

**CONDENSED INTERIM  
REPORT FOR THE  
NINE MONTHS PERIOD ENDED  
31 MARCH 2016**



Crescent Steel and Allied Products Limited



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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Ahmad Waqar  
Chairman, Non-Executive Director  
(Independent)  
Ahsan M. Saleem  
Chief Executive Officer and Managing  
Director  
Farrukh V. Junaidy  
Non-Executive Director (Independent)  
NIT Nominee  
Nasir Shafi  
Non-Executive Director  
S.M. Ehtishamullah  
Non-Executive Director  
Syed Zahid Hussain  
Non-Executive Director (Independent)  
Zahid Bashir  
Non-Executive Director

## COMPANY SECRETARY

Muhammad Saad Thaniana

## AUDIT COMMITTEE

Syed Zahid Hussain  
Chairman, Non-Executive Director  
(Independent)  
Farrukh V. Junaidy  
Member, Non-Executive Director  
(Independent)  
S.M. Ehtishamullah  
Member, Non-Executive Director

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Zahid Bashir  
Chairman, Non-Executive Director  
Nasir Shafi  
Member, Non-Executive Director  
S.M. Ehtishamullah  
Member, Non-Executive Director  
Syed Zahid Hussain  
Member, Non-Executive Director  
(Independent)

## GOVERNANCE AND EVALUATION COMMITTEE

Ahmad Waqar  
Chairman, Non-Executive Director  
(Independent)  
Ahsan M. Saleem  
Member, Chief Executive  
Zahid Bashir  
Member, Non-Executive Director

## THE MANAGEMENT

Chief Executive Officer and  
Managing Director  
Ahsan M. Saleem – 1983\*  
  
Chief Financial Officer  
Muhammad Saad Thaniana – 2007\*

BU Head – Steel Division  
Arif Raza – 1985\*

BU Head – Cotton Division  
Abdul Rouf – 2000\*

Head of Supply Chain  
Iqbal Zafar Siddiqui – 2008\*

Head of Manufacturing – Steel  
Division  
Mushtaque Ahmed – 1985\*

Head of Corporate Affairs  
Hajerah A. Saleem – 2012\*

Resident Director (CCP)  
Hasan Altaf Saleem – 2010\*

Human Resource Advisor  
Ehsan Durrani – 2008\*

IT Advisor  
Iqbal Abdulla – 2014\*

## STOCK EXCHANGE LISTING

Crescent Steel and Allied  
Products Limited is a listed  
Company and its shares are  
traded on Pakistan Stock  
Exchange. The Company's  
shares are quoted in leading  
dailies under the Engineering  
Sector with symbol 'CSAP'.

## PUBLIC INFORMATION

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

Tel: +92 21 3567 4881-85  
Email: [abdul.wahab@crescent.com.pk](mailto:abdul.wahab@crescent.com.pk)

## SHAREHOLDERS' INFORMATION

Enquiries concerning lost share  
certificates, dividend payments,  
change of address, verification  
of transfer deeds and share  
transfers should be directed to  
M/s CorpTec Associates (Private)  
Limited, 503-E Johar Town,  
Lahore.

Tel: +92 42 3517 0336-37  
Fax: +92 42 3517 0338  
Email: [info@corptec.com.pk](mailto:info@corptec.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.

\* Year joined Company

# COMPANY INFORMATION

Fabrication of machinery for sugar and cement industry.

## COTTON DIVISION

Manufacturer of quality cotton yarn of various counts of 6s to 30s including compact, slub and siro yarns.

## AUDITORS

KPMG Taseer Hadi & Co.

## LEGAL ADVISOR

Hassan and Hassan, Advocates, Lahore

A. K. Brohi & Co., Advocates, Karachi

## BANKERS

Al-Baraka Bank (Pakistan) Limited

Allied Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of China

MCB Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited

Summit Bank Limited

## REGISTERED OFFICE

10th Floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

Tel: +92 42 3578 3801-03

Fax: +92 42 3578 3811

## LIAISON OFFICE LAHORE

10th Floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

Tel: +92 42 3578 3801-03

Fax: +92 42 3578 3811

Email: ejaz.ahmed@crecident.com.pk

## PRINCIPAL OFFICE

9th Floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi-74200.

Tel: +92 21 3567 4881-85

Fax: +92 21 3568 0476

Email: arif.raza@crecident.com.pk

## STEEL DIVISION

### PIPE AND COATING PLANTS

A/25, S.I.T.E., Nooriabad, District Jamshoro, Sindh-73090.

Tel: +92 25 4670 020-22

+92 25 4670 055

Email: iqbal.siddiqui@crecident.com.pk

## SHAKARGANJ ENGINEERING

17 Km Summundri Road, Dalawal, District Faisalabad, Punjab.

Tel : +92 41 2569 825-26

Fax: +92 41 2679 825

## CRESCENT HADEED (PRIVATE) LIMITED

59 Kilometer, Jhang Sargodha Road, Bhone, District Jhang

Tel: +92 47 6006111

## COTTON DIVISION

### CRESCENT COTTON PRODUCTS

1st Mile, Lahore Road, Jaranwala, District Faisalabad, Punjab.

Tel : +92 41 4318 061-65

Fax: +92 41 4318 066

Email: abdul.rouf@crecident.com.pk

## ENERGY DIVISION

### SHAKARGANJ ENERGY (PRIVATE) LIMITED

57 Km Jhang Sargodha Road, Bhone, District Jhang.

Tel: +92 48 6889 210-12

## CORPORATE WEBSITE

To visit our website, go to [www.crescent.com.pk](http://www.crescent.com.pk) or scan QR code



For condensed Interim Report for the nine months period ended 31 March 2016, go to <http://www.crescent.com.pk/wp-content/uploads/2016/04/Quarter-Mar16.pdf> or scan QR code



# COMPANY PROFILE

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Crescent Steel and Allied Products Limited is a conglomerate corporation listed on Pakistan Stock Exchange as 'CSAP'. Starting commercial operations with a pipe manufacturing facility in March 1987, today the company operates businesses in four defined sectors – engineering, textiles, capital markets and power – spread over six campuses in Pakistan.

The Company operates three divisions and three wholly owned subsidiaries.

## **STEEL DIVISION – SPIRAL PIPE PRODUCTION LINE, PIPE COATINGS AND FABRICATION SERVICES**

The Company's Steel division operates a Spiral Pipe production line and a Coating line located at Nooriabad. The Steel division also operates an engineering unit located in Faisalabad, capable of fabricating and erecting reliable machinery at par with international standards.

The Spiral Pipe Plant has the 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 the pipe production capacity which has increased to the present notional capacity of

90,000 tonnes extendable up to maximum 200,000 tonnes per annum. The unit has authorization to use API monogram of the American Petroleum Institute (API) – the highest international standard accredited for quality of steel line pipe and also continues to retain the ISO 9001 certification. In addition, Crescent Steel is the first Pakistani company to acquire oil and gas industry specific ISO/TS 29001, Quality Management System Certification from API.

The external Coating Plant is capable of applying coatings such as Multi-Layer Polyolefin coatings, Single Layer Fusion Bonded Epoxy coatings, Liquid Epoxy coatings and High Temperature Heat Shrink Tape Coatings on steel pipes ranging from 4" – 60" (114 mm – 1,524 mm). Furthermore, the division is also capable for cold applied tape coatings on pipe diameter above 60" (1,524 mm) and internal epoxy coating for flow efficiency and/or corrosion protection on diameters ranging from 8" – 60" (219 mm – 1524 mm).

The division has diversified its product offering by adding capabilities to fabricate and erect machinery especially for sugar and cement industry. This diversification enables the Company to manufacture machineries such as boilers,

cane shredders up to diameter of 1700mm, juice heaters, evaporators, batch and continuous vacuum pans, centrifugal machines, stainless steel spray clusters and multi-jet condensers, perforated plates and vibro screens, and high voltage transformer tanks.

## **COTTON DIVISION – COTTON YARN SPINNING UNIT**

The Cotton division comprises of one spinning unit with 19,680 spindles, located in Jaranwala. The unit operating as "Crescent Cotton Products" (CCP), has a daily production capacity of 500 bags of high quality cotton carded yarn, in counts ranging from 6s to 30s.

CCP is a division of the Company but its operating results are shown separately. CCP as a division holds ISO 9001 Quality Management Credentials, is registered with Ministry of Textile Industry Pakistan and is a member of International Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces quality cotton yarn with value addition of Slub, Siro and Compact Attachments. CCP is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts from 6s to 30s and has a notional capacity

# COMPANY PROFILE

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(based on 20s) of 6.5 million kgs per annum. CCP products are consistently in demand and generally sold at a premium.

## **INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION**

The division manages a portfolio of equity investments and real estate. The portfolio is balanced in a way that spreads risk over a diversified spectrum and offers potential for growth as well as dividend yields, while real estate investments are held for rental as well as long term appreciation.

## **SUBSIDIARY COMPANIES**

### **CS CAPITAL (PRIVATE) LIMITED**

CS Capital (Private) Limited is a fully owned subsidiary. The principal activity of the subsidiary is to manage investment portfolios in shares, real estate, commodities and other securities (strategic as well as short term).

### **SHAKARGANJ ENERGY (PRIVATE) LIMITED**

Shakarganj Energy (Private) Limited (SEL), fully owned subsidiary, operates a co-generation, bagasse fired thermal generation power plant which had commenced its commercial operations in December 2014. The primary business of the

subsidiary is to generate, accumulate, distribute, sell and supply electricity to FESCO, PEPCO and to other companies as permitted.

### **Solution De Energy (Private) Limited**

Solution De Energy (Private) Limited was incorporated in October 2013 as a fully owned subsidiary of Shakarganj Energy (Private) Limited in Pakistan. The principal activity of the company is to build, own, operate and maintain 100MW solar power project.

### **CRESCENT HADEED (PRIVATE) LIMITED**

Crescent Hadeed (Private) Limited (CHL) was incorporated as a fully owned subsidiary on 15 May 2013 as a private limited company in Pakistan under the provisions of the Companies Ordinance, 1984. The principal business of CHL is the manufacturing and sale of steel billets through a steel melting plant. The unit is located at Bhone, Jhang.

Crescent Steel maintains high quality norms in all its products, striving for excellence in product quality across all product lines and will continue to remain at the cutting edge of technology, best in class Quality Management Systems and management practices.

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

# DIRECTORS' REVIEW

Dear Shareholders

I am pleased to present the unaudited separate and consolidated condensed interim financial information of the Company and the Group for the nine months period ended March 31, 2016.

## Economic Outlook

The country's economic position and outlook continues to improve on the back of favourable prices for oil and other commodities. Consequently, inflation remains low at 3.9% in March 2016 and the current account deficit has narrowed, easily supported by a stable external sector – although fault lines remain given a steep decline in exports. GDP outlook indicates moderate growth at 4.5% for FY16, supported by continued macroeconomic stability, expected improvement in energy supply, planned infrastructure investment tied to the China Pakistan Economic Corridor, and strong private consumption.

Continued implementation of structural and economic reforms alongside improving internal and energy security remains the key driver to growth and stability going forward.

## Financial and Operational Performance

### Overall financial performance

Unconsolidated results for the period ended March 31, 2016 (9MFY16), outweighed 9MFY15 as we executed orders in hand for the Steel division. The Company's profit after tax (PAT) amounted to Rs. 666.7 million, as compared to after tax profit of Rs. 85.9 million in the corresponding period last year. Earnings per share (EPS) for the

current period stood at Rs. 9.06 as compared to Rs. 1.23 in the corresponding period last year.

Company's sales revenue stood at Rs. 4,962.7 million (9MFY15: Rs. 1,665.1 million including Rs. 1,236 million from Cotton division) which mainly represents turnover from Steel division. Loss on investments from IID division amounted to Rs. 1.1 million (Investment income 9MFY15: Rs. 240.5 million). Sales revenue surged 12.4% QoQ to Rs. 2,126.9 million (Q2FY16: Rs. 1,892.4 million).

Gross Profits (GP) stood at Rs. 1,401.9 million (9MFY15: Rs.21 million), contributed entirely by the Steel division which posted a GP of Rs. 1,474.6 million (9MFY15: Rs. 64.5 million), while Cotton division reported a gross loss (GL) of Rs. 72.7 million (9MFY15: Rs. 43.5 million).

The Company posted profit before tax (PBT) of Rs. 929.6 million (9MFY15: Rs. 51.4 million). The Steel division PBT for the period stood at Rs. 1,046.3 million (9MFY15 - LBT: Rs. 70.4 million) whereas LBT from the IID and Cotton divisions stood at Rs. 25.8 million (9MFY15 - PBT: Rs. 211.4 million) and Rs. 91 million (9MFY15: Rs. 89.6 million) for the period, respectively.

