

**CONDENSED INTERIM REPORT**  
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015

**FROM  
LEGEND  
TO  
LEGACY**



Crescent Steel and  
Allied Products Limited



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# COMPANY INFORMATION

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## 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

Khurram M. Karim  
Non-Executive Director

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)

Khurram Mazhar Karim  
Member, Non-Executive Director

S.M. Ehtishamullah  
Member, Non-Executive Director

## Human Resource and Remuneration Committee

Zahid Bashir  
Chairman, Non-Executive Director

Nasir Shafi  
Member, Non-Executive Director

S.M. Ehtishamullah  
Member, Non-Executive Director

Syed Zahid Hussain  
Member, Non-Executive Director  
(Independent)

## Governance and Evaluation Committee

Ahmad Waqar  
Chairman, Non-Executive Director  
(Independent)

Ahsan M. Saleem  
Member, Chief Executive

Zahid Bashir  
Member, Non-Executive Director

## The Management

Chief Executive Officer and  
Managing Director

Ahsan M. Saleem – 1983\*

Chief Financial Officer  
Muhammad Saad Thaniana – 2007\*

BU Head – Steel Division  
Iqbal Zafar Siddiqui – 2008\*

BU Head – Cotton Division  
Abdul Rouf – 2000\*

Human Resource Advisor  
Ehsan Durrani – 2008\*

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\*

## Stock Exchange Listing

Crescent Steel and Allied  
Products Limited is a listed  
Company and its shares are  
traded on all the three stock  
exchanges of Pakistan. The

Company's shares are quoted  
in leading dailies under the  
Engineering Sector.

## 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.

\* Year joined Company

## COMPANY INFORMATION

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### Auditors

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KPMG Taseer Hadi & Co.

### Legal advisor

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Hassan and Hassan, Advocates,  
Lahore

### Bankers

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Allied Bank Limited  
Al-Baraka Bank (Pakistan) Ltd.  
Habib Metropolitan Bank  
Limited  
Industrial Commercial Bank of  
China  
MCB Bank Limited  
Summit Bank Limited  
Standard Chartered Bank  
(Pakistan) Limited

### Registered office

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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

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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@crestent.com.pk

### Principal office

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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@crestent.com.pk

### Factory – Steel division

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#### Pipe and Coating plants

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A/25, S.I.T.E., Nooriabad, District  
Jamshoro, Sindh.  
Tel: +92 25 4670 020-22  
+92 25 4670 055  
Email: iqbal.siddiqui@crestent.com.pk

#### Engineering unit

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17 Km Summudri Road,  
Dalawal, District Faisalabad,  
Punjab.  
Tel : +92 41 2569 825-26  
Fax: +92 41 2679 825

### Mills – Cotton Division

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Crescent Cotton Products  
(Spinning Unit)  
1st Mile, Lahore Road,  
Jaranwala, District Faisalabad,  
Punjab.  
Tel : +92 41 4318 061-65  
Fax: +92 41 4318 066  
Email: abdul.rouf@crestent.com.pk

### Power plant

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Shakarganj Energy (Private)  
Limited  
57 Km Jhang Sargodha Road,  
Bhone, District Jhang.  
Tel: +92 48 6889 210 – 12

### Crescent Hadeed (Private) Limited

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57 Kilometer, Jhang Sargodha  
Road, Bhone, District Jhang  
Tel: 047 6006111

### Corporate website

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



For Condensed Interim Report for the 3rd quarter ended March 2015, go to [www.crestent.com.pk/wp-content/uploads/2015/04/Quarter-Mar15.pdf](http://www.crestent.com.pk/wp-content/uploads/2015/04/Quarter-Mar15.pdf) or scan QR code



## COMPANY PROFILE

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Crescent Steel and Allied Products Limited (CSAPL) is a Public Limited Company listed on all the Stock Exchanges of Pakistan. It started commercial production in March 1987. The manufacturing facilities consist of a Spiral Pipe Production line and an Internal/External Coating line, both located side by side at the Sindh Industrial Trading Estate, Nooriabad in Jamshoro, Sindh and a Cotton Spinning Unit of 19,680 spindles at Jaranwala, Punjab. Company's Investment and Infrastructure Development Division manages an investment portfolio and real estate.

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

### STEEL DIVISION

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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

Company has authorization to use API monogram of the American Petroleum Institute (API) – the highest international standard accredited for quality of steel line pipe. It also has the ISO 9001:2008 certification. In addition, CSAPL 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).

CSAPL 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.

Crescent Steel maintains high quality norms in all its products and has consistently exceeded the requirements of international standards both in steel line pipe manufacturing and coatings and will continue to remain at the cutting edge of technology, quality control and quality assurance.

### COTTON DIVISION

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The Company is running cotton spinning mill located at Jaranwala near Faisalabad, which is the hub of textile industry and carries out this activity under the name and title of "Crescent Cotton Products" (CCP) a division of Crescent Steel and Allied Products Limited. CCP is a division of the Company but its operating results are shown separately. CCP as a division holds ISO 9001: 2008 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 good quality

## COMPANY PROFILE

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cotton yarn with value addition of Slub, Siro and Compact Attachments. CCP consisting of 19,680 spindles is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts from 6s to 30s and has a notional capacity (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.

### 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) had developed 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 distribution companies as permitted.

#### Solution De Energy (Private) Limited

Solution De Energy (Private) Limited was incorporated as a private limited company in Pakistan as a result of Joint Venture (JV) agreement executed on 8 October 2013. The principal activity of the company is to build, own, operate and maintain 100MW solar power project and to generate, accumulate, distribute, sell, and supply electricity/power to PEPCO/ DISCOS under the agreement with the Government of Pakistan or to any other consumer as permitted.

#### CRESCENT HADEED (PRIVATE) LIMITED

Crescent Hadeed (Private) Limited (the Company) was incorporated on 15 May 2013 as a private limited company in Pakistan under the provisions of the Companies Ordinance, 1984. The principal business of the Company is to manufacture and sale of steel billets through a Steel Melting plant, to be located at Bhone, District Jhang, Punjab. The Company is currently in the process of setting up its plant/factory.

# 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 nine month period ended 31 March 2015 (9MFY15).

## Economic Outlook

Economic indicators remained strong in fiscal year 2015. Inflation for the fiscal year stood at record lows driven largely by falling crude oil prices. The FX position remains strong backed by lower import bills and a stable flow of remittances. Discount rate cuts of 150 bps during the third quarter took the total DR cut during the fiscal year to 200 bps and is expected to boost manufacturing sector growth. Foreign investment from the Pak-China Economic Corridor, the GlobalX Pakistan ETF and the Qatar LNG project reflect investment confidence and a promising outlook for the Pakistan economy. The government has made some progress in implementing macroeconomic and structural reforms to strengthen its fiscal position, alleviate energy shortages, and restructure and privatize loss-making public enterprises.

However, performance will remain dependent on the pace of economic reforms in a challenging but manageable political and security environment.

## Financial and Operational Performance

### Overall financial performance - unconsolidated

On the basis of unconsolidated results for 9MFY15, the Company's after tax profit declined to Rs. 85.9 million as compared to Rs. 330.3 million in the same period last year. IID division closed on positive bottom line, whereas cotton and steel division reported loss before tax. Earnings per share (EPS) for the current period stood at Rs 1.38 as compared to EPS of Rs. 5.32 in the corresponding period last year.

Sales revenue amounted to Rs. 1,665 million (9MFY14: Rs. 3,136.1 million), with the Cotton Division contributing 74.2% to turnover at Rs. 1,235.9 million whereas Steel Division contributed Rs. 429.1 million (9MFY14: Rs. 2,408.2 million and 727.9 million respectively). Turnover from the Cotton division was down by Rs 1,172 million (48.7%) as yarn outsourcing contracts in place last year were no longer in effect. Investment income from the IID Division was lower at Rs. 240.5 million (9MFY14: Rs. 395.2 million, including gain of Rs. 193.7 million on AFS disposals.)

