 |
| | | | **113,493** | 170,008 |
| | | | **1,175,970** | 1,222,695 |
| | | Less: Provision for impairment in equity accounted investees | **90,000** | – |
| | | | **1,085,970** | 1,222,695 |

**5.1.1** The above figures are based on financial statements of these companies as at 30 September 2008.

**5.1.2** The investment in Central Depository Company of Pakistan Limited has been transferred to investment in available for sale securities as the Company considers that it no longer has significant influence over the investee company.

**5.1.3** The fair value of the investments in associates as at 31 December 2008 is Rs. 908.247 million (30 June 2008: Rs. 1,578.9 million).

**5.2** This includes investments in Crescent Bahuman Limited, Crescent Industrial Chemicals Limited and Crescent Continental Gas Pipelines Limited which have been carried at carrying values of Rs. nil for reasons specified in financial statements for the year ended 30 June 2008.

## 6. STOCK-IN-TRADE

| | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|
| | (Rupees in '000) | |
| Raw materials: | | |
| Hot rolled steel coils (HR Coil) | **335,163** | 16,928 |
| Coating materials | **42,792** | 49,208 |
| Others - pipe plant | **22,325** | 27,544 |
| Raw cotton | **447,925** | 358,731 |
| Stock-in-transit | **38,379** | 421 |
| | **886,584** | 452,832 |
| Provision for slow-moving and obsolescence | | |
| Hot rolled steel coils | **(8,813)** | (8,813) |
| Coating materials | **(84)** | (84) |
| Raw cotton | **(41,147)** | – |
| Others | **(187)** | (187) |
| | **(50,231)** | (9,084) |
| | **836,353** | 443,748 |
| Work-in-process | **33,171** | 15,074 |
| Finished goods | **209,990** | 159,064 |
| Scrap / cotton waste | **7,988** | 4,521 |
| Provision for slow-moving and obsolescence finished goods | **(26,554)** | (16,348) |
| | **224,595** | 162,311 |
| | **1,060,948** | 606,059 |

## 7. INVESTMENTS

| | Note | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|---|
| **Related parties** | | | |
| Available for sale | | **23,298** | 26,475 |
| **Others** | | | |
| Available for sale | 7.1 | **178,318** | 231,048 |
| Held for trading | | **401,730** | 1,150,115 |
| | | **580,048** | 1,381,163 |
| | | **603,346** | 1,407,638 |

**7.1** The equity securities have been valued at prices quoted on the Karachi Stock Exchange on 31 December 2008 as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide circular No. Enf/D-III/Misc./1/2008 dated 29 January 2009.

Furthermore, SECP vide SRO 150(I)/2009 dated 13 February 2009 has allowed the impairment loss, if any, recognized as on 31 December 2008 due to valuation of listed equity investments held as 'Available for Sale' to quoted market prices may be shown under the equity. The amount taken to equity including any adjustment / effect for price movements shall be taken to profit and loss account on quarterly basis during the calendar year ending on 31 December 2009. The amount taken to equity at 31 December 2008 shall be treated as a charge to profit and loss account for the purposes of distribution as dividend.

International Accounting Standard 39 – Financial Instruments: Recognition and Measurement (IAS 39) requires that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss should be transferred from equity to profit and loss account.

In view of the current economic conditions in the country, the management believes that these are ‘rare circumstances’ and the plunge in equity markets cannot be considered to be a fair reflection of equity values. Therefore recognition of impairment for ‘Available for Sale’ equity securities through profit and loss account will not reflect the correct financial performance of the Company.

On the above basis the management has adopted the treatment permitted by the SRO 150(I)/2009 dated 13 February 2009. The recognition of impairment loss in accordance with the requirements of IAS 39 would have had the following effect on these financial statements. However, there will be no financial impact on the shareholders' equity as at 31 December 2008 other than the following:

| | **Six months ended** | **Three months ended** |
|---|---|---|
| | **31 December 2008** | |
| | **(Rupees in ’000)** | |
| Increase in ‘impairment loss’ in profit and loss account | 33,308 | 33,308 |
| Increase in loss for the period | 33,308 | 33,308 |
| Increase in unrealized gain on remeasurement of available for sale investments (Capital reserve) | 33,308 | 33,308 |
| Increase in unappropriated losses (Revenue reserve) | 33,308 | 33,308 |
| | **(Rupees)** | |
| Increase in loss per share - basic and diluted | 0.59 | 0.59 |

**7.2** The investments having an aggregate market value of Rs. 1,205.6 million (30 June 2008: Rs. 2,135.6 million) have been pledged with financial institutions as security against financing facilities (see note 9.3) out of which Rs. 737.8 million (30 June 2008: Rs. 1,203.5 million) relates to long term investments.