On a QoQ basis, PBT went up by 33% while GP was up 49% to Rs. 408.4 million and Rs. 651.8 million, respectively.

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

- Sales revenue increased to Rs. 4,962.7 million as compared to Rs. 1,665.1 million in 9MFY15.

- Gross profit significantly increased to Rs. 1,401.9 million (28.2%) as compared to Rs. 21 million (1.3%) in 9MFY15.

- Operating profit increased to Rs. 1,036.6 million (20.9%) as compared to Rs. 110.4 million (6.6%) in 9MFY15.

- Net Profit increased to Rs. 666.7 million (13.4%) as compared to Rs. 85.9 million (5.2%) in 9MFY15.

- EBITDA increased to Rs. 1,124.5 million (22.7%) as compared to Rs. 192.7 million (11.6%) in 9MFY15.

- EPS stood at Rs. 9.06 for the current period, as compared to EPS of Rs. 1.23 for 9MFY15.

- Loss on Investments amounted to Rs. 1.1 million as compared to income from investment Rs. 240.5 million in 9MFY15.

- Other income increased to Rs. 23.5 million as compared to Rs. 23 million in the corresponding period last year.

- Return on average capital employed (annualized) raised to 23.1% as compared to 3.2% for 9MFY15.

- Return on average equity (annualized) improved to 18.6% as compared to 2.8% for the corresponding period last year.

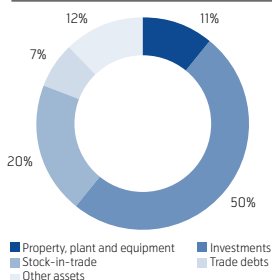
- Return on average assets increased to 12.6% for the current period, as compared to 2.3% in 9MFY15.

- Interest coverage improved to 9.7 times for the current period, as compared to 1.9 time in 9MFY15.

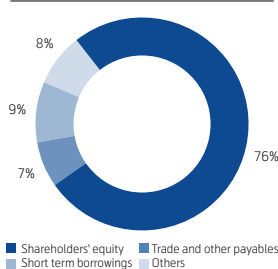


# DIRECTORS' REVIEW

## Total Assets

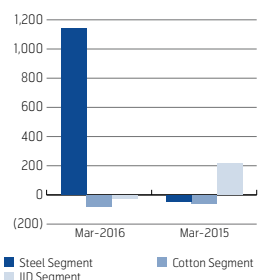


## Total Liabilities



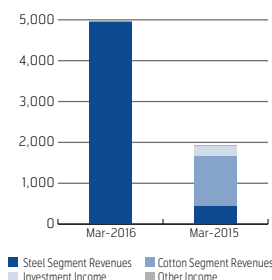
## Profit from Operations

Rupees in million



## Revenue and Income

Rupees in million



## Business Segments

### Steel segment

#### Segment performance

The segment recorded revenues of Rs. 4,943.4 million, vis-à-vis Rs. 429.1 million for 9MFY15. Gross profit at Rs. 1,474.6 million for the period was significantly higher as compared to Rs. 64.5 million in 9MFY15 despite negative impact of regulatory duty on import of raw material. Resultantly, the bottom-line profit before tax amounted to Rs. 1,046.4 million as compared to LBT of Rs. 70.4 million for the corresponding period last year.

Average capacity utilization for the period stood at 77% and 91% for pipe manufacturing and coating plants, respectively.

### Cotton segment

#### Segment performance

Cotton division reported LBT of Rs. 91 million (9MFY15: Rs. 89.6 million) mainly representing fixed costs related to administrative expenses as the unit was not operational due to planned BMR activities and challenging market conditions.

### Investment and Infrastructure Development (IID) segment

#### Market Review

The benchmark KSE-100 index remained volatile during the fiscal year, primarily on account of foreign selling and restructuring of Pakistan's Stock Exchanges; peaking to an all-time high of 36,229 points in August 2015 and

falling to a low of 30,565 points in February 2016.

Despite healthy corporate earnings, the Index decreased by 1,260 points or 3.66% during the fiscal year to close at 33,139 points on March 31, 2016. On a QoQ basis, the index returns improved slightly, posting an increase of 0.98%.

The index continues to trade at a significant discount to regional markets at a PE of 8.3x and has a stable dividend yield of 6%. Going forward investment tied to CPEC and Pakistan's entry to the MSCI EM index remain the key market drivers.

### Segment performance – Unconsolidated

During the period under review, IID division's CSAPL portfolio of equity investments recorded a negative ROI of 3.55% on average investments of Rs. 327.9 million (excluding strategic investments) – during the same period, the benchmark KSE-100 index fell 3.66%.

Loss from investment activities during the period amounted to Rs. 1.1 million (9MFY15 - Income from Investments: Rs. 240.5 million) mainly representing realized and unrealized loss on HFT investments amounting to Rs. 13.3 million and Rs. 12.3 million, respectively. Consequently, the division posted an accumulated LBT of Rs. 25.8 million, compared to PBT of Rs. 211.4 million in 9MFY15.

The value of marketable securities as on March 31, 2016 was Rs. 2,619.4 million as compared to Rs. 2,748.1 million as on June 30, 2015.

# DIRECTORS' REVIEW

## Overall financial performance - Consolidated

On consolidated basis, operating profit before finance cost amounted to Rs. 1,001 million (LBIT 9MFY15: Rs. 44.6 million). Net share of profit from equity-accounted associates amounted to Rs. 291 million (9MFY15: Rs. 139.4 million). Consequently, consolidated profit after tax and EPS of the Group for 9MFY16 amounted to Rs. 899.1 million and Rs. 12.22 per share as compared to Rs. 67.9 million and Re. 0.97 per share respectively in the corresponding period last year.

During the period, operational loss from Shakarganj Energy (Private) Limited amounted to Rs. 24.8 million (PBT - 9MFY16: Rs. 9 million) mainly due to fixed operating costs and loss on investments.

Plant and machinery for Crescent Hadeed (Pvt) Limited (CHL) has been installed and trial production was carried out in February 2016, commercial production will commence in June 2016. Pre-commencement loss during the period amounted to Rs. 6.8 million mainly on account of administrative and other operating expenses.

As per consolidated results, profit before taxation for IID division for the 9MFY16 was Rs. 263.1 million compared to Rs. 185.2 million in 9MFY15. This is mainly attributable to share of profit amounting to Rs. 288.7 million (9MFY15: Rs. 119.7 million) from equity accounted investments.

The value marketable securities as on March 31, 2016 was Rs. 3,274.8 million as compared to Rs. 3,357.7 million as on June 30, 2015.

## Financial Position

### Balance sheet

Balance sheet footing stood at Rs. 8,656.2 million as of March 31, 2016, compared to Rs. 5,392.7 million as of June 30, 2015. Break-up value per share increased to Rs. 70.1 from Rs. 65.2 as at June 30, 2015.

Current ratio increased to 1.5 : 1 as at March 31, 2016 from 1.4 : 1 as at June 30, 2015. Gearing ratio increased to 24% as at March 31, 2016 over 14% as at June 30, 2015, mainly due to financing increased working capital requirements for orders in hand and capital expenditure.

On a Group basis, the consolidated balance sheet footing increased to Rs. 10,762.7 million, compared to Rs. 6,836.7 million as of June 30, 2015. Total shareholders' fund increased to Rs. 7,003 million from Rs. 5,390.2 million as of June 30, 2015. Break-up value per share increased to Rs. 90.2 from Rs. 86.8 as at June 30, 2015.

### Right Issue

During the second quarter of FY16, the Company allotted an issue of 25% Right Shares offered at a price of Rs. 58 per ordinary share including the premium of Rs. 48 per ordinary share. Consequently, the issued, subscribed and paid-up capital increased to Rs. 776.3 million from Rs. 621.1 million.

### Dividend

The Board, in their meeting held on 28 April 2016 has decided to pay second interim cash dividend of 15% i.e Rs. 1.5 per share. This is in addition to first interim dividend of 15% i.e Rs. 1.5 per share already declared for the financial year.

## Future Outlook

Outlook remains promising given the existing order book and expectation of incremental business flows, in view of the strong demand of large diameter pipes and major upcoming gas pipeline projects for the import of LNG. Moreover we have participated in tenders during the last quarter, most of them are projects for expansion of network related to LNG import projects. We have purchased a second Spiral Pipe (SP) machine, which has been shipped and is expected to be commissioned during the last quarter of FY16.

Finally, I would like to thank all stakeholders for their patronage and look forward to their continued support.

For and on behalf of the Board of Directors



Ahsan M. Saleem  
Chief Executive Officer  
April 28, 2016

## محترم حصص یافتگان

31 مارچ 2016 کو مختصر نو ماہی مدت کے لئے کمپنی اور گروپ کی غیر تفتیح شدہ الگ الگ اور مجموعی مجعد عبوری مالیاتی معلومات پیش خدمت ہیں۔

## اقتصادی نقطہ نظر

تیل اور دیگر ایشیاہ کی سازگار قیمتوں کے باعث ملک کی اقتصادی حالت اور آؤٹ لک بہتر ہو رہی ہے۔ نتیجتاً افراط زر مارچ 2016 میں 3.9 فیصد کم رہا اور ایک مستحکم بیرونی شعبے کے تعاون سے کرنٹ اکاؤنٹ اور مالی خسارے کو آسانی سے اٹھایا گیا ہے۔ اگرچہ فائلڈ لائسنز برآمدات میں تیزی سے کمی دے رہی ہیں۔ GDP آؤٹ لک FY16 کے لئے مسلسل جاری معاشی استحکام، توانائی کی فراہمی میں متوقع بہتری، چین پاکستان اقتصادی راہداری سے منسلک منصوبہ بندی کے بنیادی ڈھانچے کی سرمایہ کاری اور مصنوعی ڈیجیٹل کھپت سے تائیدی اعتماد پسند 4.5 فیصد ترقی کی طرف اشارہ کرتا ہے۔ بحر حال، برآمد میں کمی ایک غیر مثبت پہلو ہے جو معیشت کے لئے خطرے کا باعث ہو سکتا ہے۔

## مالی اور آپریشنل کارکردگی

### مجموعی مالی کارکردگی

31 مارچ 2016 مختصر عرصہ (9MFY16) کے لئے غیر مجموعی نتائج، ہم نے زیر دست اسٹیل ڈویژن میں سیکمیل کے دوران 9MFY15 میں زیادہ شمار کیا۔ کمپنی کا امدت میں بعد از ٹیکس منافع (PAT) 85.9 ملین روپے کے مقابلہ میں 666.7 ملین روپے رہا۔ موجودہ مدت کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت میں 1.23 روپے EPS کے مقابلہ میں 9.06 روپے رہی۔

کمپنی کی بکری سے محصولات 4,962.7 ملین روپے رہیں (کاشن ڈویژن سے 1,236 ملین روپے کے بشمول مالی سال 15 نومبر: 1,665.1 ملین روپے) جو بنیادی طور پر اسٹیل ڈویژن سے ٹرن اور کوٹنگا ہر کرتا ہے۔ IID ڈویژن سے سرمایہ کاری پر نقصان 1.1 ملین روپے (9MFY15 سرمایہ کاری آمدن: 240.5 ملین روپے)۔ فروخت کی محصولات میں اضافہ 12.4 فیصد QoQ تا 2,126.9 ملین روپے (Q2 FY16: 1,892.4 ملین روپے) خام منافع (GP) 1,401.9 ملین روپے رہا (9MFY15: 21 ملین روپے) اسٹیل ڈویژن نے اہم کردار ادا کیا۔ جس نے خام منافع 1,474.6 ملین روپے (9MFY15: 64.5 ملین روپے) درج کیا، جبکہ کاشن ڈویژن نے (GL) خام نقصان 72.7 ملین روپے (9MFY15: 43.5 ملین روپے) درج کیا ہے۔

کمپنی نے قبل از ٹیکس منافع (PBT) 929.6 ملین روپے (9MFY15: 51.4 ملین روپے) درج کیا۔ مذکورہ عرصہ کے لئے اسٹیل ڈویژن کا قبل از ٹیکس منافع 1,046.3 ملین روپے رہا (9MFY15: 70.4 ملین روپے) قبل از ٹیکس نقصان (جبکہ قبل از ٹیکس نقصان IID اور کاشن ڈویژن سے بالترتیب مدت کے لئے 25.8 ملین روپے (9MFY15 - PBT: 211.4 ملین روپے) اور 91 ملین روپے (9MFY15: 89.6 ملین روپے)۔ QoQ بنیاد پر، قبل از ٹیکس منافع 33 فیصد جبکہ خام منافع 49 فیصد بالترتیب 408.4 ملین روپے اور 651.8 ملین روپے تک بڑھ گیا۔