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

- Sales revenue declined to Rs. 1,665 million as compared to Rs. 3,136.1 million in 9MFY14.
- Investment income decreased to Rs. 240.5 million as compared to Rs 395.2 million in 9MFY14.
- Gross Profit decreased to Rs. 20.9 million as compared to a gross profit of Rs. 114.7 million in 9MFY14.
- EBITDA decreased to Rs

192.7 million as compared to Rs 463 million in 9MFY14.

- EPS declined to Rs. 1.38 for the current period, as compared to EPS of Rs. 5.32 for 9MFY14.
- Return on average capital employed (annualized) was 3.2% for the current period as compared to 11.1% in 9MFY14.
- Return on average equity (annualized) was 2.9% for the current period as compared to 11.0% in 9MFY14.
- Break-up value per share marginally decreased to Rs. 64.4 from Rs. 64.5 as at 30 June 2014.

## Business Segments

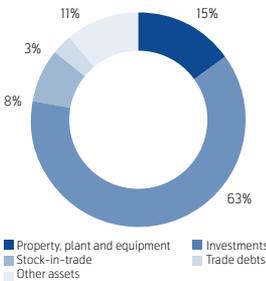
### Steel segment

#### Segment performance

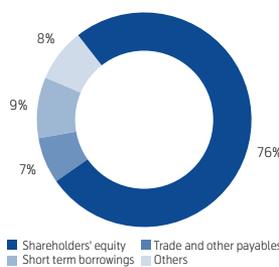
Steel segment performance was dull compared to the same period last year, due to low order intake and execution. Tariff anomalies arising through budget 2015 have not yet been rectified, resulting in orders being lost to foreign bidders. The well recognized principle of cascading duties has been ignored in case of our industry where duties on raw material and finished goods are the same and competing with foreign bidders who have subsidies from their governments present a challenging operating environment for the local industry. These issues are being taken up with National Tariff Commission and Engineering Development Board and we expect early redressal of the same. Revenue reduced to Rs. 429.1 million (9MFY14: Rs. 727.9 million) with a Gross Profit of Rs. 64.5 million

# DIRECTORS' REVIEW

## Total Assets



## Total Liabilities



(excluding strategic investments and unquoted investments).

Income from investment activities during the period amounted to Rs. 240.6 million (9MFY14: Rs. 395.2 million). The division's profit before tax stood at Rs. 211.4 million, compared to PBT of Rs. 399.4 million in 9MFY14. The YoY variance in PBT is due to profit impacts of Rs. 193.7 million on disposal of AFS investments last year, this was compensated with dividend income of Rs. 175.2 million from AEL and subsidiaries – CS Capital and Shakarganj Energy (Private) Limited.

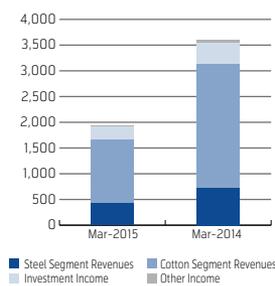
## Profit from Operations

Rupees in million



## Revenue and Income

Rupees in million



Closing position of the investment portfolio was Rs. 3,301.6 million as compared to Rs. 2,844.1 million as of 30 June 2014.

## Overall financial performance - Consolidated

Consolidated profit after tax and EPS of the Group for 9MFY15 stood at Rs. 67.9 million and Rs. 1.09 per share (9MFY14: PAT Rs. 604.8 million, EPS Rs.9.74). Net share of profit from equity accounted associates amounted to Rs. 139.4 million (9MFY14: Rs. 325.9 million), attributable mainly to share of losses on recognition of deferred tax charge on undistributed profits of Roushch (Pakistan) Power Limited in the consolidated results of AEL.

Commercial operations of our subsidiary - Shakarganj Energy (Private) Limited (SEL) commenced in December 2014. During the period, operational loss of SEL amounted to Rs. 10.4 million mainly due to loss on sale of shares of AEL amounting to Rs. 6.7 million under equity accounting treatment.

(9MFY14: Rs. 105.6 million). Consequently, net loss before tax for the period stood at Rs. 70.3 million compared to net profit before tax of Rs. 1.68 million last year.

## Cotton segment

### Segment performance

Sales revenue from the Cotton segment stood at Rs. 1,235.9 million (9MFY14: Rs 2,408 million); including outside conversion and raw cotton sales of Rs. 917.6 million). The division reported loss before tax of Rs. 89.6 million against LBT of Rs. 75.1 million in 9MFY14. This is mainly due to limited energy supply impacting production, inventory losses due to a fall in cotton prices, an increase in minimum wages and imposition of debt servicing and universal obligation surcharge.

## Investment and Infrastructure Development (IID) segment

### Market Review

After lackluster gains of 8.36% during the first half of FY15, the KSE-100 index remained volatile during the third quarter of FY15 peaking at a high of 34,827 points and dipping to a low of 28,927 points (decline of 5.9% in Q3FY15). During the nine months period ended March 2015, the KSE 100 Index inched up just 581 points or 1.96% to close at 30,234 points.

## Segment performance - Unconsolidated

During the period under review, IID division's CSAPL portfolio of equity investments recorded an ROI of 11.86% on average investments of Rs. 452.7 million

## DIRECTORS' REVIEW

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Major plant and machinery for Crescent Hadeed (Private) Limited have been installed and civil works are in progress. Trial production is expected in Q1FY16.

On consolidated basis, CS Capital (Private) Limited contributed Rs. 19 million to the profit before taxation of IID Division amounting to Rs. 185.2 million (9MFY14: Rs. 638.7 million). This reduction is mainly attributable to a decline in share of profits from associates when compared to last year as mentioned earlier and profit impact on disposal of AFS investments last year, in addition to unrealized losses on HFT investments during the month of March 2015.

The value of investments portfolio as of 31 March 2015 was Rs. 3,412.6 million as compared to Rs. 3,518.5 million as of 30 June 2014.

### Financial Position

#### Balance sheet

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Balance sheet footing stood at Rs. 5,269.8 million as of 31 March 2015, compared to Rs. 4,733.0 million as of 30 June 2014. Break-up value per share decreased to Rs. 64.4 from Rs. 64.5 as at 30 June 2014.

Current ratio as at 31 March 2015 declined to 1.6: 1 from 2.3: 1 as at 30 June 2014. Gearing ratio increased to 17% as at 31 March 2015 over 5% as at 30 June 2014, mainly attributable to CAPEX financing.

On a Group basis, the consolidated balance sheet footing increased to Rs. 6,605.2 million, compared to Rs. 6,165.2 million as of 30 June 2014. Total shareholders' fund reduced to Rs. 5,210.9 million

from Rs. 5,246.2 million as of 30 June 2014. Break-up value per share declined to Rs. 83.9 from Rs. 84.5 as at 30 June 2014.

#### Reconstitution of the Board of Directors

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The Board of Directors of the Company has been reconstituted as the term of office of the outgoing Board expired on 29 January 2015 and new Directors were elected for a period of 3 years in a Directors Election at the Extra-ordinary General Meeting of the Company held on 29 January 2015. I would like to take this opportunity to place on record my appreciation for the contribution made by the outgoing Board in direction of the affairs of the Company throughout their tenure.

### Future Outlook

During the period, the Company was able to secure some orders for the steel segment which are expected to be executed during the first quarter of FY 2016. Infrastructure development is also on the cards with the Government's announcement of Karachi – Lahore LNG pipeline. We intend to participate to the best of our capability and it is anticipated that a reasonable share of the wallet will be awarded to us. On the other hand, foreign bidders, particularly Chinese suppliers continue to participate aggressively in steel line pipe tenders. This together with the tariff anomalies in welded steel pipe category pose a challenge to the local industry.

The textile spinning sector continues to remain under pressure with falling demand for yarn and fabric in the international market. A number of mills have

either cut down or reduced their operations and the trend is expected to be followed by others owing to the challenging times ahead.

