

**CONDENSED INTERIM  
REPORT FOR THE  
SIX MONTHS PERIOD ENDED  
31 DECEMBER 2015**



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)

\*\* Year joined Company

## 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  
Iqbal Zafar Siddiqui – 2008\*  
BU Head – Cotton Division  
Abdul Rouf – 2000\*  
Head of Marketing – Steel  
Division  
Arif Raza – 1985\*  
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.

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.

# COMPANY INFORMATION

## 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@crescent.  
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@crescent.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@crescent.  
com.pk

## SHAKARGANJ ENGINEERING

17 Km Summudri Road,  
Dalowal, 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: +92 047 6006 111

## 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@crescent.  
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 six months period ended 31  
December 2015, go to  
[http://www.crescent.com.pk/  
wp-content/uploads/2015/12/  
HalfYear-Dec15.pdf](http://www.crescent.com.pk/wp-content/uploads/2015/12/HalfYear-Dec15.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

## COMPANY PROFILE

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and has a notional capacity (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 and trial production is scheduled by end of January 2016.

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 unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the half year ended December 31, 2015.

## Economic Outlook

Pakistan's economic position and outlook continues to improve on the back of lower oil prices as well as lower commodity prices. Consequently, inflation remains low at 3.2% in December 2015 and outlook on GDP has improved to 4.5% for FY16, supported by the implementation of the China-Pakistan Economic Corridor project and robust private consumption. Lower inflation allowed the Central Bank to continue with monetary easing; current account and fiscal deficits have narrowed and are easily supported by a stable external sector; political stability and improved internal security continue to provide greater comfort. Greater energy and internal security alongside structural and economic reforms remain the key drivers to growth and stability going forward.

## Financial and Operational Performance

### Overall financial performance

Unconsolidated results for the period ended December 31, 2015 (H1FY16) the Company's profit after tax (PAT) amounted to Rs. 367.1 million, up 185% when compared to PAT of Rs. 128.8 million for the first quarter of current year (Q1FY16) (H1FY15: Rs. 142.6 million).

The Steel division profit before tax (PBT) for the period stood at Rs. 599.1 million (Q2FY16: Rs. 336.2 million; H1FY15: Rs. 4.4 million) while loss before tax (LBT) from the IID and Cotton divisions stood at Rs. 14.7 million (PBT - Q2FY16: Rs. 21.2 million; H1FY15: Rs. 186 million) and Rs. 63.2 million (LBT - Q2FY16: Rs. 32 million; H1FY15: Rs. 50.7 million) for the period, respectively.

Earnings per share (EPS) for the current period stood at Rs. 5.13 as compared to EPS of Rs. 2.04 in the corresponding period last year.

Sales revenue amounted to Rs. 2,835.8 million, contributed entirely by the Steel division (H1FY15: Rs. 1,173.3 million including Rs. 815.8 million from cotton division) whereas, loss on investment from IID division amounted to Rs. 17.9 million (H1FY15 Investment income: Rs. 210.4 million).

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

- Sales revenue increased to Rs. 2,835.8 million as compared to Rs. 1,173.3 million in H1FY15.
- Gross profit significantly increased to Rs. 750.1 million (26.5%) as compared to Rs. 69.9 million (6%) in H1FY15.
- Operating profit increased to Rs. 589.3 million (21.2%) as compared to Rs. 173 million (14.7%) in H1FY15.
- Net Profit increased to Rs. 367.1 million (12.9%) as compared to Rs. 142.6 million (12.2%) in H1FY15.

- EBITDA increased to Rs. 647.9 million (22.8%) as compared to Rs. 228.8 million (19.5%) in H1FY15.
- EPS stood at Rs. 5.13 for the current period, as compared to EPS of Rs. 2.04 for H1FY15.
- Loss on Investments amounted to Rs. 17.9 million as compared to investment income of Rs. 210.4 million in H1FY15.
- Other income increased to Rs. 28.9 million as compared to Rs. 14.8 million in the corresponding period last year.
- Return on average capital employed (annualized) raised to 20.7% as compared to 7.5% for H1FY15.
- Return on average equity (annualized) improved to 15.8% as compared to 7.1% for the corresponding period last year.
- Return on average assets increased to 11.5% for the current period, as compared to 5.6% in H1FY15.
- Interest coverage improved to 8.6 times for the current period, as compared to 5.2 times in H1FY15.

## Business Segments

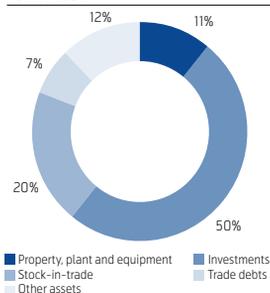
### Steel segment

#### Segment performance

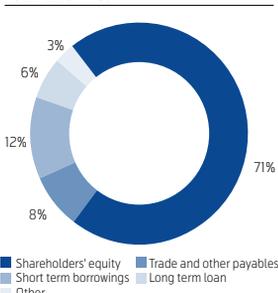
Steel segment performance during the first half of the fiscal year 2016 outweighed H1FY15 mainly on account of strong order intake from gas utility companies for both bare pipe and line pipe coatings. Average capacity utilization for the period stood at 72% and 62% for pipe manufacturing and coating, respectively.

# DIRECTORS' REVIEW

## Total Assets

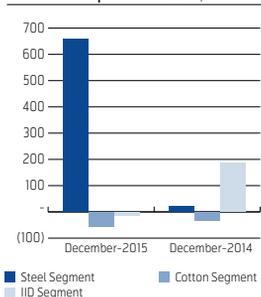


## Total Liabilities

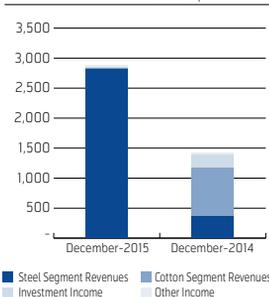


supply glut triggered sell-off in Oil & Gas Exploration sector. E&P (lower oil prices) and Banks (multi-decade low interest rates) were the two heavy weight sectors which dragged down market performance. Draft regulations issued by the SECP for Brokers also led to negative investor sentiment.

## Profit from Operations Rupees in million



## Revenue and Income Rupees in million



## Segment performance – Unconsolidated

During the period under review, IID division's CSAPL portfolio of equity investments recorded a negative ROI of 8.5% on average investments of Rs. 320 million (excluding strategic investments).

Loss from investment activities during the period amounted to Rs. 17.9 million (H1FY15: Rs. 210.4 million) mainly representing unrealized loss on HFT investments amounting to Rs. 26.4 million due to sharp decline in equity markets during the period. The division's loss before tax stood at Rs. 14.7 million, compared to PBT of Rs. 186 million in H1FY15. PBT for the second quarter ended December 31, 2015 stood at 21.2 million as compared to Rs. 85.8 million posted in Q2FY15 [includes dividend income from Shakarganj Energy (Private) Limited of Rs. 47.2 million].

The segment recorded revenues of Rs. 2,816.5 million, vis-à-vis Rs. 357.5 million for H1FY15. Gross profit up 8.7 times stood at Rs. 798.5 million for the period as compared to Rs. 91.6 million in H1FY15. Resultantly, the bottom-line profit before tax amounted to Rs. 599.1 million as compared to Rs. 4.4 million for the corresponding period last year.

(H1FY15 LBT: Rs. 50.7 million) mainly representing fixed costs related to administrative expenses.