## ڈائریکٹرز کا جائزہ

کمپنی کی غیر مجموعی مالی معلومات کے مطابق آپریٹنگ نتائج کا خلاصہ

- مالی سال 15 نومبر میں 1,665.1 ملین روپے کے مقابلے میں سیکرٹریٹ محصولات 4,962.7 ملین روپے تک بڑھ گئیں۔
- مالی سال 15 نومبر میں 21 ملین روپے (1.3 فیصد) کے مقابلے میں خام منافع نمایاں طور پر 1,401.9 ملین روپے (28.2 فیصد) تک پہنچ گیا۔
- آپریٹنگ منافع مالی سال 15 نومبر میں 110.4 ملین روپے (6.6 فیصد) کے مقابلے میں 1,036.6 ملین روپے (20.9 فیصد) تک بڑھ گیا۔
- خالص منافع مالی سال 15 نومبر میں 85.9 ملین روپے (5.2 فیصد) کے مقابلے میں 666.7 ملین روپے (13.4 فیصد) تک اضافہ ہوا۔
- مالی سال 15 نومبر میں 192.7 ملین روپے (11.6 فیصد) کے مقابلے میں 1,124.5 ملین روپے (22.7 فیصد) تک زیادہ ہوا ہے۔
- مالی سال 15 نومبر میں 1.23 روپے کے مقابلے میں موجودہ عرصہ کے لئے 9.06 روپے رہی۔
- مالی سال 15 نومبر میں 240.5 ملین روپے کی سرمایہ کاری آمدن کے مقابلے میں سرمایہ کاری پر 1.1 ملین روپے تک نقصان ہوا ہے۔
- گزشتہ سال کی اسی مدت میں دیگر آمدنی 23 ملین روپے کے مقابلے میں 23.5 ملین روپے تک بڑھ گئی ہے۔
- ایپلائمنڈ اوسط سرمایہ پر ریٹرن (سالانہ) مالی سال 15 نومبر کے لئے 3.2 فی صد کے مقابلے میں 23.1 فی صد تک زیادہ حاصل ہوا ہے۔
- اوسط ایکٹیوٹی پر ریٹرن (سالانہ) گزشتہ سال کی اسی مدت کے لئے 2.8 فی صد کے مقابلے میں 18.6 فی صد تک بہتر ہوا ہے۔
- اوسط اثاثوں پر ریٹرن 9MFY15 میں 2.3 فی صد کے مقابلے میں، موجودہ مدت کے لئے 12.6 فی صد اضافہ ہوا۔
- انٹریٹ کوریج 9MFY15 میں 1.9 گنا کے مقابلے میں موجودہ مدت کے لئے 9.7 گنا تک بہتر ہو گئی۔

## کاروباری شعبہ جات

### اسٹیل کا شعبہ

### شعبہ کی کارکردگی

شعبہ نے مالی سال 15 نومبر کے لئے 429.1 ملین روپے کے مقابلے میں 4,943.4 ملین روپے محصولات ریکارڈ کئے ہیں۔ خام مال کی درآمد پر ریگولیشن ڈیوٹی کے منفی اثرات کے باوجود خام منافع مالی سال 15 نومبر میں 64.5 ملین روپے کے مقابلے میں عرصہ کے لئے 1,474.6 ملین روپے نمایاں طور پر زیادہ رہا۔ نتیجے میں چلنی لائن کا قفل ازبیکس منافع کی رقم گزشتہ سال کی اسی مدت کے لئے 70.4 ملین روپے قفل ازبیکس نقصان کے مقابلے میں 1,046.4 ملین روپے تک حاصل ہوا۔ مذکورہ عرصہ کے لئے پائپ مینوفیکچرنگ اور کوئنگ کے لئے اوسط پیداواری صلاحیت بالترتیب 77 فیصد اور 91 فیصد رہی۔

### کپاس کا شعبہ

### شعبہ کی کارکردگی

مذکورہ عرصہ کے لئے کائون ڈویژن کا قفل ازبیکس نقصان بنیادی طور پر انتظامی اخراجات سے متعلق مقررہ اخراجات کی بابت 91 ملین روپے تھا (9MFY15: 89.6 ملین روپے)

### سرمایہ کاری اور بنیادی ڈھانچہ کی ترقی (IID) شعبہ

### مارکیٹ کا جائزہ

مالی سال کے دوران بیچ مارک (KSE 100) انڈیکس بنیادی طور پر غیر ملکی فروخت اور پاکستان کی اسٹاک ایکسچینج اور تنظیم نو کی وجہ سے غیر مستحکم رہا، اگست 2015 میں

## ڈائریکٹرز کا جائزہ

36,229 پوائنٹس کی اعلیٰ ترین سطح پر رہی اور فروری 2016 میں 30,565 پوائنٹس کی سطح تک گر گئی۔ صحت مند کارپوریٹ آمدنی کے باوجود مالی سال کے دوران انڈیکس 1,260 پوائنٹس یا 3.66 فیصد تک گر گیا اور 31 مارچ 2016 کو 33,139 پوائنٹس پر بند ہوا۔ QoQ بنیاد پر انڈیکس ریٹرنز قدرے بہتر ہوا، 0.98 فیصد کا اضافہ درج ہوا۔ انڈیکس کی 8.3x کی PE پر مقامی مارکیٹوں میں نمایاں ڈسکانٹ برٹریڈنگ ہو رہی ہے اور 6 فیصد کی مستحکم ڈیویڈنڈ پیداوار رکھتا ہے۔ CPEC سے منسلک سرمایہ کاری اور MSCI EM انڈیکس میں پاکستان کی شمولیت کی مارکیٹ ڈرائیورز ہیں۔

### شعبہ کی کارکردگی - غیر مجموعی

زر جائزہ مدت کے دوران، ایکویٹی سرمایہ کاری کے IID ڈویژن کے CSAPL پورٹ فولیو نے 327.9 ملین روپے کی اوسط سرمایہ کاری پر 3.55 فی صد کی منفی ROI درج کی گئی ہے (اسٹریٹجک سرمایہ کاری کو چھوڑ کر)۔ اسی عرصہ کے دوران بیچ مارک کے (KSE 100) انڈیکس 3.66 فیصد گر گیا۔ اس عرصہ کے دوران سرمایہ کاری کی سرگرمیوں سے نقصان 1.1 ملین روپے (9MFY15 - سرمایہ کاری سے آمدن: 240.5 ملین روپے) بنیادی طور پر محسوس اور غیر محسوس نقصان HFT سرمایہ کاری پر بالترتیب 13.3 ملین روپے اور 12.3 ملین روپے ظاہر کر رہا ہے۔ نتیجتاً، ڈویژن نے 9MFY15 میں 211.4 ملین روپے مجموعی قبل ازنگس منافع کے مقابلہ میں مجموعی قبل ازنگس نقصان 25.8 ملین روپے درج کیا۔ 30 جون 2015 کو 2,748.1 ملین روپے کے مقابلہ میں 31 مارچ 2016 کو مارکیٹ اینہیل سکیورٹیز کی ویلیو 2,619.4 ملین روپے تھی۔

### مجموعی مالی کارکردگی - مجموعی

مجموعی بنیاد پر، فنانس لاگت سے پہلے آپریٹنگ منافع 1,001 ملین روپے (LBIT 9MFY15: 44.6 ملین روپے)۔ ایکویٹی۔ اکاؤنڈ ایسیٹس سے منافع کا خالص حصہ 291 ملین روپے (9MFY15: 139.4 ملین روپے)۔ نتیجتاً، 9MFY15 کے لئے گروپ کالنگس کے بعد مجموعی منافع اور آمدن فی حصص گذشتہ سال کی اسی مدت میں بالترتیب 67.9 ملین روپے اور 0.97 روپے فی حصص کے مقابلہ میں 899.1 ملین روپے اور 12.22 روپے فی شیئر رہا۔ اس مدت کے دوران، شئرج انرجی (پرائیویٹ) لمیٹڈ کی طرف سے 24.8 ملین روپے (9MFY15: 9 ملین روپے منافع) کا آپریشنل نقصان بنیادی طور پر مقررہ آپریٹنگ اخراجات اور سرمایہ کاری پر نقصان کی وجہ سے ہوا۔

کریڈنٹ حدید (پرائیویٹ) لمیٹڈ کے لئے پلانٹ اور مشینری نصب ہو گئی ہے۔ آزمائشی پیداوار کا آغاز فروری 2016 میں ہوا، کمرشل پیداوار کا آغاز جون 2016 میں ہوگا۔ عرصہ کے دوران آغاز سے قبل نقصان بنیادی طور پر انتظامی اور دیگر آپریٹنگ اخراجات پر نقصان 6.8 ملین روپے ہوا۔ مجموعی نتائج کے مطابق، 9MFY15 کیلئے IID ڈویژن کے لئے نیکیسیشن سے قبل منافع 9MFY15 میں 185.2 ملین روپے کے مقابلے میں 263.1 ملین روپے تھا۔ اسے بنیادی طور پر ایکویٹی سرمایہ کاری سے منافع 288.7 ملین روپے (9MFY15: 119.7 ملین روپے) کے اشتراک سے منسوب کیا جاتا ہے۔ مارکیٹ اینہیل سکیورٹیز ویلیو 30 جون 2015 کو 3,357.7 ملین روپے کے مقابلے میں 31 مارچ 2016 کو 3,274.8 ملین روپے تھی۔

### مالی حالت

#### بیلنس شیٹ

بیلنس شیٹ 30 جون 2015 کے مطابق 5,392.7 ملین روپے کے مقابلہ میں 31 مارچ 2016 کے مطابق 8,656.2 ملین روپے پر بڑھ چکی۔ فی حصص بریک اپ ویلیو 30 جون 2015 کے 65.2 روپے سے 70.1 روپے تک اضافہ ہوا۔

## ڈائریکٹرز کا جائزہ

حالیہ مناسبت میں 30 جون 2015 کو 1.4:1 سے 31 مارچ 2016 کو 1.5:1 تک اضافہ ہوا۔ گنیرنگ مناسبت بنیادی طور پر زیر دست آرڈرز کیلئے درکار ورننگ کپٹیل میں فنڈنگ کے بڑھنے کی وجہ سے 30 جون 2015 کو 14 فیصد سے بڑھ کر 31 مارچ 2016 کو 24 فیصد تک زیادہ رہی۔ ایک گروپ کی بنیاد پر، مجموعی بیلنس شیٹ فونڈنگ 30 جون 2015 کی 6,836.7 ملین روپے کے مقابلے 10,762.5 ملین روپے تک بڑھ گئی۔ کل حصص یافتگان کا فنڈ 30 جون 2015 کو 5,390.2 ملین روپے سے بڑھ کر 7,003.7 ملین روپے تک زیادہ ہوا۔ فی حصص بریک اپ ویلیو 30 جون 2015 کے 86.8 روپے سے بڑھ کر 90.2 روپے ہو گئی۔

### رائٹس کا اجراء

مالی سال کی دوسری سہ ماہی کے دوران، کمپنی نے 48 روپے فی عام حصص کے پریم سمیت 58 روپے فی عام حصص کی قیمت پر 25 فیصد رائٹس حصص آفر ڈک اجماع مقرر کیا۔ نتیجے کے طور پر، اجراء ہنسکرا عب اور ادا شدہ سرمایہ 621.1 ملین روپے سے 776.3 ملین روپے تک بڑھ گیا۔

### مستقبل

تفصلاً نظر کاروباری بہاؤ میں اضافہ کی موجودہ آرڈر بک اور توقعات کو قائم رکھنے کا وعدہ کرتی ہے۔ منظم توانائی درآمد کے منصوبوں اور مقامی ترسیل کی توسیع اور توانائی درآمد کے بنیادی ڈھانچے بڑے قطر کے پائپوں کے لئے مقامی طلب بڑھ رہی ہے۔ مزید برآں ہم نے گذشتہ سہ ماہی کے دوران ٹینڈرز میں حصہ لیا، ان میں سے اکثر پراجیکٹ LNG درآمد منصوبوں سے متعلقہ تھیٹ ورک کی توسیع کے منصوبے ہیں۔ ہم نے ایک اور اسپائرل پائپ (SP) مشین خریدی ہے، جو جہاز پر لوڈ ہو چکی ہے اور مالی سال 2016 کی آخری سہ ماہی کے دوران نصب ہو جائے گی جس سے پیداواری صلاحیت میں خاطر خواہ اضافہ ہوگا۔ آخر میں، میں تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں جنہوں نے اپنی سرپرستی اور مسلسل حمایت جاری رکھی۔