Fundamentally strong corporate performance and positive macroeconomic factors have sustained performance of Capital Markets. With expectation of further monetary easing by SBP, upgrade in Pakistan's sovereign bonds rating and foreign aid and investment programs, performance of capital market is expected to remain strong in the last quarter of FY15.

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  
22 April 2015

Crescent Steel and Allied Products Limited  
**Condensed Interim Unconsolidated  
Financial Information (Unaudited)**  
For the nine months period ended 31 March 2015

# CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2015

Rupees in '000	Note	Unaudited 31 March 2015	Audited 30 June 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	798,421	795,085
Intangible assets		11,409	14,031
Investment property		24,318	27,135
Long term investments	6	2,866,674	2,388,183
Long term deposits		23,943	26,169
Deferred taxation		42,331	-
		3,767,096	3,250,603
<b>Current assets</b>			
Stores, spares and loose tools		73,952	71,956
Stock-in-trade	7	405,634	407,199
Trade debts	8	141,142	89,479
Advances		26,942	48,581
Trade deposits and short term prepayments		12,052	7,074
Investments	9	434,930	455,963
Other receivables		167,768	136,081
Taxation - net		196,346	158,819
Cash and bank balances		43,978	107,246
		1,502,744	1,482,398
<b>Total assets</b>		<b>5,269,840</b>	<b>4,733,001</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized 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>			
		621,060	621,060
<b>Capital reserves</b>			
		297,272	298,742
<b>Revenue reserves</b>			
		3,080,072	3,087,377
		3,998,404	4,007,179
<b>Non-current liabilities</b>			
Long term loan	10	312,000	-
Liabilities against assets subject to finance lease		53,938	61,963
Deferred taxation		-	9,724
Deferred income		1,407	2,324
		367,345	74,011
<b>Current liabilities</b>			
Trade and other payables	11	386,446	372,447
Mark-up accrued		15,160	8,168
Short term borrowings	12	451,582	228,366
Current portion of deferred income		1,963	1,764
Current portion of liabilities against assets subject to finance lease		48,940	41,066
		904,091	651,811
Contingencies and commitments	13		
<b>Total equity and liabilities</b>		<b>5,269,840</b>	<b>4,733,001</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter and nine months period ended 31 March 2015

Rupees in '000	Note	Quarter ended		Nine months period ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
Sales - net	14	491,795	1,283,863	1,665,060	3,136,107
Cost of sales		540,767	1,130,296	1,644,104	3,021,451
Gross (loss) / profit		(48,972)	153,567	20,956	114,656
Income from investments	15	30,095	125,274	240,501	395,220
		(18,877)	278,841	261,457	509,876
Distribution and selling expenses		7,081	11,588	21,439	44,953
Administrative expenses		44,989	46,816	137,180	124,654
Other operating expenses		(215)	2,962	15,402	16,234
		51,855	61,366	174,021	185,841
		(70,732)	217,475	87,436	324,035
Other income		8,152	19,157	22,984	65,429
Operating (loss) / profit before finance costs		(62,580)	236,632	110,420	389,464
Finance costs	16	25,758	35,189	58,978	63,494
(Loss) / profit before taxation		(88,338)	201,443	51,442	325,970
Taxation - current		1,040	7,333	17,642	12,831
- prior		-	-	-	(2,791)
- deferred		(32,658)	30,469	(52,054)	(14,321)
	17	(31,618)	37,802	(34,412)	(4,281)
(Loss) / profit for the period		(56,720)	163,641	85,854	330,251
Rupees					
Basic and diluted (loss) / earnings per share	18	(0.91)	2.63	1.38	5.32

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and nine months period ended 31 March 2015

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
(Loss) / profit for the period	(56,720)	163,641	85,854	330,251
Other comprehensive income				
Items that are or may be reclassified				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(32)	(1,276)	(1,470)	41,813
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)
Other comprehensive income for the period	(32)	(1,276)	(1,470)	(169,580)
<b>Total comprehensive income for the period</b>	<b>(56,752)</b>	<b>162,365</b>	<b>84,384</b>	<b>160,671</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months period ended 31 March 2015

Rupees in '000	Note	Nine months period ended	
		31 March 2015	31 March 2014
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	19	39,765	(184,910)
Taxes paid		(55,748)	(106,274)
Finance costs paid		(42,300)	(62,604)
Contribution to gratuity and pension funds		(10,664)	(9,990)
Contribution to Workers' Profit Participation Fund		(4,851)	(52,395)
Infrastructure fee paid		(458)	(3,761)
Compensated absences paid		(95)	(99)
10-C bonus paid		(1,067)	(2,349)
Long term loans and deposits - net		2,226	(11,855)
Net cash used in operating activities		(73,192)	(434,237)
<b>Cash flows from investing activities</b>			
Capital expenditure		(82,458)	(68,268)
Acquisition of intangible assets		(2,482)	(900)
Proceeds from disposal of operating fixed assets		10,193	1,615
Investments - net		(510,117)	112,392
Dividend income received		205,084	98,690
Interest income received		2,095	333
Net cash (used in) / inflows from investing activities		(377,685)	143,862
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		312,000	-
Proceeds from disposal of operating fixed assets under sale and leaseback arrangements		34,787	38,787
Payments against finance lease obligations		(44,423)	(19,795)
Proceed from short term loans obtained		-	261,543
Dividends paid		(137,971)	(141,482)
Net cash inflow from financing activities		164,393	139,053
Net decrease in cash and cash equivalents		(286,484)	(151,322)
Cash and cash equivalents at beginning of the period		(121,120)	(220,038)
Cash and cash equivalents at end of the period	20	(407,604)	(371,360)

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

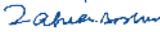
# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31 March 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 1 July 2013	564,600	349,959	179,967	1,842,000	1,039,064	3,975,590
Transfer to general reserve	-	-	-	800,000	(800,000)	-
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	330,251	330,251
Other comprehensive income	-	-	(169,580)	-	-	(169,580)
<b>Total Other comprehensive income for the period</b>	-	-	(169,580)	-	-	(169,580)
<b>Total comprehensive income for the period</b>	-	-	(169,580)	-	330,251	160,671
<b>Transaction with owners</b>						
<b>Dividend:</b>						
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	(84,690)	(84,690)
Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-
	56,460	(56,460)	-	-	(84,690)	(84,690)
<b>Balance as at 31 March 2014</b>	<b>621,060</b>	<b>293,499</b>	<b>10,387</b>	<b>2,642,000</b>	<b>484,625</b>	<b>4,051,571</b>
Balance as at 1 July 2014	621,060	293,499	5,243	2,642,000	445,377	4,007,179
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	85,854	85,854
Other comprehensive income	-	-	(1,470)	-	-	(1,470)
<b>Total Other comprehensive income for the period</b>	-	-	(1,470)	-	-	(1,470)
<b>Total comprehensive income for the period</b>	-	-	(1,470)	-	85,854	84,384
<b>Transactions with owners</b>						
<b>Dividend:</b>						
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	(93,159)	(93,159)
<b>Balance as at 31 March 2015</b>	<b>621,060</b>	<b>293,499</b>	<b>3,773</b>	<b>2,642,000</b>	<b>438,072</b>	<b>3,998,404</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For the nine months period ended 31 March 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. 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 21.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 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 full 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 2014.
- 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 Karachi Stock Exchange vide section 245 of the Companies Ordinance 1984.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2014.

## 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 2014.

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

For the nine months period ended 31 March 2015

## 5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Nine months period ended 31 March 2015		Nine months period ended 31 March 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	65,952	33,019	47,568	38,410
Plant and machinery - leased	32,038	5,055	34,995	-
Furniture and fittings	211	-	382	-
Electrical / office equipment and installation	2,706	565	586	-
Computers	1,924	2,648	954	40
Motor vehicles - owned	11,399	8,497	3,796	4,126
Motor vehicles - leased	3,810	2,005	9,571	1,405
Workshop equipment	-	-	84	-
	118,040	51,789	97,936	43,981

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 0.276 million (2014: Rs. 9.118 million).