## Investment and Infrastructure Development (IID) segment

### Market Review

The local bourse has been under pressure during the first half of 2016 posting a decline of 4.6% for H1FY16. On a CY2015 basis, the KSE-100 went up 2.1% of 685 points. The market has been volatile despite strong corporate earnings in the Cement and Automobile sector primarily on account of foreign selling which clocked in at USD 241 MM for H1FY16 – foreigners held USD 6.1 billion of KSE-100 market cap as on December 31, 2015.

The value of marketable securities as on December 31, 2015 was Rs. 3,616.2 million as compared to Rs. 3,426.2 million as on June 30, 2015.

## Cotton segment

### Segment performance

The current market for cotton yarn is not conducive to the unit's cost mix and product profitability. Accordingly, the unit remained inoperative during the period in part due to ongoing BMR activities as well as market conditions. Loss before tax of the division for the period was Rs. 63.2 million

## Overall financial performance – Consolidated

On consolidated basis, operating profit before finance cost

Collapsing global oil prices amid

# DIRECTORS' REVIEW

amounted to Rs. 530.2 million (H1FY15: Rs. 68.2 million). Net share of profit from equity-accounted associates amounted to Rs. 197 million (H1FY15: Rs. 32.8 million). Consequently, consolidated profit after tax and EPS of the Group for H1FY16 amounted to Rs. 492.8 million and Rs. 6.89 per share as compared to Rs. 66.9 million and Re. 0.96 per share respectively in the corresponding period last year.

During the period, operational loss from Shakarganj Energy (Private) Limited amounted to Rs. 19 million mainly due to fixed operating costs and loss on investments. Plant and machinery for Crescent Hadeed (Private) Limited has been installed and civil works have been completed. Trial production is scheduled by end of January 2016.

As per consolidated results, profit before taxation for IID division for the H1FY16 was Rs. 146.1 million compared to Rs. 108.4 million in H1FY15. This is mainly attributable to share of profit amounting to Rs. 195 million (H1FY15: Rs. 22.5 million) from equity accounted investments.

The value marketable securities as on December 31, 2015 was Rs. 3,566.7 million as compared to Rs. 3,467.9 million as on June 30, 2015.

## Financial Position

### Balance sheet

Balance sheet footing stood at Rs. 7,386.9 million as of December 31, 2015, compared to Rs. 5,392.7 million as of June 30, 2015. Break-up value per share increased to Rs. 67.7 from Rs. 65.2 as at June

30, 2015.

Current ratio increased to 2.2: 1 as at December 31, 2015 from 1.4: 1 as at June 30, 2015. Gearing ratio increased to 22.3% as at December 31, 2015 over 13.8% as at June 30, 2015, mainly due to financing increased working capital requirements for orders in hand.

On a Group basis, the consolidated balance sheet footing increased to Rs. 9,164.7 million, compared to Rs. 6,836.7 million as of June 30, 2015. Total shareholders' fund increased to Rs. 6,713.7 million from Rs. 5,390.2 million as of June 30, 2015. Break-up value per share stood at Rs. 86.5 as compared to Rs. 86.8 as at June 30, 2015.

### Right Issue

During the period, 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. As a result, 15,526,498 ordinary shares were offered to entitled shareholders for subscription. The issue was fully subscribed to the tune of Rs. 900.5 million. 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 January 2016 has decided to pay an interim cash dividend of 15% i.e. Rs. 1.5 per share.

## Future Outlook

Outlook remains promising given the existing order book and expectation of incremental business flows. On the back of planned energy import projects

and the expansion of local transmission and energy import infrastructure, local demand for large diameter pipes is picking up. We are adding additional capacity and a second Spiral Pipe (SP) machine will start functioning by April 2016, Insha Allah.

Going forward, we maintain a positive medium-long term outlook on the stock market, on the back of relatively attractive valuations, strong corporate earnings and positive macroeconomic indicators. In the short term however, the key drivers of market performance will be foreign inflows, global crude oil prices and the internal security environment. We have repositioned the portfolios and consolidated holdings towards defensive investments to protect against capital losses in the volatile sectors while ensuring a regular flow of dividend income.

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  
28 January 2016

Crescent Steel and Allied Products Limited

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

**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015**



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

on Review of Condensed Interim Unconsolidated Financial Information

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## Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Crescent Steel and Allied Products Limited ("the Company") as at 31 December 2015 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

## Scope of Review

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

## Conclusion

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

The figures of the condensed interim unconsolidated financial information for the quarter ended 31 December 2015, have not been reviewed and we do not express a conclusion on them.

Date 28 January 2016

Karachi



**KPMG Taseer Hadi & Co.**

Chartered Accountants

Mohammed Nadeem

# CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	793,842	780,672
Intangible assets		6,154	9,525
Investment property		21,317	23,319
Long term investments	6	3,266,568	3,038,174
Long term deposits		22,812	24,220
Deferred taxation		-	38,047
		4,110,693	3,913,957
<b>Current assets</b>			
Stores, spares and loose tools		61,524	66,801
Stock-in-trade	7	1,195,548	453,108
Trade debts	8	930,422	87,922
Advances	9	50,071	17,867
Trade deposits and short term prepayments		18,817	11,411
Investments	10	349,647	388,005
Other receivables	11	305,351	200,311
Taxation - net		350,458	210,770
Cash and bank balances		14,394	42,551
		3,276,232	1,478,746
<b>Total assets</b>		<b>7,386,925</b>	<b>5,392,703</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
<b>Issued, subscribed and paid-up capital</b>			
		776,325	621,060
<b>Capital reserves</b>			
		1,025,491	299,041
<b>Revenue reserves</b>			
		3,454,238	3,130,642
		5,256,054	4,050,743
<b>Non-current liabilities</b>			
Long term loans	12	464,500	238,875
Liabilities against assets subject to finance lease		36,311	46,367
Deferred taxation		1,016	-
Deferred income		696	1,315
		502,523	286,557
<b>Current liabilities</b>			
Trade and other payables	13	584,466	637,632
Mark-up accrued		19,600	11,683
Short term borrowings	14	893,715	301,822
Current portion of long term loan	12	78,000	55,125
Current portion of liabilities against assets subject to finance lease		51,134	47,283
Current portion of deferred income		1,433	1,858
		1,628,348	1,055,403
Contingencies and commitments	15		
<b>Total equity and liabilities</b>		<b>7,386,925</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 six months period ended 31 December 2015

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit for the period	238,229	70,770	367,070	142,574
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealised diminution during the period on remeasurement of investments classified as 'available for sale'	(891)	(1,456)	(959)	(1,438)
<b>Total comprehensive income for the period</b>	<b>237,338</b>	<b>69,314</b>	<b>366,111</b>	<b>141,136</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 six months period ended 31 December 2015

Rupees in '000	Note	Six months period ended	
		30 December 2015	31 December 2014
<b>Cash flows from operating activities</b>			
Cash (used in) operations	22	(1,109,142)	(112,831)
Taxes paid		(254,732)	(36,529)
Finance costs paid		(54,624)	(19,285)
Contribution to gratuity and pension funds		(7,987)	(6,836)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Infrastructure fee paid		(11,493)	(592)
Compensated absences paid		(420)	(44)
10-C bonus paid		-	(1,067)
Long term deposits - net		1,408	(260)
Net cash (used in) operating activities		(1,436,990)	(182,295)
<b>Cash flows from investing activities</b>			
Capital expenditure		(73,549)	(71,874)
Acquisition of intangible assets		(410)	(21)
Proceeds from disposal of operating fixed assets		10,368	7,432
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,200	10,000
Investments - net		(215,024)	(418,705)
Dividend income received		15,736	125,824
Interest income received		1,004	1,454
Net cash (used in) investing activities		(242,675)	(345,890)
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		248,500	265,000
Payments against finance lease obligations		(31,015)	(30,138)
Proceed from short term loans obtained - net		762,212	-
Proceed from issue of right shares		900,537	-
Transaction costs incurred on issuance of right shares		(17,863)	-
Dividends paid		(40,544)	(137,281)
Net cash flow from financing activities		1,821,827	97,581
Net increase / (decrease) in cash and cash equivalents		142,162	(430,604)
Cash and cash equivalents at beginning of the period		(259,271)	(121,120)
Cash and cash equivalents at end of the period	23	(117,109)	(551,724)