منجانب بورڈ آف ڈائریکٹرز

احسان الیم سلیم

چیف ایگزیکٹو آفیسر

28 اپریل 2016

Crescent Steel and Allied Products Limited

**CONDENSED  
INTERIM  
UNCONSOLIDATED  
FINANCIAL  
INFORMATION  
(UNAUDITED)**

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

# CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2016

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	792,957	780,672
Intangible assets		4,511	9,525
Investment property		20,318	23,319
Long term investments	6	3,528,439	3,038,174
Long term deposits		235,719	24,220
Deferred taxation		-	38,047
		<b>4,581,944</b>	<b>3,913,957</b>
<b>Current assets</b>			
Stores, spares and loose tools		79,590	66,801
Stock-in-trade	7	1,910,240	453,108
Trade debts	8	719,851	87,922
Advances	9	53,643	17,867
Trade deposits and short term prepayments		16,091	11,411
Investments	10	371,048	388,005
Other receivables	11	455,000	200,311
Taxation - net		447,024	210,770
Cash and bank balances		21,791	42,551
		<b>4,074,278</b>	<b>1,478,746</b>
<b>Total assets</b>		<b>8,656,222</b>	<b>5,392,703</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		776,325	621,060
Capital reserves		1,025,319	299,041
Revenue reserves		3,637,402	3,130,642
		<b>5,439,046</b>	<b>4,050,743</b>
<b>Non-current liabilities</b>			
Long term loans	12	413,750	238,875
Liabilities against assets subject to finance lease		37,910	46,367
Deferred taxation		3,390	-
Deferred income		423	1,315
		<b>455,473</b>	<b>286,557</b>
<b>Current liabilities</b>			
Trade and other payables	13	1,452,088	637,632
Mark-up accrued		15,138	11,683
Short term borrowings	14	1,145,924	301,822
Current portion of long term loan	12	109,250	55,125
Current portion of liabilities against assets subject to finance lease		37,888	47,283
Current portion of deferred income		1,415	1,858
		<b>2,761,703</b>	<b>1,055,403</b>
Contingencies and commitments	15		
<b>Total equity and liabilities</b>		<b>8,656,222</b>	<b>5,392,703</b>

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer





# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and nine months period ended 31 March 2016

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit / (loss) for the period	299,612	(56,720)	666,682	85,854
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealized diminution during the period on remeasurement of investments classified as 'available for sale'	(172)	(32)	(1,131)	(1,470)
<b>Total comprehensive income for the period</b>	<b>299,440</b>	<b>(56,752)</b>	<b>665,551</b>	<b>84,384</b>

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Note	Nine months period ended	
		31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	22	(428,000)	39,765
Taxes paid		(457,711)	(55,748)
Finance costs paid		(95,806)	(42,300)
Contribution to gratuity and pension funds		(12,652)	(10,664)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Infrastructure fee paid		(35,683)	(458)
Compensated absences paid		(799)	(95)
10-C bonus paid		-	(1,067)
Long term deposits - net		(211,499)	2,226
Net cash (used in) operating activities		(1,242,150)	(73,192)
<b>Cash flows from investing activities</b>			
Capital expenditure		(99,766)	(82,458)
Acquisition of intangible assets		(687)	(2,482)
Proceeds from disposal of operating fixed assets		13,366	10,193
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,200	34,787
Investments - net		(600,139)	(510,117)
Dividend income received		18,031	205,084
Interest income received		1,194	2,095
Net cash (used in) investing activities		(648,801)	(342,898)
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		229,000	312,000
Payments against finance lease obligations		(44,811)	(44,423)
Proceed from short term loans obtained - net		950,866	-
Proceed from issue of right shares		900,537	-
Transaction costs incurred on issuance of right shares		(17,863)	-
Dividends paid		(40,774)	(137,971)
Net cash flow from financing activities		1,976,955	129,606
Net increase / (decrease) in cash and cash equivalents		86,004	(286,484)
Cash and cash equivalents at beginning of the period		(259,271)	(121,120)
Cash and cash equivalents at end of the period	23	(173,267)	(407,604)

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	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'	General reserve	Unappropriated profit	
Balance as at 30 June 2014	621,060	293,499	5,243	2,642,000	445,377	4,007,179
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	85,854	85,854
Other comprehensive income	-	-	(1,470)	-	-	(1,470)
Total other comprehensive income for the period	-	-	(1,470)	-	85,854	84,384
<b>Total comprehensive income for the period</b>						
<b>Transaction with owners</b>						
<b>Dividend:</b>						
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	(93,159)	(93,159)
Balance as at 31 March 2015	621,060	293,499	3,773	2,642,000	438,072	3,998,404
Balance as at 30 June 2015	621,060	293,499	5,542	2,642,000	488,642	4,050,743
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	666,683	666,683
Other comprehensive income	-	-	(1,131)	-	-	(1,131)
Total other comprehensive income for the period	-	-	(1,131)	-	666,683	665,552
<b>Total comprehensive income for the period</b>						
<b>Transactions with owners</b>						
- Issuance of right shares	155,265	745,272	-	-	-	900,537
<b>Dividend:</b>						
- Final @ 7% (i.e. Re. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	(43,474)	(43,474)
- First interim @ 15% (i.e. Rs 1.5 per share) for the year ending 30 June 2016	-	-	-	-	(116,449)	(116,449)
Transaction costs on issuance of right shares	-	(17,863)	-	-	-	(17,863)
Balance as at 31 March 2016	776,325	1,020,908	4,411	2,642,000	995,402	5,439,046

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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## 1. THE COMPANY AND ITS OPERATIONS

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 Companies Ordinance, 1984) and is quoted on all stock exchanges of Pakistan (Subsequent to period end due to demutualization of all stock exchanges are integrated into Pakistan Stock Exchange). The registered office of the Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 24.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim unconsolidated financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.
- 2.3 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, except otherwise stated.
- 2.4 This condensed interim unconsolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984.

## 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended 30 June 2015, except for the following standards which became effective during the period.

### 3.1 New, amended and revised Standards and Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

IFRS 10 replaces the current guidance on consolidation in IAS 27 'Consolidated and Separate Financial Statements'. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable return and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Company.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

IFRS 11 replaces IAS 31 'Interests in Joint Ventures'. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosure on the nature and risks associated with interests in unconsolidated structured entities. The application of IFRS 12 did not result in any investee being in control of the Company.

IFRS 13 'Fair Value Measurement', consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the condensed interim financial information of the Company's, except certain additional disclosures.

## 4. ESTIMATES AND JUDGEMENTS

4.1 The preparation of condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 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 annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.

Rupees in '000	Note	<b>Unaudited 31 March 2016</b>	Audited 30 June 2015
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	613,395	670,823
Capital work-in-progress	5.2	179,562	109,849
		<b>792,957</b>	<b>780,672</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

5.1 Following is the cost of operating fixed assets added / transferred and disposed off during the period ended:

Rupees in '000	Nine months period ended 31 March 2016		Nine months period ended 31 March 2015	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	4,039	–	–	–
Plant and machinery - owned	15,621	48,871	65,952	33,019
Plant and machinery - leased	19,271	–	32,038	5,055
Furniture and fittings	598	–	211	–
Electrical / office equipment and installation	865	820	2,706	565
Computers	1,679	84	1,924	2,648
Motor vehicles - owned	6,885	17,036	11,399	8,497
Motor vehicles - leased	–	–	3,810	2,005
Workshop equipment	1,387	–	–	–
	50,345	66,811	118,040	51,789

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 69.733 million (2015: Rs. 0.276 million).

## 6. LONG TERM INVESTMENTS

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
Subsidiary companies			
- at cost	6.1	2,322,000	1,930,039
- share deposit money			
Shakarganj Energy (Private) Limited		8,000	–
Crescent Hadeed (Private) Limited		122,150	89,500
Associated companies - at cost	6.2	897,343	839,689
Other long term investments - available for sale	6.3	178,946	178,946
		3,528,439	3,038,174

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 6.1 Subsidiary companies - at cost

Unaudited 31 March 2016	Audited 30 June 2015		Note	Unaudited 31 March 2016	Audited 30 June 2015
Number of shares				Rupees in '000	
<b>Unquoted</b>					
100,000,000	85,803,900	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	1,000,000	858,039
47,199,995	47,199,995	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.2	472,000	472,000
85,000,000	60,000,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	850,000	600,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
				2,322,000	1,930,039

6.1.1 This represents the Company's investment in 100% ordinary shares of Shakarganj Energy (Private) Limited. The Company has acquired Shakarganj Energy (Private) Limited on 4 January 2010. During the period, the Company has further subscribed right issue offered by the investee company aggregating 14.196 million ordinary shares for Rs. 141.961 million.

6.1.2 This represents the Company's investment in 100% ordinary shares of CS Capital (Private) Limited. The Company has acquired CS Capital (Private) Limited on 26 September 2011.

6.1.3 This represents the Company's investment in 100% ordinary shares of Crescent Hadeed (Private) Limited which was incorporated on 15 May 2013. During the period, the Company has further subscribed right issue offered by the investee company aggregating 25 million ordinary shares for Rs. 250 million.

6.1.4 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

Unaudited 31 March 2016	Audited 30 June 2015		Note	Unaudited 31 March 2016	Audited 30 June 2015
Number of shares				Rupees in '000	
<b>Quoted</b>					
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.2.1	593,488	593,488
15,244,665	15,244,665	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	388,562	388,562
8,875,322	-	Subscription money against right issue	6.2.3	88,753	-
				1,070,803	982,050
		Less: Provision for impairment - net	6.2.4	173,460	142,361
				897,343	839,689



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

6.2.1 The Company holds 16.64% shareholding in Altern Energy Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.

6.2.2 The Company holds 21.93% shareholding in Shakarganj Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.

6.2.3 This represents payment of subscription money against right issue of Shakarganj Limited made during the period, which are allotted to the Company subsequent to period end.

6.2.4 This represents provision for diminution in the value of investments of ordinary shares of Shakarganj Limited.

6.2.5 The fair value of investments in associates as at 31 March 2016 is Rs. 2,095.283 million (30 June 2015: Rs. 2,194.372 million).

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
6.3 Other long term investments - available for sale			
Investments in related parties	6.3.1	58,946	58,946
Other investments		120,000	120,000
		178,946	178,946

6.3.1 This includes investments in Crescent Bahuman Limited of Rs. 24.037 million and Crescent Industrial Chemicals Limited of Rs. 10.470 million which had been fully impaired and charged to profit and loss account in earlier periods.

Rupees in '000	Unaudited 31 March 2016	Audited 30 June 2015
<b>7. STOCK-IN-TRADE</b>		
Raw materials		
Hot rolled steel coils (HR Coil)	279,254	11,727
Coating materials	163,736	31,546
Others	143,057	19,331
Raw cotton	49,535	32,901
Stock-in-transit	977,925	315,294
	1,613,507	410,799
Work-in-process	91,423	13,480
Finished goods	199,916	26,062
Scrap / cotton waste	5,394	2,767
	296,733	42,309
	1,910,240	453,108

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>8. TRADE DEBTS</b>			
<b>Secured</b>			
Considered good	8.1	656,645	33,749
<b>Unsecured</b>			
Considered good		63,206	54,173
Considered doubtful		14,324	5,684
Provision for doubtful trade debts		(14,324)	(5,684)
		63,206	54,173
		719,851	87,922

8.1 Includes Rs. 93.492 million (30 June 2015: Rs. 32.381 million) and Rs. 9.024 million due from wholly owned subsidiary companies and associated undertaking.

## 9. ADVANCES

Includes Rs. 47.811 million (30 June 2015: Rs. 15.326 million) given to suppliers for goods and services.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>10. INVESTMENTS</b>			
<b>Investments in related parties</b>			
Available for sale - The Crescent Textile Mills Limited		8,306	9,568
Held to maturity	10.1	32,993	13,347
		41,299	22,915
<b>Other investments</b>			
Available for sale		-	-
Held for trading		329,749	365,090
		329,749	365,090
		371,048	388,005

10.1 This represents 2,999,396 (30 June 2015: 2,999,396) preference shares of Rs.10 each of Shakarganj Limited, a related party, issued in October 2004. These shares carry dividend rate of 8.5% per annum payable annually and were due for redemption in October 2009. The preference shares are convertible into ordinary shares of Rs.10 each. The conversion option is exercisable at the end of every financial year of the investee company.

The Company does not intend to exercise the option to convert the preference shares into ordinary shares as mentioned above. Aggregate provision of Rs. 2.107 million (30 June 2015: Rs. 21.753 million) has been recognized against the exposure as the balance amount is considered to be recovered in due course of time.

The fair value of preference shares as at 31 March 2016 amounts to Rs. 32.993 million (30 June 2015: Rs. 13.347 million).