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2014
<b>6. LONG TERM INVESTMENTS</b>			
Subsidiary companies			
- at cost	6.1	1,688,539	964,770
- share deposit money			
CS Capital (Private) Limited	6.1.5	22,000	35,000
Shakarganj Energy (Private) Limited		-	358,039
Crescent Hadeed (Private) Limited	6.1.5	137,500	-
Associated companies - at cost	6.2	839,689	851,428
Other long term investments	6.3	178,946	178,946
		2,866,674	2,388,183

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

For the nine months period ended 31 March 2015

## 6.1 Subsidiary companies - at cost

Unaudited 31 March 2015	Audited 30 June 2014		Note	Unaudited 31 March 2015	Audited 30 June 2014
Number of shares				Rupees in '000	
		<b>Unquoted</b>			
85,803,897	50,000,000	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	858,039	500,000
45,000,000	37,476,995	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah A. Saleem)	6.1.2	450,000	374,770
38,050,000	9,000,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	380,500	90,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
				1,688,539	964,770

6.1.1 This represents the Company's investment in 100% ordinary shares of Shakarganj Energy (Private) Limited. The Company has acquired Shakarganj Energy (Private) Limited on 4 January 2010. During the period, the Company has further subscribed to right issues made by the investee company aggregating 35.804 million ordinary shares for Rs. 358.039 million.

6.1.2 This represents the Company's investment in 100% ordinary shares of CS Capital (Private) Limited. The Company has acquired CS Capital (Private) Limited on 26 September 2011. During the period, the Company has further subscribed to right issues made by the investee company aggregating 7.523 million ordinary shares for Rs. 75.230 million.

6.1.3 This represents the Company's investment in 100% ordinary shares of Crescent Hadeed (Private) Limited which was incorporated on 15 May 2013. During the period, the Company has further subscribed to right issues made by the investee company aggregating 29.050 million ordinary shares for Rs. 290.500 million.

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

6.1.5 This represents share deposit money of Rs. 22 million against right issue of CS Capital (Private) Limited and Rs. 137.5 million against right issue of Crescent Hadeed (Private) Limited.

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

For the nine months period ended 31 March 2015

## 6.2 Associated companies - at cost

Unaudited 31 March 2015	Audited 30 June 2014		Note	Unaudited 31 March 2015	Audited 30 June 2014	
Number of shares				Rupees in '000		
<b>Quoted</b>						
60,475,416	60,475,416	Altern Energy Limited	6.2.1	593,488	593,488	
(Chief Executive Officer - Mr. Taimur Dawood)						
15,244,665	15,244,665	Shakarganj Mills Limited		388,562	388,562	
(Chief Executive Officer - Mr. Ahsan M. Saleem)						
				982,050	982,050	
Less: Provision for impairment				6.2.2	142,361	130,622
				839,689	851,428	

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 This represents provision for diminution in the value of investments of ordinary shares of Shakarganj Mills Limited. During the period, provision amounting to Rs. 11.739 has been made. The amount of provision is included in "other operating expenses" in profit and loss account.

6.2.3 The fair value of investments in associates as at 31 March 2015 is Rs. 1,929.165 million (30 June 2014: Rs. 1,559.371 million).

Rupees in '000	Note	Unaudited 31 March 2015	Audited 30 June 2014
<b>6.3 Other long term investments</b>			
<b>Investments in related parties</b>			
Available for sale	6.3.1	58,946	-
<b>Other investments</b>			
Available for sale		120,000	178,946
		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 nine months period ended 31 March 2015

Rupees in '000	Unaudited 31 March 2015	Audited 30 June 2014
<b>7. STOCK-IN-TRADE</b>		
Raw materials		
Hot rolled steel coils (HR Coil)	62,546	19,823
Coating materials	35,346	88,798
Others	18,224	15,246
Raw cotton	194,464	144,193
Stock-in-transit	16,174	19,401
	326,754	287,461
Work-in-process	36,006	42,007
Finished goods	40,405	71,054
Scrap / cotton waste	2,469	6,677
	78,880	119,738
	405,634	407,199
<b>8. TRADE DEBTS</b>		
<b>Secured</b>		
Considered good	19,347	72,110
<b>Unsecured</b>		
Considered good	121,795	17,369
Considered doubtful	2,584	2,786
Provision for doubtful trade debts	(2,584)	(2,786)
	121,795	17,369
	141,142	89,479
<b>9. INVESTMENTS</b>		
<b>Investments in related parties</b>		
Available for sale - The Crescent Textile Mills Limited	7,799	9,269
Held to maturity	9.1 20,996	23,995
	28,795	33,264
<b>Other investments</b>		
Available for sale	-	-
Held for trading	406,135	422,699
	406,135	422,699
	434,930	455,963

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

For the nine months period ended 31 March 2015

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- 9.1 This represents 2,999,396 (2014: 2,999,396) preference shares of Rs. 10 each of Shakarganj Mills 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. 14.104 (2014: Rs. 11.105 million) has been recognized against the exposure as the balance amount is considered to be recovered in due course of time. Provision amounting to Rs. 2.999 million made during the period is included in "other operating expenses" in profit and loss account.

The fair value of preference shares as at 31 March 2015 amounts to Rs. 20.996 million (30 June 2014: Rs. 23.995 million).

- 9.2 Investments having an aggregate market value of Rs. 733.794 million (30 June 2014: Rs. 727.980 million) have been pledged with financial institutions as security against financing facilities (refer note 12.4) out of which Rs. 567.115 million (30 June 2014: Rs. 570.280 million) relates to long term investments.

## 10. LONG TERM LOAN

During the period, 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 have 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 starting from 15th month from disbursement. Markup 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 9.81% to 11.68% per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

## 11. TRADE AND OTHER PAYABLE

This includes balances due to Shakarganj Mills Limited (Associated Company) and Shakarganj Energy (Private) Limited (Subsidiary Company) amounting to Rs. 1.042 million (30 June 2014: 0.258 million) and Rs. 36 million respectively.

## 12. SHORT TERM BORROWINGS

- 12.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 500 million (30 June 2014: Rs. 500 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 10.26% to 12.37% (2014: 10.58% to 12.71%) per annum.
- 12.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2014: Rs. 1,300 million) out of which Rs. 400 million (30 June 2014: Rs. 400 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 10.76% to 12.62% (2014: 11.26% to 13.12%) per annum.
- 12.3 The facilities for opening letter of credit amounted to Rs. 1,500 million (30 June 2014: Rs. 1,500 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) and Rs. 400 million (30 June

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

For the nine months period ended 31 March 2015

2014: Rs. 400 million) are interchangeable with short term running finance and short term loans respectively as mentioned in notes 12.1 and 12.2 above. The facility for letters of guarantee as at 31 March 2015 amounted to Rs. 500 million (30 June 2014: Rs. 526 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2015 were Rs. 1,269.328 million and Rs. 261.528 million (30 June 2014: Rs. 1,431.518 million and Rs. 278.360 million) respectively.

12.4 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 9.2) and cotton / cotton yarn; and lien over import / export document.

## 13. CONTINGENCIES AND COMMITMENTS

13.1 There is no significant change in the status of contingencies as set out in note 12 to the Company's annual unconsolidated financial statements for the year ended 30 June 2014, except as set out below.

13.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated Rs. 238.472 million (30 June 2014: Rs. 247.640 million).

13.3 Commitments in respect of capital expenditure contracted for as at 31 March 2015 amounted to Rs. 7.462 million (30 June 2014: Rs. 7.462 million) in relation to office premises located in Islamabad payable on completion of project.

13.4 Commitments under letters of credit as at 31 March 2015 amounted to Rs. 211.443 million (30 June 2014: Rs. 55.021 million) including L/C of Rs. 180 million opened for import of plant for its subsidiary company against which an advance has been received by the Company (refer note 22).