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 six months period ended 31 December 2015

	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	
Rupees in '000						
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	-	-	-	-	142,574	142,574
Other comprehensive income	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	(1,438)	-	-	(1,438)
Total comprehensive income for the period	-	-	(1,438)	-	142,574	141,136
<b>Transaction with owners</b>						
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 December 2014	621,060	293,499	3,805	2,642,000	494,792	4,055,156
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	-	-	-	-	367,070	367,070
Other comprehensive income	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	(959)	-	-	(959)
Total comprehensive income for the period	-	-	(959)	-	367,070	366,111
<b>Transactions with owners</b>						
- Issuance of right shares	155,265	745,272	-	-	-	900,537
Dividend:						
- Final @ 7% (i.e. Re. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	(43,474)	(43,474)
Transaction costs on issuance of right shares	-	(17,863)	-	-	-	(17,863)
Balance as at 31 December 2015	776,325	1,020,908	4,583	2,642,000	812,238	5,256,054

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 six months period ended 31 December 2015

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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, 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 six months period ended 31 December 2015 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 after 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

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

For the six months period ended 31 December 2015

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 financial information of the Company, 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.

## 5. PROPERTY, PLANT AND EQUIPMENT

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
Operating fixed assets	5.1	627,926	670,823
Capital work-in-progress	5.2	165,916	109,849
		793,842	780,672

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

For the six months period ended 31 December 2015

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

Rupees in '000	Six months period ended 31 December 2015		Six months period ended 31 December 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	328	-	-	-
Plant and machinery - owned	10,464	48,871	21,349	9,554
Plant and machinery - leased	19,271	-	10,020	5,055
Furniture and fittings	367	-	198	-
Electrical / office equipment and installation	747	70	1,585	521
Computers	1,015	-	1,446	1,575
Motor vehicles - owned	4,130	13,871	9,080	3,268
Motor vehicles - leased	-	-	-	2,005
Workshop equipment	324	-	-	-
	36,646	62,812	43,678	21,978

- 5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 56.086 million (2014: Rs. 37.449 million).

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>6. LONG TERM INVESTMENTS</b>			
Subsidiary companies			
- at cost	6.1	1,930,039	1,930,039
- share deposit money			
Shakarganj Energy (Private) Limited		90,000	-
Crescent Hadeed (Private) Limited		215,850	89,500
Associated companies - at cost	6.2	851,733	839,689
Other long term investments - available for sale	6.3	178,946	178,946
		3,266,568	3,038,174

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

For the six months period ended 31 December 2015

## 6.1 Subsidiary companies - at cost

Unaudited 31 December 2015	Audited 30 June 2015		Note	Unaudited 31 December 2015	Audited 30 June 2015
Number of shares				Rupees in '000	
		Unquoted			
85,803,900	85,803,900	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	858,039	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
60,000,000	60,000,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	600,000	600,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
				1,930,039	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.

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.

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.

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

For the six months period ended 31 December 2015

## 6.2 Associated companies - at cost

Unaudited 31 December 2015	Audited 30 June 2015		Note	Unaudited 31 December 2015	Audited 30 June 2015
Number of shares				Rupees in '000	
Quoted					
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
				982,050	982,050
		Less: Provision for impairment	6.2.3	130,317	142,361
				851,733	839,689

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

6.2.4 The fair value of investments in associates as at 31 December 2015 is Rs. 2,223.696 million (30 June 2015: Rs. 2,194.372 million).

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>6.3 Other long term investments - available for sale</b>			
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.

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>7. STOCK-IN-TRADE</b>			
<b>Raw materials</b>			
Hot rolled steel coils (HR Coil)		419,782	11,727
Coating materials		98,826	31,546
Others		116,732	19,331
Raw cotton		49,535	32,901
Stock-in-transit		278,731	315,294
		963,606	410,799
Work-in-process		171,510	13,480
Finished goods		54,368	26,062
Scrap / cotton waste		6,064	2,767
		231,942	42,309
		1,195,548	453,108
<b>8. TRADE DEBTS</b>			
<b>Secured</b>			
Considered good	8.1	897,409	33,749
<b>Unsecured</b>			
Considered good		33,013	54,173
Considered doubtful		14,324	5,684
Provision for doubtful trade debts		(14,324)	(5,684)
		33,013	54,173
		930,422	87,922

8.1 Includes Rs. 56.554 million (30 June 2015: Rs. 32.381 million) due from wholly owned subsidiary company.

## 9. ADVANCES

Includes Rs. 44.640 million (30 June 2015: Rs. 15.326 million) given to suppliers for goods and services.

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>10. INVESTMENTS</b>			
<b>Investments in related parties</b>			
Available for sale - The Crescent Textile Mills Limited		8,609	9,568
Held to maturity	10.1	13,347	13,347
		21,956	22,915
<b>Other investments</b>			
Available for sale	10.2	-	-
Held for trading		327,691	365,090
		327,691	365,090
		349,647	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. 21.753 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 December 2015 amounts to Rs. 14.907 million (30 June 2015: Rs. 13.347 million).

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

10.3 Investments having an aggregate market value of Rs. 1,824.912 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. 1,581.937 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>11. OTHER RECEIVABLES</b>			
Dividend receivable		887	938
Receivable against sale of investments		–	63
Receivable against rent from investment property		610	305
Claim receivable		562	562
Due from related parties	11.1	59,109	18,393
Sales tax refundable		57,024	2,426
Receivable from staff retirement benefits funds		186,971	177,575
Others		188	49
		305,351	200,311
<b>11.1 This includes balances due from related parties are as follows:</b>			
Shakarganj Limited		639	–
CS Capital (Private) Limited		593	137
Shakarganj Energy (Private) Limited		31,374	680
Crescent Hadeed (Private) Limited		16,475	10,376
Solution de Energy (Private) Limited		10,028	7,200
		59,109	18,393
<b>12. LONG TERM LOANS</b>			
Secured			
Allied Bank Limited	12.1	312,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	12.2	250,000	–
Repayment made during the period		(19,500)	–
		542,500	294,000
Current portion shown under current liabilities		(78,000)	(55,125)
		464,500	238,875

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. 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 8.00% to 8.49% (2015: 11.33% to 11.68%) per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

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

For the six months period ended 31 December 2015

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 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 and Shakarganj Limited amounting to Rs. 0.07 million (30 June 2015: Rs. 0.02 million) and Rs. 0.1 million (30 June 2015: Rs. Nil) respectively.

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>14. SHORT TERM BORROWINGS</b>			
Secured from banking companies			
Running finances under mark-up arrangements	14.1	131,503	301,822
Short term loans	14.2	762,212	-
		893,715	301,822

- 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 8.00% to 8.74% (2014: 11.59% 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 8.24% to 9.01% (2014: 11.37% to 12.62%) per annum.
- 14.3 The facilities for opening letter of credit amounted to Rs. 3,100 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 December 2015 amounted to Rs. 981 million (30 June 2015: Rs. 727 million) out of which Rs. 200 million (30 June 2015: Rs. Nil) is interchangeable with short term loans and letter of credit facility. Amounts unutilized for letters of credit and guarantees as at 31 December 2015 were Rs. 1,296.03 million and Rs. Nil (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 10.3) and cotton / cotton yarn; and lien over import / export document.