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

10.2 Investments having an aggregate market value of Rs. 1,214.087 million (30 June 2015: Rs. 1,453.820 million) have been pledged with financial institutions as security against financing facilities (refer note 14.4) out of which Rs. 1,018.741 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>11. OTHER RECEIVABLES</b>			
Dividend receivable		3,582	938
Receivable against sale of investments		-	63
Receivable against rent from investment property		724	305
Claim receivable		562	562
Due from related parties	11.1	92,192	18,393
Sales tax refundable		149,402	2,426
Margin on guarantee		16,717	-
Receivable from staff retirement benefits funds		191,636	177,575
Others		185	49
		<b>455,000</b>	<b>200,311</b>

11.1 This includes balances due from related parties are as follows:

Shakarganj Limited		1,000	-
CS Capital (Private) Limited		842	137
Shakarganj Energy (Private) Limited		55,124	680
Crescent Hadeed (Private) Limited		24,061	10,376
Solution de Energy (Private) Limited		11,165	7,200
		<b>92,192</b>	<b>18,393</b>

## 12. LONG TERM LOANS

Secured			
Allied Bank Limited	12.1	273,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	12.2	250,000	-
		<b>523,000</b>	<b>294,000</b>
Current portion shown under current liabilities		(109,250)	(55,125)
		<b>413,750</b>	<b>238,875</b>

12.1 During year ended 30 June 2015, the Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 315 million, out of which Rs. 312 million has been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments started from December 2015. During the period, Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period, mark-up on such arrangements ranged between 7.85% to 8.49% (2015: 9.81% to 11.68%) per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

12.2 During the period, the Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million, which was fully disbursed during the period. The term of the loan is 5 years from the date of disbursement including a grace period of 1 year, repayable in 8 equal semi annually installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum prevailing on the day prior to the start of each semi annually installment period. During the period, mark-up on such arrangement is 8.85% to 9.54% (2015: Nil) per annum. The facility is secured against first pari passu hypothecation on land and building and property of the Company.

## 13. TRADE AND OTHER PAYABLES

This includes balances due to Premier Insurance Limited to Rs. 0.091 million (30 June 2015: Rs. 0.02 million)

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>14. SHORT TERM BORROWINGS</b>			
Secured from banking companies			
Running finances under mark-up arrangements	14.1	195,058	301,822
Short term loans	14.2	950,866	-
		<b>1,145,924</b>	<b>301,822</b>

14.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 550 million (30 June 2015: Rs. 550 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million) and Rs. 50 million (30 June 2015: Rs. 50 million) is interchangeable with letter of credit and with Finance Against Import Material (FIM) facility respectively. During the period, the mark-up on such arrangements ranged between 7.98% to 8.74% (2015: 10.26% to 12.37%) per annum.

14.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 2,050 million (30 June 2015: Rs. 1,300 million) out of which Rs. 1,300 million (30 June 2015: Rs. 400 million), Rs. 50 million (30 June 2015: Rs. 50 million) and Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.09% to 9.01% (2015: 10.76% to 12.62%) per annum.

14.3 The facilities for opening letter of credit amounted to Rs. 4,419 million (30 June 2015: Rs. 1,500 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million), Rs. 1,300 million (30 June 2015: Rs. 400 million) and Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at 31 March 2016 amounted to Rs. 1,006 million (30 June 2015: Rs. 727 million) out of which Rs. 200 million (30 June 2015: Nil) is interchangeable with short term loans and letter of credit facility. Amounts unutilized for letters of credit and guarantees as at 31 March 2016 were Rs. 1,897.76 million and Rs. 50 million (30 June 2015: Rs. 548.405 million and Rs. 50.201 million) respectively.

14.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 10.2) and cotton / cotton yarn; and lien over import / export document.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 15. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies as set out in note 13 to the Company's annual unconsolidated financial statements for the year ended 30 June 2015, except as set out below.

- 15.1 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 955.630 million (30 June 2015: Rs. 676.799 million).
- 15.2 Commitments in respect of capital expenditure contracted for as at 31 March 2016 amounted to Rs. 556.951 million (30 June 2015: Rs. 13.101 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. Further also includes commitment with respect of Spiral Machine through Ijarah arrangement already taken place.
- 15.3 Commitments under letters of credit (L/C) as at 31 March 2016 amounted to Rs. 1,435.491 million (30 June 2015: Rs. 651.730 million).

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Nine months period ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>16. SALES - net</b>					
Local sales					
Bare pipes (own product excluding coating revenue)		1,811,733	44,575	4,358,490	211,636
Revenue from conversion		–	1,573	–	4,670
Coating of pipes		620,885	12,778	1,247,034	228,235
Cotton yarn / raw cotton		–	407,009	19,286	1,208,964
Others (including pipes laboratory testing)		32,669	18,068	114,689	50,156
Scrap / waste		26,856	21,693	58,629	41,104
Sales returns		–	(5,840)	–	(23,737)
		2,492,143	499,856	5,798,128	1,721,028
Export sales					
Cotton yarn / raw cotton		–	11,898	–	40,260
		2,492,143	511,754	5,798,128	1,761,288
Sales tax		(365,261)	(19,959)	(835,423)	(96,228)
		2,126,882	491,795	4,962,705	1,665,060
<b>17. INCOME / (LOSS) FROM INVESTMENTS - net</b>					
Dividend income		4,990	36,281	20,675	209,609
Gain / (loss) on sale of investment - net		(3,564)	7,775	(13,300)	35,667
Unrealized gain / (loss) on held for trading investments - net		14,143	(15,220)	(12,257)	(9,881)
Rent from investment property	17.1	1,257	1,259	3,773	5,106
		16,826	30,095	(1,109)	240,501

- 17.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 2.933 million (2015: Rs. 3.796 million). Further, Rs. 0.813 million (2015: Rs. 2.573 million) were incurred against non rented out area.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>18. OTHER OPERATING EXPENSES</b>				
Exchange loss	3,449	-	19,713	-
Provision for slow moving stores, spares and loose tools	-	2	-	429
Provision for doubtful trade debts	-	-	8,640	-
Provision for Workers' Welfare Fund	9,208	-	16,770	3
Provision for Workers' Profit Participation Fund	24,797	(217)	55,952	-
Liquidated damages	109,000	-	112,926	232
Provision for diminution in the value of investments	23,497	-	11,453	14,738
	<b>169,951</b>	<b>(215)</b>	<b>225,454</b>	<b>15,402</b>

## 19. FINANCE COSTS

Incurring on:				
- finance lease obligations	2,149	2,919	7,759	9,485
- long term loan	11,458	7,636	33,348	15,786
- running finances / short term loans	21,787	14,839	57,658	32,330
- Workers' Profit Participation Fund	-	-	-	130
Bank charges	3,475	364	8,255	1,247
	<b>38,869</b>	<b>25,758</b>	<b>107,020</b>	<b>58,978</b>

## 20. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2016 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001 (Tax on Undistributed Reserves). Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim financial information for the period ended 31 March 2016.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>21. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit / (loss) for the period	299,612	(56,720)	666,682	85,854
		(Restated)		(Restated)
		(Number of shares)		(Number of shares)
Weighted average number of ordinary shares in issue during the period	77,632,491	69,751,296	73,562,928	69,751,296
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	3.86	(0.81)	9.06	1.23

21.1 During the period, the Company issued 15,526,498 ordinary shares of Rs. 10 each as right share at Rs. 58 per ordinary share (including premium of Rs. 48 per ordinary share). Accordingly, the weighted average number of shares as at 31 March 2015 have been restated.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2016	31 March 2015
<b>22. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation for the period		929,576	51,442
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment property		82,233	77,137
Amortization of intangible assets		5,701	5,104
Charge for the period on staff retirement benefit funds		(1,409)	10,760
Charge for compensated absences		1,633	803
Provision for 10-C bonus		1,357	-
Dividend income		(20,675)	(209,609)
Unrealized loss on held for trading investments - net		12,257	9,881
Loss / (gain) on sale of investments - net		13,300	(35,667)
(Reversal) / charge of provision for stores, spares and loose tools - net		(3,519)	429
Charge / (reversal) of provision for doubtful trade debts - net		8,640	(202)
Provision for Workers' Welfare Fund		16,770	3
Provision for Workers' Profit Participation Fund		55,952	-
Provision for infrastructure fee		33,549	790
Provision for liquidated damages		112,927	232
Provision for diminution in the value of investments - net		11,453	14,738
Return on deposits, loan and investments		(1,194)	(2,095)
Gain on disposal of operating fixed assets		(5,117)	(5,326)
Deferred income		(1,060)	(1,525)
Liabilities written back		(8,962)	-
Finance costs		107,020	58,978
Working capital changes	22.1	(1,778,432)	63,892
		(428,000)	39,765
<b>22.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(11,029)	(2,425)
Stock-in-trade		(1,455,373)	2,060
Trade debts		(640,569)	(51,461)
Advances		(35,776)	21,639
Trade deposits and short term prepayments		(4,680)	(4,978)
Other receivables		(238,047)	(20,834)
		(2,385,474)	(55,999)
<b>Increase in current liabilities</b>			
Trade and other payables		607,042	119,891
		(1,778,432)	63,892

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited Nine months period ended	
	31 March 2016	31 March 2015
<b>23. CASH AND CASH EQUIVALENTS</b>		
Running finances under mark-up arrangements	(195,058)	(451,582)
Cash and bank balances	21,791	43,978
	(173,267)	(407,604)

## 24. SEGMENT REPORTING

### 24.1 Reportable segments

The Company's reportable segments 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).

Information regarding the Company's reportable segments presented below.

### 24.2 Segment revenues and results

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

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
<b>For the nine months period ended</b>				
<b>31 March 2016</b>				
Sales - net	4,943,419	19,286	-	4,962,705
Cost of sales	3,468,816	91,980	-	3,560,796
Gross profit / (loss)	1,474,603	(72,694)	-	1,401,909
Loss from investments	-	-	(1,109)	(1,109)
	1,474,603	(72,694)	(1,109)	1,400,800
Distribution and selling expenses	7,033	1,306	-	8,339
Administrative expenses	125,112	17,584	11,177	153,873
Other operating expenses	210,160	3,794	11,500	225,454
	342,305	22,684	22,677	387,666
	1,132,298	(95,378)	(23,786)	1,013,134
Other income	9,354	14,108	-	23,462
Operating profit / (loss) before finance costs	1,141,652	(81,270)	(23,786)	1,036,596
Finance costs	95,279	9,761	1,980	107,020
Profit / (loss) before taxation	1,046,373	(91,031)	(25,766)	929,576
Taxation				262,894
Profit for the period				666,682



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the nine months period ended				
31 March 2015				
Sales - net	429,101	1,235,959	-	1,665,060
Cost of sales	364,596	1,279,508	-	1,644,104
Gross profit / (loss)	64,505	(43,549)	-	20,956
Income from investments	-	-	240,501	240,501
	64,505	(43,549)	240,501	261,457
Distribution and selling expenses	10,242	11,197	-	21,439
Administrative expenses	103,931	21,075	12,174	137,180
Other operating expenses	234	429	14,739	15,402
	114,407	32,701	26,913	174,021
	(49,902)	(76,250)	213,588	87,436
Other income	5,026	17,410	548	22,984
Operating (loss) / profit before finance costs	(44,876)	(58,840)	214,136	110,420
Finance costs	25,470	30,741	2,767	58,978
(Loss) / profit before taxation	(70,346)	(89,581)	211,369	51,442
Taxation				(34,412)
Profit for the period				85,854

24.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2015: Rs. Nil).

24.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as disclosed in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2015. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial costs 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.

## 24.3 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 16 to this condensed interim unconsolidated financial information.

## 24.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 4,707.918 million (2015: Rs. 284.596 million) of total Steel segment revenue of Rs. 4,943.419 million (2015: Rs. 429.101 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 19.286 (2015: Rs. 638.223 million) of total Cotton segment revenue of Rs. 19.286 million (2015: Rs. 1,235.959 million).

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 24.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Pakistan	2,126,882	479,897	4,962,705	1,624,800
Far East	-	11,898	-	40,260
	2,126,882	491,795	4,962,705	1,665,060

24.5.2 All non-current assets of the Company as at 31 March 2016 and 30 June 2015 were located and operating in Pakistan.

## 24.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
<b>As at 31 March 2016 (Unaudited)</b>				
Segment assets for reportable segments	4,572,282	433,444	3,019,979	8,025,705
Unallocated corporate assets				630,517
Total assets as per balance sheet				8,656,222
Segment liabilities for reportable segments	1,215,334	100,003	1,656	1,316,993
Unallocated corporate liabilities				1,900,183
Total liabilities as per balance sheet				3,217,176
<b>As at 30 June 2015 - (Audited)</b>				
Segment assets for reportable segments	1,725,602	488,312	2,832,988	5,046,902
Unallocated corporate assets				345,801
Total assets as per balance sheet				5,392,703
Segment liabilities for reportable segments	490,721	163,564	1,483	655,768
Unallocated corporate liabilities				686,192
Total liabilities as per balance sheet				1,341,960

24.6.1 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 those directly relating to corporate and taxation.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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

## 24.7 Other segment information

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the nine months period ended				
31 March 2016				
Capital expenditure	85,359	11,058	3,349	99,766
Depreciation and amortization	35,033	49,323	3,578	87,934
Non-cash items other than depreciation and amortization - net	307,871	6,692	18,359	332,922
For the nine months period ended				
31 March 2015				
Capital expenditure	19,426	60,519	476	80,421
Depreciation and amortization	30,447	48,297	3,497	82,241
Non-cash items other than depreciation and amortization - net	29,565	30,114	(217,489)	(157,810)

24.8 Cotton plant was shut down for BMR activities to improve the production systems and upgrade machinery. However, current trend of cotton and yarn prices has restrained the company to recommence production of yarn. Accordingly production activities will commence once the market shows sustained improvement which is expected shortly.