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014

## 14. SALES - NET

Local sales				
Bare pipes (own product excluding coating revenue)	44,575	747,414	211,636	772,880
Revenue from conversion	1,573	-	4,670	6,752
Coating of pipes	12,778	17,979	228,235	38,846
Cotton yarn / raw cotton	407,009	600,992	1,208,964	2,220,775
Others (including pipes laboratory testing)	18,068	4,217	50,156	18,892
Scrap / waste	21,693	26,882	41,104	50,936
Sales returns	(5,840)	(1,174)	(23,737)	(30,528)
	499,856	1,396,310	1,721,028	3,078,553
Export sales				
Cotton yarn / raw cotton	11,898	10,482	40,260	221,725
	511,754	1,406,792	1,761,288	3,300,278
Sales tax	(19,959)	(122,929)	(96,228)	(164,171)
	491,795	1,283,863	1,665,060	3,136,107

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Nine months period ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>15. INCOME FROM INVESTMENTS</b>					
		36,281	66,669	209,609	94,712
		7,775	10,672	35,667	214,301
		(15,220)	45,075	(9,881)	77,635
	15.1	1,259	2,858	5,106	8,572
		30,095	125,274	240,501	395,220

15.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.796 million (2014: Rs. 3.374 million). Further, Rs. 2.573 million (2014: Rs. 0.978 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>16. FINANCE COSTS</b>				
Incurred on:				
	2,919	2,822	9,485	6,911
	7,636	-	15,786	-
	14,839	29,447	32,330	53,030
	-	-	130	-
	364	2,920	1,247	3,553
	25,758	35,189	58,978	63,494

## 17. TAXATION

17.1 Minimum tax liability of Rs. 16.248 million for the period ended 31 March 2015 and Rs. 37.790 million for the year ended 30 June 2014 has not been recognized in view of expectation of availability of sufficient future taxable profits resulting in tax liability under normal tax regime in near future.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014

## 18. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

(Loss) / profit for the period	(56,720)	163,641	85,854	330,251
	(Number of shares)		(Number of shares)	
Average number of ordinary shares in issue during the period	62,105,992	62,105,992	62,105,992	62,105,992
	(Rupees)		(Rupees)	
Basic and diluted (loss) / earnings per share	[0.91]	2.63	1.38	5.32

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2015	31 March 2014
<b>19. CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Profit before taxation for the period		51,442	325,970
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment property		77,137	69,775
Amortization of intangible assets		5,104	3,744
Charge for the period on staff retirement benefit funds		10,760	9,990
Charge for compensated absences		803	172
Provision for 10-C bonus		-	33
Dividend income		(209,609)	(94,712)
Unrealized loss / (gain) on held for trading investments - net		9,881	(77,635)
Gain on sale of investments - net		(35,667)	(214,301)
Provision for stock-in-trade and stores, spares and loose tools - net		429	3,326
Reversal of provision for doubtful trade debts - net		(202)	(10,916)
Provision for Workers' Welfare Fund		3	-
Provision for Workers' Profit Participation Fund		-	89
Provision for infrastructure fee		790	-
Provision for Government Infrastructure Development Cess		-	7,222
Provision for liquidated damages		232	2,152
Provision for diminution in the value of investments - net		14,738	-
Return on deposits, loan and investments		(2,095)	(32,527)
(Gain) / loss on disposal of operating fixed assets		(5,326)	2,945
Deferred income		(1,525)	(635)
Finance costs		58,978	63,494
Working capital changes	19.1	63,892	(243,096)
		39,765	(184,910)
<b>19.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(2,425)	(5,353)
Stock-in-trade		2,060	(302,502)
Trade debts		(51,461)	36,742
Advances		21,639	(22,842)
Trade deposits and short term prepayments		(4,978)	(3,595)
Other receivables		(20,834)	(43,485)
		(55,999)	(341,035)
<b>Increase in current liabilities</b>			
Trade and other payables		119,891	97,939
		63,892	(243,096)

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2015	31 March 2014
<b>20. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(451,582)	(376,084)
Cash and bank balances		43,978	4,724
		(407,604)	(371,360)

## 21. SEGMENT REPORTING

### 21.1 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 is presented below.

### 21.2 Segment revenues and results

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

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

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

For the nine months period ended 31 March 2015

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
<b>For the nine months period ended</b>				
<b>31 March 2014</b>				
Sales - net	727,933	2,408,174	-	3,136,107
Cost of sales	622,354	2,399,097	-	3,021,451
<b>Gross profit</b>	<b>105,579</b>	<b>9,077</b>	<b>-</b>	<b>114,656</b>
Income from investments	-	-	395,220	395,220
	105,579	9,077	395,220	509,876
Distribution and selling expenses	11,539	33,414	-	44,953
Administrative expenses	84,515	29,456	10,683	124,654
Other operating expenses	5,681	10,553	-	16,234
	101,735	73,423	10,683	185,841
	3,844	(64,346)	384,537	324,035
Other income	22,611	25,092	17,726	65,429
<b>Operating profit / (loss) before finance costs</b>	<b>26,455</b>	<b>(39,254)</b>	<b>402,263</b>	<b>389,464</b>
Finance costs	24,775	35,882	2,837	63,494
<b>Profit / (loss) before taxation</b>	<b>1,680</b>	<b>(75,136)</b>	<b>399,426</b>	<b>325,970</b>
Taxation				(4,281)
<b>Profit for the period</b>				<b>330,251</b>

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

21.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as disclosed in the audited annual unconsolidated separate financial statements of the Company for the preceding year ended 30 June 2014. 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.

## 21.3 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 14 to this condensed interim unconsolidated financial information.

## 21.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 284.596 million (2014: Rs. 595.609 million) of total Steel segment revenue of Rs. 429.101 million (2014: Rs. 727.933 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 638.223 million (2014: Rs. 261.155 million) of total Cotton segment revenue of Rs. 1,235.959 million (2014: Rs. 2,408.174 million).

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

For the nine months period ended 31 March 2015

## 21.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Pakistan	479,897	1,273,381	1,624,800	2,914,382
Far East	11,898	10,482	40,260	221,725
	491,795	1,283,863	1,665,060	3,136,107

21.5.2 All non-current assets of the Company as at 31 March 2015 and 30 June 2014 were located and operated in Pakistan.

## 21.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
<b>As at 31 March 2015 - (Unaudited)</b>				
Segment assets for reportable segments	1,306,617	744,686	2,891,906	4,943,209
Unallocated corporate assets				326,631
Total assets as per balance sheet				5,269,840
Segment liabilities for reportable segments	174,819	242,540	1,597	418,956
Unallocated corporate liabilities				852,480
Total liabilities as per balance sheet				1,271,436
<b>As at 30 June 2014 - (Audited)</b>				
Segment assets for reportable segments	1,125,658	882,112	2,562,193	4,569,963
Unallocated corporate assets				163,038
Total assets as per balance sheet				4,733,001
Segment liabilities for reportable segments	198,479	130,675	57,574	386,728
Unallocated corporate liabilities				339,094
Total liabilities as per balance sheet				725,822

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

For the nine months period ended 31 March 2015

21.6.1 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.