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

For the six months period ended 31 December 2015

## 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. 981.399 million (30 June 2015: Rs. 676.799 million).
- 15.2 Commitments in respect of capital expenditure contracted for as at 31 December 2015 amounted to Rs. 530.962 million (30 June 2015: Rs. 13.101 million) includes Rs. 7.462 million representing office premises located in Islamabad payable on completion of project.
- 15.3 Commitments under letters of credit (L/C) as at 31 December 2015 amounted to Rs. 841.391 million (30 June 2015: Rs. 651.730 million).

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>16. SALES - net</b>				
<b>Local sales</b>				
Bare pipes (own product excluding coating revenue)	1,700,536	60,412	2,546,757	167,061
Revenue from conversion	–	3,097	–	3,097
Coating of pipes	413,941	169,301	626,149	215,457
Cotton yarn / raw cotton	19,286	465,697	19,286	801,955
Others (including pipes laboratory testing)	42,790	20,405	82,020	32,088
Scrap / waste	25,246	12,437	31,773	19,411
Sales returns	–	(17,897)	–	(17,897)
	2,201,799	713,452	3,305,985	1,221,172
<b>Export sales</b>				
Cotton yarn / raw cotton	–	7,908	–	28,362
	2,201,799	721,360	3,305,985	1,249,534
Sales tax	(309,438)	(45,974)	(470,162)	(76,269)
	1,892,361	675,386	2,835,823	1,173,265

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Six months period ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>17. INCOME / (LOSS) FROM INVESTMENTS - net</b>					
		4,699	61,512	15,685	173,328
		2,188	26,909	(9,736)	27,892
		5,491	15,861	(26,400)	5,339
	17.1	1,258	1,257	2,516	3,847
		13,636	105,539	(17,935)	210,406

17.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.901 million (2014: Rs. 3.317 million). Further, Rs. 0.542 million (2014: Rs. 1.641 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>18. OTHER OPERATING EXPENSES</b>				
	15,986	-	16,264	-
	-	427	-	427
	8,640	-	8,640	-
	2,705	3	7,562	3
	17,483	217	31,155	217
	3,926	232	3,926	232
	-	14,738	-	14,738
	48,740	15,617	67,547	15,617

## 19. FINANCE COSTS

Incurred on:				
- finance lease obligations	2,620	3,148	5,610	6,566
- long term loan	11,519	7,091	21,890	8,150
- running finances / short term loans	21,558	12,084	35,871	17,491
- Workers' Profit Participation Fund	-	130	-	130
Bank charges	2,389	274	4,780	883
	38,086	22,727	68,151	33,220

## 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 unconsolidated financial information for the period ended 31 December 2015.

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

For the six months period ended 31 December 2015

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>21. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit for the period	238,229	70,770	367,070	142,574
		Restated		Restated
	Number of shares		Number of shares	
Weighted average number of ordinary shares in issue during the period	73,349,233	69,751,296	71,550,264	69,751,296
	Rupees		Rupees	
Basic and diluted earnings per share	3.25	1.01	5.13	2.04

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 December 2014 have been restated.

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2015	31 December 2014
<b>22. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation for the period		521,177	139,780
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		54,823	52,405
Amortization of intangible assets		3,781	3,356
(Reversal) / charge for the period on staff retirement benefit funds		(1,409)	6,937
Charge for compensated absences		348	860
Provision for 10-C bonus		883	-
Dividend income		(15,685)	(173,328)
Unrealized loss / (gain) on held for trading investments - net		26,400	(5,339)
Loss / (gain) on sale of investments - net		9,736	(27,892)
(Reversal) / charge of provision for stores, spares and loose tools - net		(1,760)	427
Charge / (reversal) of provision for doubtful trade debts - net		8,640	(202)
Provision for Workers' Welfare Fund		7,562	3
Provision for Workers' Profit Participation Fund		31,155	217
Provision for Infrastructure Cess		-	514
Provision for liquidated damages		3,927	232
(Reversal) / provision for diminution in the value of investments - net		(12,044)	14,738
Return on deposits, loan and investments		(1,004)	(1,454)
Gain on disposal of operating fixed assets		(2,810)	(3,237)
Deferred income		(1,075)	(1,017)
Liabilities written back		(8,906)	-
Finance costs		68,151	33,220
Working capital changes	22.1	(1,801,032)	(153,051)
		(1,109,142)	(112,831)

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2015	31 December 2014
<b>22.1 Working capital changes</b>			
Decrease / (increase) in current assets			
Stores, spares and loose tools		5,277	1,778
Stock-in-trade		(717,705)	(139,808)
Trade debts		(851,140)	(155,662)
Advances		(32,204)	29,493
Trade deposits and short term prepayments		(7,406)	(1,186)
Other receivables		(95,758)	7,729
		(1,698,936)	(257,656)
(Decrease) / increase in current liabilities			
Trade and other payables		(102,096)	104,605
		(1,801,032)	(153,051)
<b>23. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(131,503)	(626,576)
Cash and bank balances		14,394	74,852
		(117,109)	(551,724)

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

For the six months period ended 31 December 2015

## 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 six months period ended</b>				
<b>31 December 2015</b>				
Sales - net	2,816,537	19,286	-	2,835,823
Cost of sales	2,018,008	67,672	-	2,085,680
Gross profit / (loss)	798,529	(48,386)	-	750,143
Loss from investments	-	-	(17,935)	(17,935)
	798,529	(48,386)	(17,935)	732,208
Distribution and selling expenses	4,821	908	-	5,729
Administrative expenses	80,218	11,459	6,847	98,524
Other operating expenses	63,728	3,794	25	67,547
	148,767	16,161	6,872	171,800
	649,762	(64,547)	(24,807)	560,408
Other income	7,147	9,729	12,044	28,920
<b>Operating profit / (loss) before finance costs</b>	<b>656,909</b>	<b>(54,818)</b>	<b>(12,763)</b>	<b>589,328</b>
Finance costs	57,765	8,406	1,980	68,151
<b>Profit / (loss) before taxation</b>	<b>599,144</b>	<b>(63,224)</b>	<b>(14,743)</b>	<b>521,177</b>
Taxation				154,107
<b>Profit for the period</b>				<b>367,070</b>

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

For the six months period ended 31 December 2015

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the six months period ended				
31 December 2014				
Sales - net	357,503	815,762	-	1,173,265
Cost of sales	265,891	837,446	-	1,103,337
Gross profit / (loss)	91,612	(21,684)	-	69,928
Income from investments	-	-	210,406	210,406
	91,612	(21,684)	210,406	280,334
Distribution and selling expenses	6,754	7,604	-	14,358
Administrative expenses	68,612	15,040	8,539	92,191
Other operating expenses	451	427	14,739	15,617
	75,817	23,071	23,278	122,166
	15,795	(44,755)	187,128	158,168
Other income	3,517	10,767	548	14,832
Operating profit / (loss) before finance costs	19,312	(33,988)	187,676	173,000
Finance costs	14,833	16,712	1,675	33,220
Profit / (loss) before taxation	4,479	(50,700)	186,001	139,780
Taxation				(2,794)
Profit for the period				142,574

24.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2014: 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 utilised. 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. 2,625.307 million (2014: Rs. 302.909 million) of total Steel segment revenue of Rs. 2,816.537 million (2014: Rs. 357.503 million). Revenue from a major customer of Cotton segment represents an aggregate amount of Rs. 19.286 million (2014: Rs. 438.055 million) of total Cotton segment revenue of Rs. 19.286 million (2014: Rs. 815.762 million).