**8. REDEEMABLE CAPITAL - secured (non-participatory)**

| | Unaudited 31 December 2008 | Audited 30 June 2008 |
|---|---|---|
| | (Rupees in '000) | |
| Term Finance Certificates | | |
| Balance at beginning of period / year | **74,551** | 148,652 |
| Transaction cost amortized | **449** | 899 |
| Redemption | **(37,500)** | (75,000) |
| | **37,500** | 74,551 |
| Current portion | **(37,500)** | (74,551) |
| Balance at the end of period / year | **–** | – |

**9. SHORT TERM BORROWINGS**

| | | |
|---|---|---|
| Secured from banking companies | | |
| Running finances under mark-up-arrangements | **948,329** | 837,125 |
| Short term loans / Murabaha | **706,628** | 282,206 |
| | **1,654,957** | 1,119,331 |

**9.1** Short term running finance available from various commercial banks under mark-up arrangements amount to Rs. 2,350 million (30 June 2008: Rs. 2,350 million). This facility is interchangeable with Term Finance/Demand Finance as given note no.9.2 below. The rate of mark-up ranges from 13.78% to 18.45% (30 June 2008: 10.30% to 14.38%) per annum.

**9.2** The Company has also borrowed short term loan / murabaha financing from various commercial banks under mark-up arrangements amount to Rs. 1,425 million (30 June 2008: Rs.625 million). Mark-up rates are normally negotiated at the time of the transaction. Mark-up on such arrangements range between 13.47% to 18.09% (30 June 2008: 10.22% to 13.31%) per annum.

**9.3** The facilities for opening letters of credit and guarantees as at 31 December 2008 aggregate Rs. 2,850 million and Rs.1,300 million respectively (30 June 2008: Rs. 2,850 million and Rs. 1,300 million respectively) of which the amounts unutilized as at 31 December 2008 were Rs. 2,828 million and Rs. 1,007 million (30 June 2008: Rs.2,587 million and Rs. 811 million).

These 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.

**10. CONTINGENCIES AND COMMITMENTS**

**10.1** Aggregate amount of guarantees issued by the banks on behalf of the Company against various contracts aggregated Rs. 293.3 million (30 June 2008: Rs. 488.56 million).

**10.2** Commitments in respect of capital expenditure contracted for as at 31 December 2008 amounted to Rs. 39.43 million (30 June 2008: Rs. 58.60 million). This include commitment in respect of capital expenditure to be incurred on leasehold land, which has been provisionally allotted to the Company in the Downstream Industrial Estate of Pakistan Steel, Bin Qasim amounting to Rs. 6.05 million (30 June 2008 : Rs. 12.1 million). It also includes an amount of Rs. 23.06 million (30 June 2008: Rs. 25.66 million) payable in 18 quarterly instalments representing office premises in Islamabad.

**10.3** Commitments under letters of credit as at 31 December 2008 amounted to Rs. Nil (30 June 2008: Rs. 263.07 million).

## 11. SALES

| | | Unaudited Six months period ended | |
|---|---|---|---|
| | | **31 December 2008** | **31 December 2007** |
| | | **(Rupees in '000)** | |
| Bare pipes (own product excluding coating revenue) | | **312,339** | 1,377,463 |
| Sales - pipes laboratory testing | | **12,596** | – |
| Revenue from conversion | | **32,638** | 93,560 |
| Coating of pipes | | **306,546** | 164,415 |
| Cotton yarn | | **728,996** | 702,155 |
| Scrap / waste | | **45,665** | 56,803 |
| Sales returns | | **(12,430)** | (8,503) |
| | | **1,426,350** | 2,385,893 |
| Sales tax and special excise duty | | **(95,479)** | (213,318) |
| | | **1,330,871** | 2,172,575 |

## 12. (LOSS) ON / INCOME FROM INVESTMENTS

| | | | |
|---|---|---|---|
| Return on Term Finance Certificates | | **1,080** | 976 |
| Dividend income | | **33,947** | 57,931 |
| (Loss) / gain on sale of investments | | **(82,978)** | 55,032 |
| Rent from investment property | 12.1 | **5,585** | 355 |
| Unrealized loss on held for trading investments | | **(458,852)** | (11,156) |
| | | **(501,218)** | 103,138 |

**12.1** Direct operating expenses incurred against rent income from investment property amounted to Rs. 1.6 million (31 December 2007: Rs. 0.33 million). Further Rs. 0.5 million (31 December 2007: Rs. 0.19 million) were incurred against the non rented out area.