## 21.7 Other segment information

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
<b>For the nine months period ended</b>				
<b>31 March 2015 - (Unaudited)</b>				
Capital expenditure	19,426	60,519	476	80,421
Depreciation and amortization	30,447	48,297	3,497	82,241
Non-cash items other than depreciation and amortization - net	29,565	30,114	[217,489]	[157,810]
<b>For the nine months period ended</b>				
<b>31 March 2014 - (Audited)</b>				
Capital expenditure	45,376	4,354	-	49,730
Depreciation and amortization	24,935	45,082	3,502	73,519
Non-cash items other than depreciation and amortization - net	21,146	38,726	[401,175]	[341,303]

## 22. 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 nine months period ended 31 March 2015

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2015	31 March 2014
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	3,876	1,151
		Right shares subscribed	290,500	9,999
		Sale of finished goods	11,163	-
		Share deposit money	137,500	-
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	75,230	200,000
		Dividend Income	37,477	-
		Reimbursable expenses	371,643	-
		Share deposit money	22,000	-
Shakarganj Energy (Private) Limited	Subsidiary company	Right shares subscribed	358,039	-
		Long term loan provided	-	9,000
		Dividend Income	77,224	-
		Advance received (refer note 13.4)	36,000	-
		Mark-up on long term loan	-	32,193
		Share deposit money	-	37,942
		Sale of finished goods	-	1,638
		Reimbursable expenses	185	119
Altern Energy Limited	Associated company	Dividend received	60,475	60,475
Shakarganj Mills Limited	Associated company	Dividend paid	4,039	6,120
		Sales of finished goods	4,158	3,145
		Services received	2,942	2,564
		Reimbursable expenses	1,154	1,171
		Purchase of assets	40	-

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

For the nine months period ended 31 March 2015

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2015	31 March 2014
Crescent Jute Products Limited *	Related party	Services received	90	-
		Reimbursable expenses	459	-
The Citizens' Foundation *	Related party	Donation given	7,811	11,298
CSAP Foundation	Related party	Donation given	569	-
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
Premier Insurance Company *	Related party	Insurance premium	5,881	8,672
The Crescent Textile Mills Limited *	Related party	Dividend paid	9,221	13,972
		Dividend received	565	
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	1,292	1,400
		Dividend paid	7	11
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,096	2,825
		Dividend paid	1,765	2,675
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	7,760	6,623
		Dividend paid	3,959	6,423
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,274	3,975
		Dividend paid	788	1,126
Key management personnel	Related parties	Remuneration and benefits	48,691	49,507

\* 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 nine months period ended 31 March 2015

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- 22.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 22.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 22.3 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.

## 23. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2014.

## 24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 22 April 2015.

  
Chief Executive

  
Director

  
Chief Financial Officer

Crescent Steel and Allied Products Limited  
**Condensed Interim Consolidated  
Financial Information (Unaudited)**  
For the nine months period ended 31 March 2015

# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 March 2015

Rupees in '000	Note	Unaudited 31 March 2015	Audited 30 June 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,829,850	1,404,441
Intangible assets		40,947	39,292
Investment property		68,643	73,316
Investment in equity accounted investees	6	2,359,917	2,540,064
Other long term investments	7	220,717	220,717
Long term deposits		50,164	50,603
		4,570,238	4,328,433
<b>Current assets</b>			
Stores, spares and loose tools		73,952	71,956
Stock-in-trade	8	405,634	407,199
Trade debts	9	159,819	89,479
Advances		68,038	57,550
Trade deposits and short term prepayments		12,356	7,410
Investments	10	832,059	757,696
Mark-up accrued		232	473
Other receivables		164,480	142,096
Taxation - net		209,183	158,668
Cash and bank balances		109,171	144,262
		2,034,924	1,836,789
<b>Total assets</b>		<b>6,605,162</b>	<b>6,165,222</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		621,060	621,060
Capital reserves		378,429	388,388
Revenue reserves		4,211,458	4,236,749
		5,210,947	5,246,197
<b>Non-current liabilities</b>			
Long term loan	11	312,000	-
Liabilities against assets subject to finance lease		53,938	61,963
Deferred income		1,407	2,324
Deferred taxation		82,559	141,503
		449,904	205,790
<b>Current liabilities</b>			
Trade and other payables		369,157	432,818
Mark-up accrued		16,527	9,221
Short term borrowings	12	507,724	228,366
Current portion of deferred income		1,963	1,764
Current portion of liabilities against assets subject to finance lease		48,940	41,066
		944,311	713,235
Contingencies and commitments	13		
<b>Total equity and liabilities</b>		<b>6,605,162</b>	<b>6,165,222</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and nine months period ended 31 March 2015

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Profit for the period	968	217,756	67,868	604,754
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit and loss				
Unrealized appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	1,115	(9,126)	(9,215)	49,607
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)
Proportionate share of other comprehensive (loss) / income of equity accounted investees	-	(142,529)	(744)	63,877
Other comprehensive income for the period	1,115	(151,655)	(9,959)	(97,909)
<b>Total comprehensive income for the period</b>	<b>2,083</b>	<b>66,101</b>	<b>57,909</b>	<b>506,845</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months period ended 31 March 2015

Rupees in '000	Note	Nine months period ended	
		31 March 2015	31 March 2014
<b>Cash flows from operating activities</b>			
Cash used in operations	19	(72,536)	(188,830)
Taxes paid		(72,520)	(108,576)
Finance costs paid		(47,464)	(62,623)
Contribution to gratuity and pension funds		(10,664)	(9,990)
Contribution to Workers' Profit Participation Fund		(4,851)	(52,395)
Infrastructure fee paid		(458)	(3,761)
Compensated absences paid		(95)	(99)
10-C bonus paid		(1,067)	(2,349)
Long term loans and deposits - net		2,225	(34,464)
Net cash used in operating activities		(207,430)	(463,087)
<b>Cash flows from investing activities</b>			
Capital expenditure		(516,885)	(90,347)
Acquisition of intangible assets		(6,759)	(22,370)
Proceeds from disposal of operating fixed assets		10,193	1,615
Investments - net		117,879	176,299
Dividend income received		119,993	45,821
Interest income received		4,168	377
Net cash (used in) / flow from investing activities		(271,411)	111,395
<b>Cash flows from financing activities</b>			
Proceeds from long term loan		312,000	-
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		34,787	38,787
Payments against finance lease obligations		(44,423)	(19,795)
Repayments against short term loans		-	261,543
Dividend paid		(137,972)	(141,482)
Net cash flow from financing activities		164,392	139,053
Net decrease in cash and cash equivalents		(314,449)	(212,639)
Cash and cash equivalents at beginning of the period		(84,104)	(206,338)
Cash and cash equivalents at end of the period	20	(398,553)	(418,977)

The annexed notes from 1 to 24 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For the nine months period ended 31 March 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'	Others*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 1 July 2013	564,600	349,959	179,967	25,272	1,842,000	1,995,268	4,957,066
Transfer to general reserves	-	-	-	-	800,000	(800,000)	-
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	604,754	604,754
Other comprehensive income	-	-	(161,786)	63,877	-	-	(97,909)
Total Other comprehensive income for the period	-	-	(161,786)	63,877	-	-	(97,909)
Total comprehensive income for the period	-	-	(161,786)	63,877	-	604,754	506,845
<b>Transaction with owners</b>							
<b>Dividend:</b>							
- Final @ 15% (i.e. Re. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	-	(84,690)	(84,690)
Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-	-
	56,460	(56,460)	-	-	-	(84,690)	(84,690)
Balance as at 31 March 2014	621,060	293,499	18,181	89,149	2,642,000	1,715,332	5,379,221
Balance as at 1 July 2014	621,060	293,499	17,919	76,970	2,642,000	1,594,749	5,246,197
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	67,868	67,868
Other comprehensive income	-	-	(9,215)	(744)	-	-	(9,959)
Total Other comprehensive income for the period	-	-	(9,215)	(744)	-	-	(9,959)
Total comprehensive income for the period	-	-	(9,215)	(744)	-	67,868	57,909
<b>Transactions with owners</b>							
<b>Dividend:</b>							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	-	(93,159)	(93,159)
Balance as at 31 March 2015	621,060	293,499	8,704	76,226	2,642,000	1,569,458	5,210,947

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

The annexed notes from 1 to 24 form an integral part of this condensed interim consolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For the nine months period ended 31 March 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. The registered office of the Holding Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.
- 1.3 Shakarganj Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.
- 1.4 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5 Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the Companies Ordinance, 1984. The principal activity of the Subsidiary Company will be to manufacture steel billets.
- 1.6 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial information.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Group for the nine months period ended 31 March 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 full 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 2014.
- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

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

For the nine months period ended 31 March 2015

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of annual consolidated financial statements of the Group as at and for the year ended 30 June 2014.