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

For the six months period ended 31 December 2015

## 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 Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Pakistan	1,892,361	667,478	2,835,823
Far East	–	7,908	–	28,362
	1,892,361	675,386	2,835,823	1,173,265

24.5.2 All non-current assets of the Company as at 31 December 2015 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 December 2015 - Unaudited</b>				
Segment assets for reportable segments	3,551,411	443,410	2,805,961	6,800,782
Unallocated corporate assets				586,143
Total assets as per balance sheet				<u>7,386,925</u>
Segment liabilities for reportable segments	503,293	111,070	1,516	615,879
Unallocated corporate liabilities				1,514,992
Total liabilities as per balance sheet				<u>2,130,871</u>
<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				<u>5,392,703</u>
Segment liabilities for reportable segments	490,721	163,564	1,483	655,768
Unallocated corporate liabilities				686,192
Total liabilities as per balance sheet				<u>1,341,960</u>

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

For the six months period ended 31 December 2015

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.

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	
<b>For the six months period ended</b>				
<b>31 December 2015</b>				
Capital expenditure	61,221	8,950	-	70,171
Depreciation and amortization	23,069	33,148	2,387	58,604
Non-cash items other than depreciation				
and amortization - net	98,226	3,525	10,358	112,109
<b>For the six months period ended</b>				
<b>31 December 2014</b>				
Capital expenditure	9,262	57,681	2,248	69,191
Depreciation and amortization	19,821	31,741	4,199	55,761
Non-cash items other than depreciation				
and amortization - net	17,812	16,754	(189,887)	(155,321)

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.

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

For the six months period ended 31 December 2015

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months period ended	
			31 December 2015	31 December 2014
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	6,100	2,029
		Right shares subscribed	-	290,500
		Sale of finished goods	20,684	1,242
		Share deposit money	126,350	-
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	-	75,230
		Dividend Income	-	37,477
		Reimbursable expenses	456	165
		Share deposit money	-	22,000
Shakarganj Energy (Private) Limited	Subsidiary company	Right shares subscribed	-	358,039
		Dividend Income	-	47,192
		Transfer of Turbine at cost	188,363	-
		Reimbursement of Turbine cost	122,000	36,000
		Reimbursable expenses	361	185
		Share deposit money	90,000	-
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	2,828	-
Altern Energy Limited	Associated company	Dividend received	-	60,475
Shakarganj Limited	Associated company	Dividend Paid	1,833	4,039
		Sales of finished goods	19,286	4,158
		Services received	1,219	1,398
		Reimbursable expenses	744	774
		Purchase of assets	-	40
Central Depository Company of Pakistan Limited	Related party	Services received	1,885	-
		Dividend received	5,809	-
Crescent Jute Products Limited *	Related party	Services received	-	77
		Reimbursable expenses	-	412
The Citizens' Foundation *	Related party	Donation given	11,392	1,705

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

For the six months period ended 31 December 2015

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2015	31 December 2014
CSAP Foundation *	Related party	Donation given	1,038	569
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	917
Premier Insurance Company *	Related party	Insurance premium	4,803	4,431
The Crescent Textile Mills Limited *	Related party	Dividend paid	4,184	9,221
		Dividend received	-	565
Crescent Cotton Products – Staff Provident Fund	Retirement benefit fund	Contribution made	352	877
		Dividend paid	42	7
Crescent Steel and Allied Products Limited – Gratuity Fund	Retirement benefit fund	Contribution made	2,362	1,992
		Dividend paid	824	1,765
Crescent Steel and Allied Products Limited – Pension Fund	Retirement benefit fund	Contribution made	5,986	5,003
		Dividend paid	1,809	3,958
Crescent Steel and Allied Products Limited – Staff Provident Fund	Retirement benefit fund	Contribution made	3,291	2,774
		Dividend paid	367	788
Key management personnel	Related parties	Remuneration and benefits	34,070	32,646

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

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

For the six months period ended 31 December 2015

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- 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.

## 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 six months period ended 31 December 2015

31 December 2015 (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	349,647	-	-	349,647	349,647	-	-	349,647
Financial Assets not Measured at Fair Value								
Investment								
- Unlisted equity securities	178,946	-	-	178,946	-	-	-	-
Trade debts	-	930,422	-	930,422	-	-	-	-
Other receivables	-	61,356	-	61,356	-	-	-	-
Bank balances	-	13,279	-	13,279	-	-	-	-
	178,946	1,005,057	-	1,184,003	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	542,500	542,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	87,445	87,445	-	-	-	-
Trade and other payables	-	-	414,064	414,064	-	-	-	-
Mark-up accrued	-	-	19,600	19,600	-	-	-	-
Short term borrowings	-	-	893,715	893,715	-	-	-	-
	-	-	1,957,324	1,957,324	-	-	-	-

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

For the six months period ended 31 December 2015

	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							
Investment							
- 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	-	-	-	-
Liabilities against assets							
subject to finance lease	-	-	93,650	-	-	-	-
Trade and other payables	-	-	413,711	-	-	-	-
Mark-up accrued	-	-	11,683	-	-	-	-
Short term borrowings	-	-	301,822	-	-	-	-
	-	-	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.

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

For the six months period ended 31 December 2015

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## 27 GENERAL

### 27.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 28 January 2016 has declared interim cash dividend of Rs. 1.5 per share (i.e. 15%), amounting to Rs. 116.45 million. This condensed interim unconsolidated 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 January 2016.



Chief Executive



Director



Chief Financial Officer



Crescent Steel and Allied Products Limited

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

**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015**

# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,291,010	2,018,522
Intangible assets		74,030	68,211
Investment property		63,786	67,026
Investment in equity accounted investees	6	2,598,910	2,423,250
Other long term investments	7	220,717	220,717
Long term deposits		47,816	48,011
		5,296,269	4,845,737
<b>Current assets</b>			
Stores, spares and loose tools		61,524	66,801
Stock-in-trade	8	1,293,492	453,108
Trade debts	9	901,062	60,639
Advances	10	162,272	58,395
Trade deposits and short term prepayments		19,287	14,552
Investments	11	747,068	823,918
Mark-up accrued		33	475
Other receivables	12	284,368	186,669
Taxation - net		368,396	224,989
Cash and bank balances		30,935	101,408
		3,868,437	1,990,954
<b>Total assets</b>		<b>9,164,706</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		1,114,470	395,534
Revenue reserves		4,822,899	4,373,623
		6,713,694	5,390,217
<b>Non-current liabilities</b>			
Long term loan	13	464,500	238,875
Liabilities against assets subject to finance lease		36,311	46,367
Deferred income		696	1,315
Deferred taxation		144,766	98,208
		646,273	384,765
<b>Current liabilities</b>			
Trade and other payables	14	680,197	642,765
Mark-up accrued		21,094	12,856
Short term borrowings	15	972,881	301,822
Current portion of long term loans	13	78,000	55,125
Current portion of liabilities against assets subject to finance lease		51,134	47,283
Current portion of deferred income		1,433	1,858
		1,804,739	1,061,709
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>9,164,706</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 PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter and six months period ended 31 December 2015