## 13. OTHER OPERATING EXPENSES

| | | |
|---|---|---|
| Provision for workers welfare fund | **2,924** | 11,017 |
| Provision for workers' profit participation fund | **7,101** | 16,855 |
| Impairment in the value of equity accounted investees | **90,000** | – |
| Provision for infrastructure fee | **5,826** | – |
| Provision for impairment of stock in trade | **51,353** | – |
| Exchange loss | **7,006** | 122 |
| | **164,210** | 27,994 |

## 14. BASIC AND DILUTED EARNINGS PER SHARE

| | Unaudited | |
|---|---|---|
| | 31 December 2008 | 31 December 2007 |
| | (Rupees in '000) | |
| (Loss) / profit for the six months period ended | **(587,282)** | 413,427 |
| | (Number of shares) | |
| Weighted average number of ordinary shares in issue | **56,459,995** | 56,459,995 |
| | (Rupees) | |
| Basic and diluted (loss) / earnings per share | **(10.40)** | 7.32 |

**14.1** Weighted average number of shares for the six months period ended 31 December 2007 have been adjusted for the effect of bonus shares issued in the current period.

## 15. CASH (USED IN) / GENERATED FROM OPERATIONS

| | | Six months period ended | |
|---|---|---|---|
| | | 31 December 2008 | 31 December 2007 |
| | | (Rupees in '000) | |
| (Loss) / profit before taxation | | **(572,514)** | 534,867 |
| **Adjustments for non cash charges and other items:** | | | |
| Depreciation | | **89,375** | 85,197 |
| Amortization of intangible assets | | **219** | 154 |
| Pension and gratuity expense | | **4,254** | 3,712 |
| Loss / (gain) on sale of investments | | **82,978** | (55,032) |
| Unrealized loss on held-for-trading investment | | **458,852** | 11,156 |
| Dividend income | | **(33,947)** | (57,931) |
| Return on deposits, advances and investments | | **(1,302)** | (1,152) |
| Share of profit in associated undertakings | | **(1,622)** | (154,155) |
| Financial charges | | **123,839** | 62,837 |
| Exchange loss | | **–** | 122 |
| Provision written back on stock-in-trade | | **–** | (2,850) |
| Liabilities written back others | | **(1,153)** | – |
| Provision for workers welfare fund written back | | **(19,613)** | – |
| Gain on disposal of fixed assets | | **(297)** | (293) |
| Provision for impairment of stock-in-trade | | **51,353** | – |
| Impairment in the value of equity accounted investees | | **90,000** | – |
| Provision for workers welfare fund | | **2,924** | 11,017 |
| Provision for workers' profit participation fund | | **7,107** | 16,855 |
| Provision for infrastructure fee | | **5,826** | – |
| Provision for 10-C bonus | | **302** | 283 |
| Amortization of initial transaction cost on TFCs | | **449** | 449 |
| Amortization of initial transaction cost on long term loan | | **130** | 130 |
| Working capital changes | 15.1 | **(719,067)** | (1,060,284) |
| | | **(431,907)** | (604,918) |

## 15.1 Working capital changes

| | Six months period ended | |
|---|---|---|
| | **31 December 2008** | **31 December 2007** |
| | **(Rupees in '000)** | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | **(3,046)** | (18,251) |
| Stock-in-trade | **(506,242)** | (874,502) |
| Trade debts | **(107,411)** | 4,660 |
| Short term advances | **(17,547)** | (35,574) |
| Short term deposits and prepayments | **(5,149)** | (930) |
| Other receivables (net) | **(63,019)** | 49,214 |
| | **(702,414)** | (875,383) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | **(16,653)** | (184,901) |
| | **(719,067)** | (1,060,284) |

## 16. CASH AND CASH EQUIVALENTS

| | | |
|---|---|---|
| Running finance under markup arrangements | **(948,329)** | (328,562) |
| Cash and bank balances | **74,808** | 25,232 |
| | **(873,521)** | (303,330) |