## 25. 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:

Rupees in '000			Unaudited	
			Nine months period ended	
Name of entity	Nature of relationship	Nature of transaction	31 March 2016	31 March 2015
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	13,648	3,876
		Right shares subscribed	250,000	290,500
		Sale of finished goods	50,140	11,163
		Share deposit money	32,650	137,500
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	-	75,230
		Dividend Income	-	37,477
		Reimbursable expenses	705	371,643
		Share deposit money	-	22,000

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2016	31 March 2015
Shakarganj Energy (Private) Limited	Subsidiary company	Right shares subscribed	141,961	358,039
		Dividend Income	-	77,224
		Reimbursement of Turbine cost	122,000	36,000
		Transfer of machinery at cost	188,363	-
		Reimbursable expenses	1,538	185
		Sale of store and spares	4,569	-
		Share deposit money	8,000	-
Solution de Energy (Private)	Subsidiary company	Reimbursable expenses	3,966	-
Altern Energy Limited	Associated company	Dividend received	-	60,475
Shakarganj Limited	Associated company	Dividend Paid	1,833	4,039
		Sales of finished goods	19,661	4,158
		Services received	1,742	2,942
		Reimbursable expenses	1,106	1,154
Central Depository Company of Pakistan Limited	Related party	Purchase of assets	-	40
		Services received	1,931	-
Crescent Jute Products Limited*	Related party	Dividend received	5,809	-
		Services received	-	90
The Citizens' Foundation *	Related party	Reimbursable expenses	-	459
		Donation given	20,601	7,811
CSAP Foundation *	Related party	Donation given	1,038	569
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
		Issue of right shares	10	-
Premier Insurance Company *	Related party	Insurance premium	7,585	5,881
		Dividend paid	-	-
The Crescent Textile Mills Limited *	Related party	Dividend paid	4,184	9,221
		Dividend received	-	565
		Issue of right shares	99,044	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2016	31 March 2015
Rupees in '000				
Crescent Cotton Products - Staff				
Provident Fund	Retirement benefit fund	Contribution made	500	1,292
		Dividend paid	42	7
		Issue of right shares	868	-
Crescent Steel and Allied Products				
Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,657	3,096
		Dividend paid	824	1,765
		Issue of right shares	17,066	-
Crescent Steel and Allied Products				
Limited - Pension Fund	Retirement benefit fund	Contribution made	9,396	7,760
		Dividend paid	1,809	3,959
		Issue of right shares	37,470	-
Crescent Steel and Allied Products				
Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	5,118	4,274
		Dividend paid	368	788
		Issue of right shares	17,921	-
Directors and their spouse	Related parties	Issue of right shares	9,237	-
Key management personnel	Related parties	Remuneration and benefits	61,938	48,691

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

- 25.1 Sale of finished goods and raw materials, rendering of services and insurance premium are based on commercial terms and at market prices which are approved by the Board of Directors.
- 25.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 25.3 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 key management personnel during the period other than their terms of employment / entitlements.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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## 26. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

	31 March 2016 (Unaudited)							
	Carrying amount				Fair value			
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet								
financial instruments								
Financial Assets								
Measured at Fair Value								
Investment								
- Listed equity securities	371,048	-	-	371,048	371,048	-	-	371,048
Financial Assets not								
Measured at Fair Value								
Investment								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
Trade debts	-	719,851	-	719,851	-	-	-	-
Other receivables	-	113,962	-	113,962	-	-	-	-
Bank balances	-	20,251	-	20,251	-	-	-	-
	178,946	854,064	-	1,033,010	-	-	-	-
Financial liabilities not								
Measured at fair value								
Long term loans	-	-	523,000	523,000	-	-	-	-
Liabilities against assets								
subject to finance lease	-	-	75,798	75,798	-	-	-	-
Trade and other payables	-	-	1,019,558	1,019,558	-	-	-	-
Mark-up accrued	-	-	15,138	15,138	-	-	-	-
Short term borrowings	-	-	1,145,924	1,145,924	-	-	-	-
	-	-	2,779,418	2,779,418	-	-	-	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

	30 June 2015 (Audited)							
	Carrying amount			Fair value				
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet								
financial Instruments								
Financial Assets								
Measured at Fair Value								
Investment								
- Listed equity securities	388,005	-	-	388,005	388,005	-	-	388,005
Financial Assets not								
Measured at Fair Value								
- unlisted equity securities	178,946	-	-	178,946	178,946	-	-	178,946
Trade debts	-	87,922	-	87,922	-	-	-	-
Other receivables	-	20,310	-	20,310	-	-	-	-
Bank balances	-	40,589	-	40,589	-	-	-	-
	178,946	148,821	-	327,767	178,946	-	-	178,946
Financial liabilities not								
Measured at fair value								
Long term loan	-	-	294,000	294,000	-	-	-	-
Liabilities against assets								
subject to finance lease	-	-	93,650	93,650	-	-	-	-
Trade and other payables	-	-	413,711	413,711	-	-	-	-
Mark-up accrued	-	-	11,683	11,683	-	-	-	-
Short term borrowings	-	-	301,822	301,822	-	-	-	-
	-	-	1,114,866	1,114,866	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

The investments in subsidiaries and associates are stated at cost.

## 27. GENERAL

### 27.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 28 April 2016 has proposed a second interim cash dividend of Rs. 1.5 per share (i.e. 15%), amounting to Rs. 116.45 million. This is in addition to the first interim cash dividend of Rs. 1.5 per share already declared and recorded in these condensed interim unconsolidated financial information. These condensed interim financial information does not reflect this proposed issue.

### 27.2 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 28 April 2016.

  
Chief Executive

  
Director

  
Chief Financial Officer



Crescent Steel and Allied Products Limited

**CONDENSED  
INTERIM  
CONSOLIDATED  
FINANCIAL  
INFORMATION  
(UNAUDITED)**

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2016

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,378,982	2,018,522
Intangible assets		97,432	68,211
Investment property		62,169	67,026
Investment in equity accounted investees	6	2,806,254	2,423,250
Other long term investments	7	220,717	220,717
Long term deposits		261,289	48,011
		<b>5,826,843</b>	<b>4,845,737</b>
<b>Current assets</b>			
Stores, spares and loose tools		83,843	66,801
Stock-in-trade	8	2,221,533	453,108
Trade debts	9	826,517	60,639
Advances	10	58,204	58,395
Trade deposits and short term prepayments		16,546	14,552
Investments	11	769,459	823,918
Mark-up accrued		166	475
Other receivables	12	450,861	186,669
Taxation - net		466,537	224,989
Cash and bank balances		42,152	101,408
		<b>4,935,818</b>	<b>1,990,954</b>
<b>Total assets</b>		<b>10,762,661</b>	<b>6,836,691</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		776,325	621,060
Capital reserves		1,113,854	395,534
Revenue reserves		5,112,787	4,373,623
		<b>7,002,966</b>	<b>5,390,217</b>
<b>Non-current liabilities</b>			
Long term loan	13	413,750	238,875
Liabilities against assets subject to finance lease		37,910	46,367
Deferred income		423	1,315
Deferred taxation		154,601	98,208
		<b>606,684</b>	<b>384,765</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,626,987	642,765
Mark-up accrued		16,972	12,856
Short term borrowings	15	1,360,499	301,822
Current portion of long term loans	13	109,250	55,125
Current portion of liabilities against assets subject to finance lease		37,888	47,283
Current portion of deferred income		1,415	1,858
		<b>3,153,011</b>	<b>1,061,709</b>
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>10,762,661</b>	<b>6,836,691</b>

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and nine months period ended 31 March 2016

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit for the period	406,336	968	899,087	67,868
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit and loss				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(616)	1,115	(8,950)	(9,215)
Proportionate share of other comprehensive income / (loss) of equity accounted investees	–	–	(139)	(744)
Other comprehensive income for the period	(616)	1,115	(9,089)	(9,959)
<b>Total comprehensive income for the period</b>	<b>405,720</b>	<b>2,083</b>	<b>889,998</b>	<b>57,909</b>

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Note	Nine months period ended	
		31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>			
Cash (used in) operations	23	(716,528)	(72,536)
Taxes paid		(466,489)	(72,520)
Finance costs paid		(99,736)	(47,464)
Contribution to gratuity and pension funds		(12,652)	(10,664)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Infrastructure fee paid		(35,683)	(458)
Compensated absences paid		(799)	(95)
10-C bonus paid		-	(1,067)
Long term loans and deposits - net		(211,630)	2,225
Net cash (used in) operating activities		(1,543,517)	(207,430)
<b>Cash flows from investing activities</b>			
Capital expenditure		(444,701)	(516,885)
Acquisition of intangible assets		(34,921)	(6,759)
Proceeds from disposal of operating fixed assets		13,366	10,193
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,200	34,787
Investments - net		(203,525)	117,879
Dividend income received		39,741	119,993
Interest income received		2,334	4,168
Net cash (used in) investing activities		(608,506)	(236,624)
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		237,000	312,000
Payments against finance lease obligations		(44,811)	(44,423)
Proceed from short term loans obtained - net		1,056,033	-
Proceed from issue of right shares		900,537	-
Transaction costs incurred on issuance of right shares		(17,863)	-
Dividends paid		(40,774)	(137,972)
Net cash flow from financing activities		2,090,122	129,605
Net (decrease) in cash and cash equivalents		(61,901)	(314,449)
Cash and cash equivalents at beginning of the period		(200,413)	(84,104)
Cash and cash equivalents at end of the period	24	(262,314)	(398,553)

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31 March 2016

	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'	Others*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 30 June 2014	621,060	293,499	17,919	76,970	2,642,000	1,594,749	5,246,197
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	67,868	67,868
Other comprehensive income							
Total other comprehensive income for the period	-	-	(9,215)	(744)	-	-	(9,959)
Total comprehensive income for the period	-	-	(9,215)	(744)	-	67,868	57,909
Transaction with owners							
Dividend:							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	-	(93,159)	(93,159)
Balance as at 31 March 2015	621,060	293,499	8,704	76,226	2,642,000	1,569,458	5,210,947
Balance as at 30 June 2015	621,060	293,499	25,809	76,226	2,642,000	1,731,623	5,390,217
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	899,067	899,067
Other comprehensive income							
Total other comprehensive income for the period	-	-	(8,950)	(139)	-	-	(9,089)
Total comprehensive income for the period	-	-	(8,950)	(139)	-	899,067	889,998
Transactions with Owners							
- Issuance of right shares	155,265	745,272	-	-	-	-	900,537
- Final @ 7% (i.e. Rs. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	-	(43,474)	(43,474)
- First interim @ 15% (i.e. Rs 1.5 per share) for the year ending 30 June 2016	-	-	-	-	-	(116,449)	(116,449)
Transaction costs on issuance of right shares	-	(17,863)	-	-	-	-	(17,863)
Balance as at 31 March 2016	776,325	1,020,908	16,859	76,087	2,642,000	2,470,787	7,002,966

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

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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## 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 namely; Shakarganj Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (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 (Subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange). 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 was incorporated on 2 April 2008 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is 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 the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5 Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the Companies Ordinance, 1984. The principal activity of the Subsidiary Company will be to manufacture steel billets.
- 1.6 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7 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 of the Group for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim consolidated financial information of the Group does not include all of the information required for annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.
- 2.3 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, except otherwise stated.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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2.4 This condensed interim consolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance 1984.

## 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 30 June 2015, except for the following standards which became effective during the period.

### 3.1 New, amended and revised Standards and Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

IFRS 10 replaces the current guidance on consolidation in IAS 27 'Consolidated and Separate Financial Statements'. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable return and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Company.

IFRS 11 replaces IAS 31 'Interests in Joint Ventures'. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosure on the nature and risks associated with interests in unconsolidated structured entities. The application of IFRS 12 did not result in any investee being in control of the Company.

IFRS 13 'Fair Value Measurement', consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the condensed interim consolidated financial information of the Company's, except certain additional disclosures.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 4. ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.