## 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 2014.

## 5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Nine months period ended 31 March 2015		Nine months period ended 31 March 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	10,589	-	-	-
Plant and machinery - owned	685,625	33,019	47,568	38,410
Plant and machinery - leased	32,038	5,055	34,995	-
Furniture and fittings	211	-	382	-
Electrical / office equipment and installation	2,706	565	586	-
Computers	1,998	2,648	954	40
Motor vehicles - owned	11,399	8,497	3,796	4,126
Motor vehicles - leased	3,810	2,005	9,571	1,405
Workshop equipment	-	-	84	-
	748,376	51,789	97,936	43,981

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

For the nine months period ended 31 March 2015

## 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

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

Unaudited 31 March 2015	Audited 30 June 2014		Note	Unaudited 31 March 2015	Audited 30 June 2014
Number of shares				Rupees in '000	
<b>Quoted</b>					
64,491,500	72,103,141	Altern Energy Limited	6.1	2,329,308	2,479,138
[Chief Executive Officer - Mr. Taimur Dawood]					
19,471,769	19,471,769	Shakarganj Mills Limited	6.2	-	26,626
[Chief Executive Officer - Mr. Ahsan M. Saleem]					
<b>Unquoted</b>					
3,430,000	3,430,000	Crescent Socks (Private) Limited	6.3	30,609	34,300
[Chief Executive Officer - Mr. Shehryar Mazhar]					
				2,359,917	2,540,064

- 6.1 The Holding Company and the Subsidiary Companies hold 16.64% and 1.11% respectively i.e. aggregate holding of 17.75% 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. 193.737 million and Rs. 0.744 million respectively. Group has also received dividend amounting to Rs. 72.103 million during the period.

- 6.2 As at 31 March 2015, the carrying amount of equity accounted investment in Shakarganj Mills Limited has been reduced to Nil due to recognition of the Group's share of losses and reserves amounting to Rs. 26.626 incurred by the investee company. The Group further recognized its share of losses amounting to Rs. 23.995 against the carrying amount in respect of preference shares of the investee company held by the Group (see note 10.1). Unrecognized share of losses and reserves as at 31 March 2015 amounted to Rs. 81.747 million.
- 6.3 During the year, share of loss from associate recognized amounted to Rs. 3.691 million.
- 6.4 The above figures are based on financial information of these companies as at 31 December 2014.
- 6.5 The fair value of investments in associates as at 31 March 2015 is Rs. 2,099.744 million (30 June 2014: Rs. 1,881.122 million).

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

For the nine months period ended 31 March 2015

Rupees in '000	Unaudited 31 March 2015	Audited 30 June 2014
<b>7. OTHER LONG TERM INVESTMENTS</b>		
Investments in related parties		
Available for sale	7.1	60,717
Other investments		-
Available for sale	160,000	220,717
	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 March 2015	Audited 30 June 2014
<b>8. STOCK-IN-TRADE</b>		
Raw materials		
Hot rolled steel coils (HR Coil)	62,546	19,823
Coating materials	35,346	88,798
Others	18,224	15,246
Raw cotton	194,464	144,193
Stock-in-transit	16,174	19,401
	326,754	287,461
Work-in-process	36,006	42,007
Finished goods	40,405	71,054
Scrap / cotton waste	2,469	6,677
	78,880	119,738
	405,634	407,199

## 9. TRADE DEBTS

### Secured

Considered good	38,024	72,110
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### Unsecured

Considered good	121,795	17,369
Considered doubtful	2,584	2,786
Provision for doubtful trade debts	(2,584)	(2,786)

121,795      17,369

159,819      89,479

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

For the nine months period ended 31 March 2015

Rupees in '000	Unaudited 31 March 2015	Audited 30 June 2014
<b>10. INVESTMENTS</b>		
<b>Investments in related parties</b>		
Available for sale - The Crescent Textile Mills Limited	75,509	66,305
Held to maturity 10.1	-	23,995
	75,509	90,300
<b>Other investments</b>		
Available for sale	-	-
Held for trading	707,813	654,693
Short term deposit	46,823	10,575
Investment in commodity	1,914	2,128
	756,550	667,396
	832,059	757,696

10.1 The Group's share of losses on equity accounted investment in Shakarganj Mills Limited has been allocated to the preference shares and dividend receivable thereon in accordance with the requirements of IAS 28, 'Investments in Associates' (see note 6.2).

10.2 Investments having an aggregate market value of Rs. 807.897 million (30 June 2014: Rs. 802.024 million) have been pledged with financial institutions as security against financing facilities (refer note 12.4) out of which Rs. 567.115 million (30 June 2014: Rs. 570.280 million) relates to long term investments.

## 11. LONG TERM LOAN

During the period, 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 have 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 starting from 15th month from disbursement. Markup 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 9.81% to 11.68% per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

## 12. SHORT TERM BORROWINGS

12.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 600 million (30 June 2014: Rs. 600 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 10.26% to 12.37% (2014: 10.58% to 12.71%) per annum.

12.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2014: Rs. 1,300 million) out of which Rs. 400 million (30 June 2014: Rs. 400 million) is interchangeable with letters of credit facility. During the period, the mark-up on such arrangements ranged between 10.76% to 12.62% (2014: 11.26% to 13.12%) per annum.

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

For the nine months period ended 31 March 2015

- 12.3 The facilities for opening letters of credit amounted to Rs. 1,603 million (30 June 2014: Rs. 1,815 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) and Rs. 400 million (30 June 2014: Rs. 400 million) are interchangeable with short term running finance and short term loans respectively as mentioned in notes 12.1 and 12.2 above. The facility for letters of guarantee as at 31 March 2015 amounted to Rs. 542 million (30 June 2014: Rs. 538 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2015 were Rs. 1,322.244 million and Rs. 261.528 million (30 June 2014: Rs. 1,599.693 million and Rs. 278.360 million) respectively.
- 12.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 10.2) and cotton / cotton yarn; and lien over import / export document.
13. CONTINGENCIES AND COMMITMENTS
- There is no significant change in the status of contingencies set out in note 12 to the Group's annual consolidated financial statements for the year ended 30 June 2014, except as set out below.
- 13.1 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated Rs. 280.397 million (30 June 2014: Rs. 258.215 million).
- 13.2 Commitments in respect of capital expenditure contracted for as at 31 March 2015 amounted to Rs. 332.182 million (30 June 2014: Rs. 71.649 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. This also includes commitments contracted by the subsidiaries companies aggregating Rs. 324.720 million (30 June 2014: Rs. 64.187 million) in respect of capital expenditure to acquire plant and machinery and infrastructure development.
- 13.3 Commitments under letters of credit as at 31 March 2015 amounted to Rs. 258.781 million (30 June 2014: Rs. 201.846 million).