## 17. SEGMENT REPORTING

| | Steel Segment | Cotton Segment | IID Segment | Total |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| **Segment results for the six months period ended 31 December 2008** | | | | |
| Sales | 568,639 | 762,232 | – | 1,330,871 |
| Cost of sales | 354,262 | 713,902 | – | 1,068,164 |
| **Gross profit** | **214,377** | **48,330** | **–** | **262,707** |
| Loss on investments | – | – | (501,218) | (501,218) |
| | 214,377 | 48,330 | (501,218) | (238,511) |
| Distribution and selling expenses | 4,003 | 4,387 | – | 8,390 |
| Administrative expenses | 47,750 | 8,201 | 5,306 | 61,257 |
| Other operating expenses | 21,469 | 52,741 | 90,000 | 164,210 |
| | 73,222 | 65,329 | 95,306 | 233,857 |
| | 141,155 | (16,999) | (596,524) | (472,368) |
| Other operating income | 21,951 | 120 | – | 22,071 |
| **Operating profit / (loss) before finance costs** | **163,106** | **(16,879)** | **(596,524)** | **(450,297)** |
| Finance costs | 28,804 | 57,068 | 37,967 | 123,839 |
| Share of profit in equity accounted investees | – | – | 1,622 | 1,622 |
| **Profit / (loss) before taxation** | **134,302** | **(73,947)** | **(632,869)** | **(572,514)** |
| Taxation | | | | 14,768 |
| **Loss after taxation** | | | | **(587,282)** |
| **Segment results for the six months period ended 31 December 2007** | | | | |
| Sales | 1,439,743 | 732,832 | – | 2,172,575 |
| Cost of sales | 1,059,172 | 689,425 | – | 1,748,597 |
| **Gross profit** | **380,571** | **43,407** | **–** | **423,978** |
| Income from investments | – | – | 103,138 | 103,138 |
| | 380,571 | 43,407 | 103,138 | 527,116 |
| Distribution and selling expenses | 3,977 | 3,476 | – | 7,453 |
| Administrative expenses | 46,369 | 3,922 | 5,132 | 55,423 |
| Other operating expenses | 23,136 | 122 | 4,736 | 27,994 |
| | 73,482 | 7,520 | 9,868 | 90,870 |
| | 307,089 | 35,887 | 93,270 | 436,246 |
| Other operating income | 5,346 | 1,957 | – | 7,303 |
| **Profit from operations before finance costs** | **312,435** | **37,844** | **93,270** | **443,549** |
| Finance costs | 4,843 | 42,643 | 15,351 | 62,837 |
| Share of profit in equity accounted investees | – | – | 154,155 | 154,155 |
| **Profit / (loss) before taxation** | **307,592** | **(4,799)** | **232,074** | **534,867** |
| Taxation | | | | 121,440 |
| **Profit after taxation** | | | | **413,427** |

## 18. TRANSACTIONS WITH RELATED PARTIES

All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at contracted rates and terms determined in accordance with market rates. The related parties and associated undertakings comprise local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and equity accounted investees:

| | Unaudited Six months period ended 31 December 2008 | 31 December 2007 |
|---|---|---|
| | (Rupees in '000) | |
| **Associated companies** | | |
| Sale of finished goods including waste | **13,986** | 28,940 |
| Rendering of services | **647** | 638 |
| Receiving of services | **3,004** | 2,549 |
| Rental Income | **2,793** | – |
| Advance against sale of steel pipe | **2,358** | – |
| Dividend Income | – | 7,381 |
| Return on deposits | – | 1,285 |
| Purchase of shares | **1,867** | 6,635 |
| **Other related parties** | | |
| Donations | **60** | 188 |
| Contribution to pension fund | **3,203** | 2,759 |
| Contribution to gratuity fund | **1,050** | 954 |
| Contribution to provident fund | **5,252** | 4,891 |
| Remuneration to: | | |
| - Chief Executive Officer | **6,273** | 6,227 |
| - Director | **3,121** | 2,707 |
| - Executives | **16,589** | 10,994 |

## 19. ESTIMATES

Judgement and estimates made by the management in the preparation of the condensed interim financial information were the same as those that were applied to the financial statements as at and for the year ended 30 June 2008.

## 20. FINANCIAL RISK MANAGEMENT

The company's financial risk managements objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2008.

## 21. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 24 February 2009 by the Board of Directors of the Company.

**Chief Executive** **Director**

# 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 share is quoted in leading dailies under the Engineering Sector.

PUBLIC INFORMATION
Financial analysts, stock brokers, interested investors and financial media desiring information about 'Crescent Steel' should contact Mohammad Yamin at the Company's Principal Office, Karachi.
Telephone: 021-5674881-5
E.mail: mohammad.yamin@crescent.com.pk

SHAREHOLDERS' INFORMATION
Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Private) Limited, 6th Floor,
BOP Tower, 10-B, Block E-2,
Gulberg-III, Lahore.
Telephone: 042-5783827-29
Fax: 042-5875916

PRODUCTS
Steel Division
Manufacturer of DSAW steel line pipes in diameters ranging from 8" to 90" and applicator of multi-layer polyolefin coating conforming to international standards.

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

AUDITORS
KPMG Taseer Hadi & Co.

LEGAL ADVISOR
Hassan & Hassan, Advocates,
Lahore

BANKERS
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MCB Bank Limited
Allied Bank Limited
Meezan Bank Limited
HSBC Bank Middle East Limited

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