Rupees in '000	Note	<b>Unaudited 31 March 2016</b>	Audited 30 June 2015
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	1,144,211	1,227,329
Capital work-in-progress		1,234,771	791,193
		<b>2,378,982</b>	<b>2,018,522</b>

- 5.1 Following is the cost of operating fixed assets added / transferred and disposed off during the period ended:

Rupees in '000	Nine months period ended 31 March 2016		Nine months period ended 31 March 2015	
	<b>Additions / Transfers</b>	<b>Disposals</b>	Additions / Transfers	Disposals
Buildings on freehold land	4,039	-	10,589	-
Plant and machinery - owned	15,928	48,871	685,625	33,019
Plant and machinery - leased	19,271	-	32,038	5,055
Furniture and fittings	1,067	-	211	-
Electrical / office equipment and installation	1,662	820	2,706	565
Computers	2,143	84	1,998	2,648
Motor vehicles - owned	6,885	17,036	11,399	8,497
Motor vehicles - leased	-	-	3,810	2,005
Workshop equipment	2,471	-	-	-
	<b>53,466</b>	<b>66,811</b>	<b>748,376</b>	<b>51,789</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 March 2016	Audited 30 June 2015		Note	Unaudited 31 March 2016	Audited 30 June 2015
Number of shares				Rupees in '000	
<b>Quoted</b>					
63,967,500	64,491,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,676,482	2,397,727
19,471,769	19,471,769	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2	-	-
11,338,218	-	Subscription money against right issue	6.3	113,382	-
<b>Unquoted</b>					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.4	16,390	25,523
				<b>2,806,254</b>	<b>2,423,250</b>

- 6.1 The Holding Company and the Subsidiary Companies hold 16.64% and 0.96% respectively i.e. aggregate holding of 17.60% in the investee company. There is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

Share of profit and reserves from associates recognized during the period amounted to Rs. 300.139 million and Rs. (0.139) million respectively.

- 6.2 The Holding Company and the Subsidiary Companies hold 21.93% and 6.08% respectively i.e. aggregate holding of 28.01% in the investee company. There is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

As at 31 March 2016 and 30 June 2015, the carrying amount of equity accounted investment in Shakarganj Limited has been reduced to Rs. 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 as more fully explained in notes 17.2 and 26.2 to the audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2015.

The Group has discontinued any further recognition of its share of losses of the investee company. The unrecognized share of net profit for the period amounted to Rs. 43.836 million (2015: Loss Rs. 81.747 million) and cumulatively share of unrecognized net losses as at 31 March 2016 amounted to Rs. 36.589 million (30 June 2015: Rs. 80.425 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

- 6.3 This represents payment of subscription money against right issue of Shakarganj Limited made during the period, which are allotted to the Company subsequent to period end.
- 6.4 During the period, share of loss from associate recognized amounted to Rs. 9.133 million (2015: Rs. 3.691 million).
- 6.5 The above figures are based on financial information of these companies as at 31 December 2015.
- 6.6 The fair value of investments in associates as at 31 March 2016 is Rs. 2,263.496 million (30 June 2015: Rs. 2,394.748 million).

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>7. OTHER LONG TERM INVESTMENTS - available for sale</b>			
Investments in related parties	7.1	60,717	60,717
Other investments		160,000	160,000
		<b>220,717</b>	<b>220,717</b>

- 7.1 This includes investments in Crescent Bahuman Limited of Rs. 24.037 million and Crescent Industrial Chemicals Limited of Rs. 10.470 million which had been fully impaired and charged to profit and loss account in earlier periods.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>8. STOCK-IN-TRADE</b>			
<b>Raw materials</b>			
Hot rolled steel coils (HR Coil)		279,254	11,727
Coating materials		163,736	31,546
Others		385,115	19,331
Raw cotton		49,535	32,901
Bagasse		69,235	-
Stock-in-transit		977,925	315,294
		<b>1,924,800</b>	<b>410,799</b>
<b>Work-in-process</b>			
Work-in-process		91,423	13,480
Finished goods		199,916	26,062
Scrap / cotton waste		5,394	2,767
		<b>296,733</b>	<b>42,309</b>
		<b>2,221,533</b>	<b>453,108</b>

## 9. TRADE DEBTS

<b>Secured</b>			
Considered good	9.1	763,311	6,466
<b>Unsecured</b>			
Considered good		63,206	54,173
Considered doubtful		14,324	5,684
Provision for doubtful trade debts		(14,324)	(5,684)
		<b>63,206</b>	<b>54,173</b>
		<b>826,517</b>	<b>60,639</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

9.1 This includes balance due from Shakarganj Limited amounting to Rs. 9.024 million (30 June 2015: Rs. Nil).

## 10. ADVANCES

This includes amounting to Rs. 52.367 million (30 June 2015: Rs. 55.326 million) advances given to suppliers for goods and services.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>11. INVESTMENTS</b>			
<i>Investments in related parties</i>			
Available for sale - The Crescent Textile Mills Limited		119,059	92,634
Held to maturity	11.1	-	-
		119,059	92,634
<i>Other investments</i>			
Available for sale	11.2	-	-
Held for trading		636,139	717,631
Short term deposit		12,375	11,825
Investment in commodity		1,886	1,828
		650,400	731,284
		769,459	823,918

11.1 The Group's share of losses on equity accounted investment in Shakarganj 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).

11.2 These investments are fully impaired as their break-up value of shares are Rs.Nil per share (30 June 2015: Rs. Nil)

11.3 Investments having an aggregate market value of Rs. 1,408.476 million (30 June 2015: Rs. 1,589.421 million) have been pledged with financial institutions as security against financing facilities (refer note 15.4) out of which Rs. 1,080.299 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>12. OTHER RECEIVABLES</b>			
Dividend receivable		5,941	1,027
Receivable against sale of investments		1,270	1,333
Receivable against rent from investment property		727	386
Claim receivable		562	562
Due from related parties	12.1	1,000	-
Sales tax refundable		226,530	2,426
Margin on guarantees		19,762	-
Receivable from staff retirement benefits funds		191,636	177,575
Others		3,433	3,360
		450,861	186,669

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

12.1 This includes balance due from Shakarganj Limited - Associated Company to Rs. 1.0 million (30 June 2015: Rs. Nil).

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>13. LONG TERM LOANS</b>			
Secured			
Allied Bank Limited	13.1	273,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	13.2	250,000	-
		523,000	294,000
Less: Current portion shown under current liabilities		(109,250)	(55,125)
		413,750	238,875

13.1 During year ended 30 June 2015, the Holding Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 315 million, out of which Rs. 312 million has been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments started from December 2015. During the period, Holding Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period, mark-up on such arrangements ranged between 7.85% to 8.49% (2015: 9.81% to 11.68%) per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

13.2 During the period, the Holding Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million, which was fully disbursed during the period. The term of the loan is 5 years from the date of disbursement including a grace period of 1 year, repayable in 8 equal semi annually installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum prevailing on the day prior to the start of each semi annually installment period. During the period, mark-up on such arrangement is 8.85% to 9.54% (2015: Nil) per annum. The facility is secured against first pari passu hypothecation on land and building and property of the Holding Company.

## 14. TRADE AND OTHER PAYABLES

This includes balances due to Premier Insurance Limited and Shakarganj Limited amounting to Rs. 0.09 million (30 June 2015: Rs. 0.02 million) and Rs. 35.878 million (30 June 2015: Rs. Nil) respectively.

Rupees in '000	Note	Unaudited 31 March 2016	Audited 30 June 2015
<b>15. SHORT TERM BORROWINGS</b>			
Secured from banking companies			
Running finances under mark-up arrangements	15.1	304,466	301,822
Short term loans	15.2	1,056,033	-
		1,360,499	301,822

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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- 15.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 750 million (30 June 2015: Rs. 650 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million) and Rs. 50 million (30 June 2015: Rs. 50 million) is interchangeable with letter of credit facility and with Finance Against Import Material (FIM) respectively. During the period, the mark-up on such arrangements ranged between 7.98% to 8.74% (2015: 10.26% to 12.37%) per annum.
- 15.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 2,450 million (30 June 2015: Rs. 1,300 million) out of which Rs. 1,500 million (30 June 2015: Rs. 400 million), Rs. 50 million (30 June 2015: Rs. 50 million) and Rs. 200 million (30 June 2015: Rs. Nil) is interchangeable with letters of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.09% to 9.01% (2015: 10.76% to 12.62%) per annum.
- 15.3 The facilities for opening letters of credit amounted to Rs. 4,619 million (30 June 2015: Rs. 1,600 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million), Rs. 1,900 million (30 June 2015: Rs. 400 million) and Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 March 2016 amounted to Rs. 1,042.28 million (30 June 2015: Rs. 772.250 million) out of which Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with short term loan and letter of credit facility respectively. Amounts unutilized for letters of credit and guarantees as at 31 March 2016 were Rs. 2,086.760 million and Rs. 52.980 million (30 June 2015: Rs. 639.790 million and Rs. 53.176 million) respectively.
- 15.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.3) and cotton / cotton yarn; and lien over import / export document.

## 16. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies set out in note 13 to the Group's annual consolidated financial statements for the year ended 30 June 2015, except as set out below.

- 16.1 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 997.910 million (30 June 2015: Rs. 719.074 million).
- 16.2 Commitments in respect of capital expenditure contracted for as at 31 March 2016 amounted to Rs. 592.544 million (30 June 2015: Rs. 96.922 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. This also includes commitment with respect of Spiral Machine through Ijarah arrangement already taken place. Further, this also includes commitments contracted by the subsidiary companies aggregating to Rs. 35.593 million (30 June 2015: Rs. 83.821 million) in respect of capital expenditure to acquire plant and machinery and infrastructure development.
- 16.3 Commitments under letters of credit as at 31 March 2016 amounted to Rs. 1,447.354 million (30 June 2015: Rs. 653.225 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>17. SALES - net</b>				
Local sales				
Bare pipes (own product excluding coating revenue)	1,802,754	44,575	4,347,394	211,636
Revenue from conversion	–	1,573	–	4,670
Coating of pipes	620,885	12,778	1,247,034	228,235
Cotton yarn / raw cotton	–	407,009	19,286	1,208,964
Power supply	38,105	50,336	38,105	87,156
Steam supply	109,401	115,435	114,401	152,305
Others (including pipes laboratory testing)	29,338	8,147	92,009	38,993
Scrap / waste	4,457	21,693	33,496	41,104
Sales returns	–	(5,840)	–	(23,737)
	2,604,940	655,706	5,891,725	1,949,326
Export sales				
Cotton yarn / raw cotton	–	11,898	–	40,260
	2,604,940	667,604	5,891,725	1,989,586
Sales tax	(360,218)	(19,959)	(826,864)	(106,939)
	2,244,722	647,645	5,064,861	1,882,647
<b>18. INCOME / (LOSS) FROM INVESTMENTS - net</b>				
Dividend income	11,180	11,557	44,654	54,568
Unrealized gain on commodity	–	129	57	–
Gain / (loss) on sale of investments - net	(3,703)	14,865	(18,894)	39,035
Unrealized gain / (loss) on held for trading investments	22,048	(44,069)	(41,358)	(21,465)
Rent from investment property	1,257	1,659	4,863	7,906
	30,782	(15,859)	(10,678)	80,044

18.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 5.206 million (2015: Rs. 5.921 million). Further, Rs. 0.813 million (2015: Rs. 3.045 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>19. OTHER OPERATING EXPENSES</b>				
Exchange loss	3,723	–	20,238	–
Provision for slow moving stores, spares and loose tools	–	2	–	429
Provision for doubtful trade debts	–	–	8,640	–
Provision for Workers' Welfare Fund	9,208	7	16,788	48
Provision for Workers' Profit Participation Fund	24,797	(217)	55,952	–
Liquidated damages	109,000	–	112,926	232
	146,728	(208)	214,544	709

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>20. FINANCE COSTS</b>				
Incurring on				
- finance lease obligations	2,149	2,919	7,759	9,485
- long term loan	11,458	7,636	33,348	15,786
- running finances / short term loans	23,621	16,198	61,617	37,461
- Workers' Profit Participation Fund	-	-	-	130
Bank charges	3,758	655	8,887	1,595
	40,986	27,408	111,611	64,457

## 21. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2016 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001 (Tax on Undistributed Reserves). Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim financial information for the period ended 31 March 2016.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>22. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit / (loss) for the period	406,336	968	899,087	67,868
		(Restated)		(Restated)
		(Number of shares)		(Number of shares)
Weighted average number of ordinary shares in issue during the period	77,632,491	69,751,296	73,562,928	69,751,296
		(Rupees)		(Rupees)
Basic and diluted earnings per share	5.23	0.01	12.22	0.97