Rupees in '000	Note	Quarter ended		Six months period ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Sales - net	17	1,880,252	737,123	2,820,139	1,235,002
Cost of sales		1,449,446	682,924	2,088,398	1,165,458
Gross profit		430,806	54,199	731,741	69,544
Income / (loss) from investments - net	18	22,874	86,733	(41,460)	95,903
		453,680	140,932	690,281	165,447
Distribution and selling expenses		2,752	8,904	5,729	14,358
Administrative expenses		64,047	56,005	104,088	98,826
Other operating expenses	19	48,993	898	67,816	917
		115,792	65,807	177,633	114,101
		337,888	75,125	512,648	51,346
Other income		10,746	7,134	17,565	16,834
Operating profit before finance costs		348,634	82,259	530,213	68,180
Finance costs	20	39,865	24,603	70,625	37,049
Share of profit in equity accounted investees - net of taxation		94,877	96,788	197,042	32,831
Profit before taxation		403,646	154,444	656,630	63,962
Taxation					
- current		46,018	8,981	117,473	20,491
- prior		(152)	-	(152)	-
- deferred		48,367	(7,907)	46,559	(23,429)
		94,233	1,074	163,880	(2,938)
Profit for the period		309,413	153,370	492,750	66,900
				Rupees	
			Restated		Restated
Basic and diluted earnings per share	22	4.22	2.20	6.89	0.96

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 six months period ended 31 December 2015

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit for the period	309,413	153,370	492,750	66,900
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'	(7,677)	(10,459)	(8,334)	(10,330)
Proportionate share of other comprehensive income / (loss) of equity accounted investees	-	11,721	(139)	(744)
Other comprehensive income for the period	(7,677)	1,262	(8,473)	(11,074)
<b>Total comprehensive income for the period</b>	<b>301,736</b>	<b>154,632</b>	<b>484,277</b>	<b>55,826</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 six months period ended 31 December 2015

Rupees in '000	Note	Six months period ended	
		31 December 2015	31 December 2014
<b>Cash flows from operating activities</b>			
Cash (used in) operations	23	(1,216,729)	(192,046)
Taxes paid		(260,728)	(51,609)
Finance costs paid		(56,777)	(22,316)
Contribution to gratuity and pension funds		(7,987)	(6,836)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Infrastructure fee paid		(11,493)	(592)
Compensated absences paid		(420)	(44)
10-C bonus paid		-	(1,067)
Long term loans and deposits - net		1,328	(260)
Net cash (used in) operating activities		(1,552,806)	(279,621)
<b>Cash flows from investing activities</b>			
Capital expenditure		(315,022)	(359,057)
Acquisition of intangible assets		(9,599)	(4,744)
Proceeds from disposal of operating fixed assets		10,368	7,432
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,200	10,000
Investments - net		11,273	(61,660)
Dividend income received		33,489	114,611
Interest income received		1,950	2,603
Net cash (used in) investing activities		(248,341)	(290,815)
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		248,500	265,000
Payments against finance lease obligations		(31,015)	(30,138)
Proceed from short term loans obtained - net		767,919	-
Proceed from issue of right shares		900,537	-
Transaction costs incurred on issuance of right shares		(17,863)	-
Dividends paid		(40,544)	(137,282)
Net cash flow from financing activities		1,827,534	97,580
Net increase / (decrease) in cash and cash equivalents		26,387	(472,856)
Cash and cash equivalents at beginning of the period		(200,413)	(84,104)
Cash and cash equivalents at end of the period	24	(174,026)	(556,960)

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 six months period ended 31 December 2015

	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'	Other*	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	-	-	-	-	-	66,900	66,900
Other comprehensive income							
Total other comprehensive income for the period	-	-	(10,330)	(744)	-	-	(11,074)
Total comprehensive income for the period	-	-	(10,330)	(744)	-	66,900	55,826
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 December 2014	621,060	293,499	7,589	76,226	2,642,000	1,568,490	5,208,864
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	-	-	-	-	-	492,750	492,750
Other comprehensive income							
Total other comprehensive income for the period	-	-	(8,334)	(139)	-	-	(8,473)
Total comprehensive income for the period	-	-	(8,334)	(139)	-	492,750	484,277
Transactions with Owners							
- Issuance of right shares	155,265	745,272	-	-	-	-	900,537
Dividend							
- Final @ 7% (i.e. Re. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	-	(43,474)	(43,474)
Transaction costs on issuance of right shares	-	(17,863)	-	-	-	-	(17,863)
Balance as at 31 December 2015	776,325	1,020,908	17,475	76,087	2,642,000	2,180,899	6,713,694

\* 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 six months period ended 31 December 2015

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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 six months period ended 31 December 2015 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.
- 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.

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

For the six months period ended 31 December 2015

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## 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, except certain additional disclosures.

## 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.

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

For the six months period ended 31 December 2015

## 5. PROPERTY, PLANT AND EQUIPMENT

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
Operating fixed assets	5.1	1,169,386	1,227,329
Capital work-in-progress		1,121,624	791,193
		2,291,010	2,018,522

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

Rupees in '000	Six months period ended 31 December 2015		Six months period ended 31 December 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	328	–	10,589	–
Plant and machinery - owned	10,770	48,871	639,812	9,554
Plant and machinery - leased	19,271	–	10,020	5,055
Furniture and fittings	836	–	198	–
Electrical / office equipment and installation	1,556	70	1,585	521
Computers	1,479	–	1,446	1,575
Motor vehicles - owned	5,214	13,871	9,080	3,268
Motor vehicles - leased	–	–	–	2,005
Workshop equipment	324	–	–	–
	39,778	62,812	672,730	21,978

## 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'.

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

For the six months period ended 31 December 2015

Unaudited 31 December 2015	Audited 30 June 2015		Note	Unaudited 31 December 2015	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	2,579,955	2,397,727
19,471,769	19,471,769	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2	-	-
<b>Unquoted</b>					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.3	18,955	25,523
				2,598,910	2,423,250

- 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. 203.610 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 December 2015 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 loss for the period amounted to Rs. 24.204 million (2014: Rs. Nil) and cumulatively share of unrecognized net losses as at 31 December 2015 amounted to Rs. 104.629 million (30 June 2015: Rs. 80.425 million).

- 6.3 During the period, share of loss from associate recognized amounted to Rs. 6.568 million (2014: Rs. 2.374 million).
- 6.4 The above figures are based on financial information of these companies as at 30 September 2015.
- 6.5 The fair value of investments in associates as at 31 December 2015 is Rs. 2,408.796 million (30 June 2015: Rs. 2,394.748 million).

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited 31 December 2015	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
		220,717	220,717

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		Unaudited 31 December 2015	Audited 30 June 2015
<b>8. STOCK-IN-TRADE</b>			
<b>Raw materials</b>			
Hot rolled steel coils (HR Coil)		419,782	11,727
Coating materials		98,826	31,546
Others		214,676	19,331
Raw cotton		49,535	32,901
Stock-in-transit		278,731	315,294
		1,061,550	410,799
<b>Work-in-process</b>			
Work-in-process		171,510	13,480
Finished goods		54,368	26,062
Scrap / cotton waste		6,064	2,767
		231,942	42,309
		1,293,492	453,108

<b>9. TRADE DEBTS</b>			
<b>Secured</b>			
Considered good		868,049	6,466
<b>Unsecured</b>			
Considered good		33,013	54,173
Considered doubtful		14,324	5,684
Provision for doubtful trade debts		(14,324)	(5,684)
		33,013	54,173
		901,062	60,639

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

For the six months period ended 31 December 2015

## 10. ADVANCES

This includes amounting to Rs. 156.841 million (30 June 2015: Rs. 55.326 million) advances given to suppliers for goods and services.