22.1 During the period, the Company issued 15,526,498 ordinary shares of Rs. 10 each as right share at Rs. 58 per ordinary share (including premium of Rs. 48 per ordinary share). Accordingly, the weighted average number of shares as at 31 March 2015 have been restated.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2016	31 March 2015
<b>23. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation for the period		1,180,423	30,351
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		111,555	93,443
Amortization of intangible assets		5,701	5,104
(Reversal) / charge for the period on staff retirement benefit funds		(1,409)	10,760
Charge for compensated absences		1,633	890
Provision for 10-C bonus		1,357	-
Dividend income		(44,654)	(54,568)
Unrealized loss / (gain) on held for trading investments - net		41,358	21,448
Loss / (gain) on sale of investments - net		18,893	(39,036)
Unrealized gain on commodity - Silver		(57)	-
(Reversal) / charge of provision for stores, spares and loose tools - net		(3,519)	429
Charge / (reversal) of provision for doubtful trade debts - net		8,640	(202)
Provision for Workers' Welfare Fund		16,770	3
Provision for Workers' Profit Participation Fund		55,952	-
Provision for infrastructure fee		33,549	790
Charge for liquidated damages		112,927	232
Return on deposits, loan and investments		(3,678)	(5,714)
Gain on disposal of operating fixed assets		(5,117)	(5,326)
Deferred income		(1,060)	(1,525)
Liabilities written back		(8,962)	-
Finance costs		111,610	64,408
Share of profit from equity accounted investees - net of taxation		(291,005)	(139,425)
Working capital changes	23.1	(2,057,435)	(54,598)
		(716,528)	(72,536)
<b>23.1 Working capital changes</b>			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(15,282)	(2,425)
Stock-in-trade		(1,766,666)	2,060
Trade debts		(774,308)	(70,138)
Advances		191	21,639
Trade deposits and short term prepayments		(5,039)	(4,946)
Other receivables		(242,446)	(18,855)
		(2,803,550)	(72,665)
(Decrease) / increase in current liabilities			
Trade and other payables		746,115	18,067
		(2,057,435)	(54,598)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited Nine months period ended	
	31 March 2016	31 March 2015
<b>24. CASH AND CASH EQUIVALENTS</b>		
Running finances under mark-up arrangements	(304,466)	(507,724)
Cash and bank balances	42,152	109,171
	<b>(262,314)</b>	<b>(398,553)</b>

## 25. SEGMENT REPORTING

### 25.1 Reportable segments

The Group's reportable segments 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 the Subsidiary Company.

Information regarding the Group's reportable segments presented below.

### 25.2 Segment revenue and results

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

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
<b>For the nine months period ended</b>					
<b>31 March 2016</b>					
Sales - net	4,893,069	19,286	-	152,506	5,064,861
Cost of sales	3,424,921	91,980	-	173,813	3,690,714
Gross profit / (loss)	1,468,148	(72,694)	-	(21,307)	1,374,147
Loss from investments	-	-	(4,909)	(5,769)	(10,678)
	1,468,148	(72,694)	(4,909)	(27,076)	1,363,469
Distribution and selling expenses	7,033	1,306	-	-	8,339
Administrative expenses	130,029	17,584	14,671	2,272	164,556
Other operating expenses	210,685	3,794	65	-	214,544
	347,747	22,684	14,736	2,272	387,439
	1,120,401	(95,378)	(19,645)	(29,348)	976,030
Other income	8,357	14,108	7	2,527	24,999
Operating profit / (loss) before finance costs	1,128,758	(81,270)	(19,638)	(26,821)	1,001,029
Finance costs	95,607	9,761	5,943	300	111,611
Share of profit in equity accounted investees - net of taxation	-	-	288,666	2,339	291,005
Profit / (loss) before taxation	1,033,151	(91,031)	263,085	(24,782)	1,180,423
Taxation					281,336
Profit for the period					<b>899,087</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the nine months period ended					
31 March 2015					
Sales - net	417,938	1,235,959	-	228,750	1,882,647
Cost of sales	355,107	1,279,508	-	228,237	1,862,852
Gross profit / (loss)	62,831	(43,549)	-	513	19,795
Income / (loss) from investments	-	-	88,926	(8,882)	80,044
	62,831	(43,549)	88,926	(8,369)	99,839
Distribution and selling expenses	10,242	11,197	-	-	21,439
Administrative expenses	106,245	21,075	16,039	5,628	148,987
Other operating expenses	234	429	46	-	709
	116,721	32,701	16,085	5,628	171,135
	(53,890)	(76,250)	72,841	(13,997)	(71,296)
Other income	5,067	17,410	561	3,641	26,679
Operating profit / (loss) before finance costs	(48,823)	(58,840)	73,402	(10,356)	(44,617)
Finance costs	25,519	30,741	7,907	290	64,457
Share of profit in equity accounted investees - net of taxation	-	-	119,740	19,685	139,425
Profit / (loss) before taxation	(74,342)	(89,581)	185,235	9,039	30,351
Taxation					(37,517)
Profit for the period					67,868

25.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2015: Nil).

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

25.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as disclosed in the annual consolidated financial statements of the Group for the preceding year ended 30 June 2015. 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.

## 25.3 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 17 to this condensed interim consolidated financial information.

## 25.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 4,707.918 million (2015: Rs. 284.596 million) of total Steel segment revenue of Rs. 4,893.069 million (2015: Rs. 417.938 million). Revenue from a major customers of Cotton segment represent an aggregate amount of Rs. 19.286 million (2015: Rs. 638.223 million) of total Cotton segment revenue of Rs. 19.286 million (2015: Rs. 1,235.959 million). Further revenue from major customers of Energy segment represents an aggregate amount of Rs. 140 million (2014: Rs. 212.593 million) of total energy segment revenue of Rs. 152.506 million (2014: Rs. 228.750 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

## 25.5 GEOGRAPHICAL INFORMATION

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

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Pakistan	2,244,722	635,747	5,064,861	1,842,387
Far East	-	11,898	-	40,260
	2,244,722	647,645	5,064,861	1,882,647

25.5.2 All non-current assets of the Group as at 31 March 2016 and 30 June 2015 were located and operating in Pakistan.

## 25.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>As at 31 March 2016 - Unaudited</b>					
Segment assets for reportable segments	4,680,231	428,099	1,122,443	1,164,061	7,394,834
Investment in equity accounted investees	-	-	2,586,825	219,429	2,806,254
Unallocated corporate assets					561,573
Total assets as per balance sheet					10,762,666
Segment liabilities for reportable segments	1,348,785	100,003	113,060	146,448	1,708,296
Unallocated corporate liabilities					2,051,399
Total liabilities as per balance sheet					3,759,695
<b>As at 30 June 2015 - Audited</b>					
Segment assets for reportable segments	1,732,551	488,312	1,106,190	786,512	4,113,565
Investment in equity accounted investees	-	-	2,169,198	254,052	2,423,250
Unallocated corporate assets					299,876
Total assets as per balance sheet					6,836,691
Segment liabilities for reportable segments	508,236	163,564	3,228	23,034	698,062
Unallocated corporate liabilities					748,412
Total liabilities as per balance sheet					1,446,474

25.6.1 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 those directly relating to corporate and taxation.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

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

## 25.7 Other segment information

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>For the nine months period ended</b>					
<b>31 March 2016 – Unaudited</b>					
Capital expenditure	203,698	11,058	3,349	226,596	444,701
Depreciation and amortization	35,636	49,323	5,434	26,863	117,256
Non-cash items other than depreciation and amortization - net	308,199	6,692	(272,914)	1,251	43,228
<b>For the nine months period ended</b>					
<b>31 March 2015 – Unaudited</b>					
Capital expenditure	446,206	60,519	476	7,313	514,514
Depreciation and amortization	30,447	48,297	5,354	14,449	98,547
Non-cash items other than depreciation and amortization - net	29,652	30,114	(192,483)	(14,119)	(146,836)

25.8 Cotton plant was shut down for BMR activities to improve the production systems and upgrade machinery. However, current trend of cotton and yarn prices has restrained the company to recommence production of yarn. Accordingly, production activities will commence once the market shows sustained improvement which is expected shortly.

## 26. 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.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 March 2016	31 March 2015
Altern Energy Limited	Associated company	Dividend received	-	72,103
Shakarganj Limited	Associated company	Dividend paid	1,833	4,039
		Sale of finished goods	160,139	216,751
		Services received	1,742	2,942
		Reimbursable expenses	1,106	1,452
		Purchase of raw material	140,478	212,593

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2016	31 March 2015
		Purchase of assets	-	40
		Advance against raw material	104,600	-
Central Depository Company of Pakistan Limited	Related party	Services received	1,931	108
		Dividend received	5,809	-
Crescent Jute Products Limited *	Related party	Services received	-	90
		Reimbursable expenses	-	459
CSAP Foundation *	Related party	Donation given	1,038	569
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
		Issue of right shares	10	-
Premier Insurance Company *	Related party	Insurance premium	7,585	5,881
The Citizens' Foundation *	Related party	Donation given	20,601	7,811
The Crescent Textile Mills Limited *	Related party	Dividend paid	4,184	9,221
		Dividend received	-	565
		Issue of right shares	99,044	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	500	1,292
		Dividend paid	42	7
		Issue of right shares	868	-
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,657	3,096
		Dividend paid	824	1,765
		Issue of right shares	17,066	-
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	9,396	7,760
		Dividend paid	1,809	3,959
		Issue of right shares	37,470	-
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	5,118	4,274
		Dividend paid	368	788
		Issue of right shares	17,921	-

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2016	31 March 2015
Directors and their spouse	Related parties	Issue of right shares	9,237	–
Key management personnel	Related parties	Remuneration and benefits	61,938	48,691

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

26.1 Sale of finished goods and raw materials, rendering of services and insurance premium are based on commercial terms and at market prices which are approved by the Board of Directors.

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

26.3 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 key management personnel during the period other than their terms of employment / entitlements.

## 27. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	31 March 2016 (Unaudited)							
	Carrying amount				Fair value			
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet								
financial instruments								
Financial assets								
Measured at fair value								
Investment								
- Listed equity securities	755,198	-	-	755,198	755,198	-	-	755,198
- Commodity	1,886	-	-	1,886	1,886	-	-	1,886
	757,084	-	-	757,084	757,084	-	-	757,084
Financial assets not								
Measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- Equity	2,806,254	-	-	2,806,254	2,408,796	-	-	2,408,796
- Term deposit receipts	-	12,375	-	12,375	12,375	-	-	12,375
Trade debts	-	826,517	-	826,517	-	-	-	-
Other receivables	-	32,695	-	32,695	-	-	-	-
Bank balance	-	23,903	-	23,903	-	-	-	-
	3,026,971	895,490	-	3,922,461	2,421,171	-	-	2,421,171
Financial liabilities not								
Measured at fair value								
Long term loans	-	-	523,000	523,000	-	-	-	-
Liabilities against assets								
subject to finance lease	-	-	75,798	75,798	-	-	-	-
Trade and other payable	-	-	1,175,458	1,175,458	-	-	-	-
Mark-up accrued	-	-	16,972	16,972	-	-	-	-
Short term borrowings	-	-	1,360,499	1,360,499	-	-	-	-
	-	-	3,151,727	3,151,727	-	-	-	-



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the nine months period ended 31 March 2016

	30 June 2015 (Audited)							
	Carrying amount			Fair value				
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet								
Financial Instruments								
Financial Assets								
Measured at Fair Value								
Investment								
- Listed equity securities	810,265	-	-	810,265	810,265	-	-	810,265
- Commodity	1,828	-	-	1,828	1,828	-	-	1,828
	812,093	-	-	812,093	812,093	-	-	812,093
Financial Assets not Measured at Fair Value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- Equity	2,423,250	-	-	2,423,250	2,394,748	-	-	2,394,748
- Term deposit receipts	-	11,825	-	11,825	11,825	-	-	11,825
Trade debts	-	60,639	-	60,639	-	-	-	-
Other receivables	-	6,668	-	6,668	-	-	-	-
Bank balance	-	99,274	-	99,274	-	-	-	-
	2,643,967	178,406	-	2,822,373	2,406,573	-	-	2,406,573
Financial liabilities not Measured at fair value								
Long term loan	-	-	294,000	294,000	-	-	-	-
Liabilities against assets								
subject to finance lease	-	-	93,650	93,650	-	-	-	-
Trade and other payable	-	-	431,849	431,849	-	-	-	-
Mark-up accrued	-	-	12,856	12,856	-	-	-	-
Short term borrowings	-	-	301,822	301,822	-	-	-	-
	-	-	1,134,177	1,134,177	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 28. GENERAL

### 28.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 28 April 2016 has proposed a second interim cash dividend of Rs. 1.5 per share (i.e. 15%), amounting to Rs. 116.45 million. This is in addition to the first interim cash dividend of Rs. 1.5 per share already declared and recorded in these condensed interim consolidated financial information. These condensed interim consolidated financial information does not reflect this proposed issue.

### 28.2 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 28 January 2016.

  
Chief Executive

  
Director

  
Chief Financial Officer