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>11. INVESTMENTS</b>			
Investments in related parties			
Available for sale - The Crescent Textile Mills Limited		84,600	92,634
Held to maturity	11.1	–	–
		84,600	92,634
Other investments			
Available for sale	11.2	–	–
Held for trading		648,757	717,631
Short term deposit		11,825	11,825
Investment in commodity		1,886	1,828
		662,468	731,284
		747,068	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. 1,995.368 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. 1,581.937 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>12. OTHER RECEIVABLES</b>			
Dividend receivable		1,012	1,027
Receivable against sale of investments		1,270	1,333
Receivable against rent from investment property from as related party		613	386
Claim receivable		562	562
Due from related parties	12.1	639	–
Sales tax refundable		57,024	2,426
Receivable from staff retirement benefits funds		186,971	177,575
Others		36,277	3,360
		284,368	186,669

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

For the six months period ended 31 December 2015

- 12.1 This includes balance due from Shakarganj Limited - Associated Company to Rs. 0.639 million (30 June 2015: Rs. Nil).

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>13. LONG TERM LOANS</b>			
Secured			
Allied Bank Limited	13.1	312,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	13.2	250,000	-
Repayment made during the period		(19,500)	-
		542,500	294,000
Current portion shown under current liabilities		(78,000)	(55,125)
		464,500	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. 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 8.00% to 8.49% (2015: 11.33% to 11.68%) per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the 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 with 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 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 amounting to Rs. Nil (30 June 2015: Rs. 0.02 million).

Rupees in '000	Note	Unaudited 31 December 2015	Audited 30 June 2015
<b>15. SHORT TERM BORROWINGS</b>			
Secured from banking companies			
Running finances under mark-up arrangements	15.1	210,669	301,822
Short term loans	15.2	762,212	-
		972,881	301,822

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

For the six months period ended 31 December 2015

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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 8.01% to 8.70% (2014: 11.59% 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 8.13% to 8.96% (2014: 11.37% to 12.62%) per annum.
- 15.3 The facilities for opening letters of credit amounted to Rs. 3,300 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 December 2015 amounted to Rs. 1,016.75 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 December 2015 were Rs. 1,495.140 million and Rs. 2.975 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. 1,023.674 million (30 June 2015: Rs. 719.074 million).
- 16.2 Commitments in respect of capital expenditure contracted for as at 31 December 2015 amounted to Rs. 616.421 million (30 June 2015: Rs. 96.922 million) includes Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. This also includes commitments contracted by the subsidiary companies aggregating to Rs. 85.459 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 December 2015 amounted to Rs. 842.282 million (30 June 2015: Rs. 653.225 million).

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

For the six months period ended 31 December 2015

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>17. SALES - net</b>				
<b>Local sales</b>				
Bare pipes (own product excluding coating revenue)	1,698,419	60,412	2,544,640	167,061
Revenue from conversion	-	3,097	-	3,097
Coating of pipes	413,941	169,301	626,149	215,457
Cotton yarn / raw cotton	19,286	465,697	19,286	801,955
Power supply	-	36,820	-	36,820
Steam supply	5,000	36,870	5,000	36,870
Others (including pipes laboratory testing)	23,441	19,163	62,671	30,846
Scrap / waste	26,695	12,437	29,039	19,411
Sales returns	-	(17,897)	-	(17,897)
	2,186,782	785,900	3,286,785	1,293,620
<b>Export sales</b>				
Cotton yarn / raw cotton	-	7,908	-	28,362
	2,186,782	793,808	3,286,785	1,321,982
Sales tax	(306,530)	(56,685)	(466,646)	(86,980)
	1,880,252	737,123	2,820,139	1,235,002
<b>18. INCOME / (LOSS) FROM INVESTMENTS - net</b>				
Dividend income	17,622	24,588	33,474	43,011
Unrealized gain / (loss) on commodity	28	(72)	57	(129)
Gain / (loss) on sale of investments - net	782	22,799	(15,191)	24,170
Unrealized gain / (loss) on held for trading investments	3,069	36,961	(63,406)	22,604
Rent from investment property	1,373	2,457	3,606	6,247
	22,874	86,733	(41,460)	95,903

18.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.386 million (2014: Rs. 4.688 million). Further, Rs. 0.542 million (2014: Rs. 1.641 million) were incurred against non rented out area.

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

For the six months period ended 31 December 2015

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<b>19. OTHER OPERATING EXPENSES</b>			
Exchange loss	16,237	427	16,515	427
Provision for doubtful trade debts	8,640	–	8,640	–
Provision for Workers' Welfare Fund	2,707	22	7,580	41
Provision for Workers' Profit Participation Fund	17,483	217	31,155	217
Provision for liquidated damages	3,926	232	3,926	232
	48,993	898	67,816	917
<b>20. FINANCE COSTS</b>				
Incurred on				
- finance lease obligations	2,620	10,239	5,610	6,566
- long term loan	11,519	–	21,890	8,150
- running finances / short term loans	23,051	13,926	37,996	21,263
- Workers' Profit Participation Fund	–	130	–	130
Bank charges	2,675	308	5,129	940
	39,865	24,603	70,625	37,049

## 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 consolidated financial information for the period ended 31 December 2015.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	<b>22. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period	309,413	153,370	492,750	66,900
		Restated		Restated
		Number of shares		Number of shares
Weighted average number of ordinary shares in issue during the period	73,349,233	69,751,296	71,550,264	69,751,296
		Rupees		Rupees
Basic and diluted earnings per share	4.22	2.20	6.89	0.96

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 December 2014 have been restated.

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2015	31 December 2014
<b>23. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation for the period		656,630	63,962
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		74,794	58,852
Amortization of intangible assets		3,781	3,356
(Reversal) / charge for the period on staff retirement benefit funds		(1,409)	6,937
Charge for compensated absences		348	860
Provision for 10-C bonus		883	-
Dividend income		(33,474)	(43,012)
Unrealized loss / (gain) on held for trading investments - net		63,406	(22,474)
Loss / (gain) on sale of investments - net		15,192	(21,822)
Unrealized (gain) / loss on commodity - Silver		(57)	129
(Reversal) / charge of provision for stores, spares and loose tools - net		(1,760)	427
Charge / (reversal) of provision for doubtful trade debts - net		8,640	(202)
Provision for Workers' Welfare Fund		7,562	3
Provision for Workers' Profit Participation Fund		31,155	217
Provision for infrastructure fee		-	514
Provision for liquidated damages		3,927	232
Return on deposits, loan and investments		(2,640)	(1,823)
Gain on disposal of operating fixed assets		(2,810)	(3,237)
Deferred income		(1,075)	(1,017)
Liabilities written back		(8,906)	-
Finance costs		70,625	38,180
Share of profit from equity accounted investees - net of taxation		(197,042)	(32,831)
Working capital changes	23.1	(1,904,499)	(239,297)
		(1,216,729)	(192,046)

## 23.1 Working capital changes

(Increase) / decrease in current assets			
Stores, spares and loose tools		5,277	1,778
Stock-in-trade		(815,649)	(139,808)
Trade debts		(849,059)	(230,888)
Advances		(100,837)	29,493
Trade deposits and short term prepayments		(7,778)	(1,027)
Other receivables		(118,724)	15,497
		(1,886,770)	(324,955)
(Decrease) / increase in current liabilities			
Trade and other payables		(17,729)	85,658
		(1,904,499)	(239,297)

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

For the six months period ended 31 December 2015

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2015	31 December 2014
<b>24. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(204,961)	(670,348)
Cash and bank balances		30,935	113,388
		(174,026)	(556,960)

## 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 revenues and results

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

Rupees in '000	Unaudited				
	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>For the six months period ended 30 December 2015</b>					
Sales - net	2,795,853	19,286	-	5,000	2,820,139
Cost of sales	2,000,426	67,672	-	20,300	2,088,398
Gross profit / (loss)	795,427	(48,386)	-	(15,300)	731,741
Loss from investments	-	-	(35,691)	(5,769)	(41,460)
	795,427	(48,386)	(35,691)	(21,069)	690,281
Distribution and selling expenses	4,821	908	-	-	5,729
Administrative expenses	82,211	11,459	9,075	1,343	104,088
Other operating expenses	63,979	3,794	43	-	67,816
	151,011	16,161	9,118	1,343	177,633
	644,416	(64,547)	(44,809)	(22,412)	512,648
Other income	6,150	9,729	7	1,679	17,565
Operating profit / (loss) before finance costs	650,566	(54,818)	(44,802)	(20,733)	530,213
Finance costs	57,827	8,406	4,106	286	70,625
Share of profit in equity accounted investees - net of taxation	-	-	194,987	2,055	197,042
Profit / (loss) before taxation	592,739	(63,224)	146,079	(18,964)	656,630
Taxation					163,880
Profit for the period					492,750

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

For the six months period ended 31 December 2015

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the six months period ended					
31 December 2014					
Sales - net	356,261	815,762	-	62,979	1,235,002
Cost of sales	264,649	837,446	-	63,363	1,165,458
Gross profit / (loss)	91,612	(21,684)	-	(384)	69,544
Income / (loss) from investments	-	-	101,896	(5,993)	95,903
	91,612	(21,684)	101,896	(6,377)	165,447
Distribution and selling expenses	6,754	7,604	-	-	14,358
Administrative expenses	70,009	15,040	11,071	2,706	98,826
Other operating expenses	451	427	39	-	917
	77,214	23,071	11,110	2,706	114,101
	14,398	(44,755)	90,786	(9,083)	51,346
Other income	3,517	10,767	552	1,998	16,834
Operating profit / (loss) before finance costs	17,915	(33,988)	91,338	(7,085)	68,180
Finance costs	14,865	16,712	5,454	18	37,049
Share of profit in equity accounted investees - net of taxation	-	-	22,475	10,356	32,831
Profit / (loss) before taxation	3,050	(50,700)	108,359	3,253	63,962
Taxation					(2,938)
Profit for the period					66,900

25.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2014: Rs. 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.

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

For the six months period ended 31 December 2015

## 25.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 2,625.307 million (2014: Rs. 302.909 million) of total Steel segment revenue of Rs. 2,795.853 million (2014: Rs. 356.261 million). Revenue from a major customers of Cotton segment represent an aggregate amount of Rs. 19.286 million (2014: Rs. 438.055 million) of total Cotton segment revenue of Rs. 19.286 (2014: Rs. 815.762 million).

## 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 Six months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Pakistan	1,880,252	729,215	2,820,139
Far East	-	7,908	-	28,362
	1,880,252	737,123	2,820,139	1,235,002

25.5.2 All non-current assets of the Group as at 31 December 2015 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 December 2015 - Unaudited</b>					
Segment assets for reportable segments	3,613,398	443,023	1,094,692	959,942	6,111,055
Investment in equity accounted investees	-	-	2,377,718	221,192	2,598,910
Unallocated corporate assets					454,741
Total assets as per balance sheet					9,164,706
Segment liabilities for reportable segments	581,675	111,070	76,580	22,943	792,268
Unallocated corporate liabilities					1,658,744
Total liabilities as per balance sheet					2,451,012
<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

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

For the six months period ended 31 December 2015

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.

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	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
<b>For the six months ended</b>					
<b>31 December 2015</b>					
Capital expenditure	135,010	8,950	–	167,684	311,644
Depreciation and amortization	23,345	33,148	3,624	18,458	78,575
Non-cash items other than depreciation and amortization - net	98,288	3,525	(151,618)	2,370	(47,435)
<b>For the six months period ended</b>					
<b>31 December 2014</b>					
Capital expenditure	290,359	57,681	2,244	6,090	356,374
Depreciation and amortization	19,821	31,741	5,437	5,209	62,208
Non-cash items other than depreciation and amortization - net	17,844	16,754	(102,968)	(10,549)	(78,919)

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.

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

For the six months period ended 31 December 2015

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months period ended	
			31 December 2015	31 December 2014
Altem Energy Limited	Associated company	Dividend received	-	72,103
Shakarganj Limited	Associated company	Dividend paid	1,833	4,039
		Sale of finished goods	19,286	4,158
		Services received	1,219	1,438
		Reimbursable expenses	744	774
		Purchase of electricity	-	53
		Purchase of assets	-	40
		Advance against raw material	64,600	-
Central Depository Company of Pakistan Limited	Related party	Services received	1,885	-
		Dividend received	5,809	-
Crescent Jute Products Limited *	Related party	Services received	-	77
		Reimbursable expenses	-	412
CSAP Foundation *	Related party	Donation given	1,038	569
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	917
Premier Insurance Company *	Related party	Insurance premium	4,803	4,431
The Citizens' Foundation *	Related party	Donation given	11,392	1,705
The Crescent Textile Mills Limited *	Related party	Dividend paid	4,184	9,221
		Dividend received	-	565
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	352	877
		Dividend paid	42	7
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	2,362	1,992
		Dividend paid	824	1,765
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	5,986	5,003
		Dividend paid	1,809	3,958

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

For the six months period ended 31 December 2015

Rupees in '000			Unaudited	
			Six months period ended	
Name of entity	Nature of relationship	Nature of transaction	31 December 2015	31 December 2014
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	3,291	2,774
		Dividend paid	367	788
Key management personnel	Related parties	Remuneration and benefits	34,070	32,646

\* These entities are / have been related parties of the Group 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).
- 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 CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2015

31 December 2015 (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	735,357	-	-	735,357	735,357	-	-	735,357
- Listed equity securities	1,886	-	-	1,886	1,886	-	-	1,886
- Commodity	735,243	-	-	735,243	735,243	-	-	735,243
Financial assets not measured at fair value								
Investments	220,717	-	-	220,717	-	-	-	-
- Unlisted equity securities	2,598,910	-	-	2,598,910	2,408,796	-	-	2,408,796
- Equity	-	11,825	-	11,825	11,825	-	-	11,825
- Term deposit receipts	-	901,062	-	901,062	-	-	-	-
Trade debts	-	40,373	-	40,373	-	-	-	-
Other receivables	-	29,148	-	29,148	-	-	-	-
Bank balance	2,819,627	982,408	-	3,802,035	2,420,621	-	-	2,420,621
Financial liabilities not measured at fair value								
Long term loans	-	-	542,500	542,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	87,445	87,445	-	-	-	-
Trade and other payable	-	-	493,761	493,761	-	-	-	-
Mark-up accrued	-	-	21,094	21,094	-	-	-	-
Short term borrowings	-	-	972,881	972,881	-	-	-	-
	-	-	2,117,681	2,117,681	-	-	-	-

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

For the six months period ended 31 December 2015

31 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 reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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

For the six months period ended 31 December 2015

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## 28. GENERAL

### 28.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on 28 January 2016 has declared first interim cash dividend of Rs. 1.5 per share (i.e. 15%), amounting to Rs. 116.45 million. This 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