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>14. SALES - NET</b>				
Local sales				
Bare pipes (own product excluding coating revenue)	44,575	747,414	211,636	772,880
Revenue from conversion	1,573	-	4,670	6,752
Coating of pipes	12,778	17,979	228,235	38,846
Cotton yarn / raw cotton	407,009	600,992	1,208,964	2,220,775
Power supply	50,336	-	87,156	-
Steam supply	115,435	-	152,305	-
Others (including pipes laboratory testing)	8,147	4,217	38,993	17,254
Scrap / waste	21,693	26,882	41,104	50,936
Sales returns	(5,840)	(1,174)	(23,737)	(30,528)
	655,706	1,396,310	1,949,326	3,076,915
Export sales				
Cotton yarn / raw cotton	11,898	10,482	40,260	221,725
	667,604	1,406,792	1,989,586	3,298,640
Sales tax	(19,959)	(122,929)	(106,939)	(163,933)
	647,645	1,283,863	1,882,647	3,134,707

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Nine months period ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>15. INCOME FROM INVESTMENTS</b>					
Dividend income		11,557	9,461	54,568	43,032
Gain / (Loss) on commodity		129	(85)	-	86
Gain on sale of investments - net		14,865	16,338	39,035	224,342
Unrealized (loss) / gain on held for trading investments - net		(44,069)	62,631	(21,465)	108,288
Rent from investment property		1,659	2,858	7,906	8,572
		(15,859)	91,203	80,044	384,320

15.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 5.921 million (2014: Rs. 3.374 million). Further, Rs. 3.045 million (2014: Rs. 0.978 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>16. FINANCE COSTS</b>				
Incurred on				
- finance lease obligations	2,919	2,822	9,485	6,911
- long term loan	7,636	-	15,786	-
- running finances / short term loans	16,198	29,447	37,461	53,030
- workers' profit participation fund	-	-	130	-
Bank charges	655	4,024	1,595	4,817
	27,408	36,293	64,457	64,758

## 17. TAXATION

17.1 Minimum tax liability of Rs. 16.248 million for the period ended 31 March 2015 and Rs. 37.790 million for the year ended 30 June 2014 has not been recognized in view of expectation of availability of sufficient future taxable profits resulting in tax liability under normal tax regime in near future.

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>18. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit for the period	968	217,756	67,868	604,754
	(Number of shares)		(Number of shares)	
Average number of ordinary shares in issue during the period	62,105,992	62,105,992	62,105,992	62,105,992
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	0.02	3.51	1.09	9.74

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2015	31 March 2014
<b>19. CASH USED IN OPERATIONS</b>			
Profit before taxation for the period		30,351	602,387
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment property		93,443	69,775
Amortization of intangible assets		5,104	3,744
Charge for the period on staff retirement benefit funds		10,760	9,990
Charge for compensated absences		890	172
Provision for 10-C bonus		-	33
Dividend income		(54,568)	(43,032)
Unrealized loss / (gain) on held for trading investments - net		21,448	(108,288)
Gain on sale of investments - net		(39,036)	(224,342)
Unrealized gain on commodity - Silver		-	(86)
Provision for stock-in-trade and stores, spares and loose tools - net		429	3,326
Reversal of provision for doubtful trade debts - net		(202)	(10,916)
Provision for Workers' Welfare Fund		3	-
Provision for Workers' Profit Participation Fund		-	113
Provision for infrastructure fee		790	-
Provision for Government Infrastructure Development Cess		-	7,222
Provision for liquidated damages		232	2,152
Return on deposits, loan and investments		(5,714)	(613)
(Gain) / loss on disposal of operating fixed assets		(5,326)	2,945
Deferred income		(1,525)	(635)
Finance costs		64,408	64,758
Share of profit from equity accounted investees - net of taxation		(139,425)	(325,952)
Working capital changes	19.1	(54,598)	(241,583)
		(72,536)	(188,830)
<b>19.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(2,425)	(5,353)
Stock-in-trade		2,060	(302,502)
Trade debts		(70,138)	36,742
Advances		21,639	(22,842)
Trade deposits and short term prepayments		(4,946)	(4,584)
Other receivables		(18,855)	(44,701)
		(72,665)	(343,240)
<b>Increase in current liabilities</b>			
Trade and other payables		18,067	101,657
		(54,598)	(241,583)

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

For the nine months period ended 31 March 2015

Rupees in '000	Note	Unaudited Nine months period ended	
		31 March 2015	31 March 2014
<b>20. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(507,724)	(435,171)
Cash and bank balances		109,171	16,194
		(398,553)	(418,977)

## 21. SEGMENT REPORTING

### 21.1 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 Shakarganj Energy (Private) Limited.

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

### 21.2 Segment revenue and results

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

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

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

For the nine months period ended 31 March 2015

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
<b>For the nine months period ended</b>					
<b>31 March 2014</b>					
Sales - net	726,533	2,408,174	-	-	3,134,707
Cost of sales	620,954	2,399,097	-	-	3,020,051
<b>Gross profit</b>	<b>105,579</b>	<b>9,077</b>	<b>-</b>	<b>-</b>	<b>114,656</b>
Income from investments	-	-	384,320	-	384,320
	105,579	9,077	384,320	-	498,976
Distribution and selling expenses	11,539	33,414	-	-	44,953
Administrative expenses	85,666	29,456	12,011	3,011	130,144
Other operating expenses	5,681	10,553	24	-	16,258
	102,886	73,423	12,035	3,011	191,355
	2,693	(64,346)	372,285	(3,011)	307,621
Other income	16,825	16,397	164	186	33,572
<b>Operating profit / (loss) before finance costs</b>	<b>19,518</b>	<b>(47,949)</b>	<b>372,449</b>	<b>(2,825)</b>	<b>341,193</b>
Finance costs	24,775	35,882	4,087	14	64,758
Share of profit in equity accounted investees - net of taxation	-	-	270,411	55,541	325,952
<b>(Loss) / profit before taxation</b>	<b>(5,257)</b>	<b>(83,831)</b>	<b>638,773</b>	<b>52,702</b>	<b>602,387</b>
Taxation					(2,367)
<b>Profit for the period</b>					<b>604,754</b>

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

21.2.2 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 2014. 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.

## 21.3 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 14 to this condensed interim consolidated financial information.

## 21.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 284.596 million (2014: Rs. 595.609 million) of total Steel segment revenue of Rs. 417.938 million (2014: Rs. 726.533 million). Revenue from major customers of Cotton segment represent an aggregate amount of Rs. 638.223 million (2014: Rs. 261.155 million) of total Cotton segment revenue of Rs. 1,235.959 million (2014: Rs. 2,408.174 million). Revenue from major customers of Energy segment represent an aggregate amount of Rs. 212.593 million (2014: Rs. Nil) of total Energy segment revenue of Rs. 228.750 million (2014: Rs. Nil).

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

For the nine months period ended 31 March 2015

## 21.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Pakistan	635,747	1,273,381	1,842,387	2,912,982
Far East	11,898	10,482	40,260	221,725
	647,645	1,283,863	1,882,647	3,134,707

21.5.2 All non-current assets of the Group as at 31 March 2015 and 30 June 2014 were located and operated in Pakistan.

## 22.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>As at 31 March 2015 – Unaudited</b>					
Segment assets for reportable segments	1,305,042	744,686	1,142,745	768,915	3,961,388
Investment in equity accounted investees	-	-	2,107,019	252,898	2,359,917
Unallocated corporate assets					283,857
Total assets as per balance sheet					6,605,162
Segment liabilities for reportable segments	180,810	242,540	61,038	9,300	493,688
Unallocated corporate liabilities					900,527
Total liabilities as per balance sheet					1,394,215
<b>As at 30 June 2014 – Audited</b>					
Segment assets for reportable segments	1,122,218	882,112	1,208,524	607,606	3,820,460
Investment in equity accounted investees	-	-	2,293,501	246,563	2,540,064
Unallocated corporate assets					(195,302)
Total assets as per balance sheet					6,165,222
Segment liabilities for reportable segments	198,594	130,675	114,607	4,276	448,152
Unallocated corporate liabilities					470,873
Total liabilities as per balance sheet					919,025

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

For the nine months period ended 31 March 2015

22.6.1 For the purposes of monitoring segment performance and allocating resources between segments

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and

- all liabilities are allocated to reportable segments other than 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.

## 22.7 Other segment information

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>For the nine months period ended</b>					
<b>31 March 2015 - Unaudited</b>					
Capital expenditure	446,206	60,519	476	7,313	514,514
Depreciation and amortization	30,447	48,297	5,354	14,449	98,547
Non-cash items other than depreciation and amortization - net	29,652	30,114	(192,483)	(14,119)	(146,836)
<b>For the nine months period ended</b>					
<b>31 March 2014 - Unaudited</b>					
Capital expenditure	45,376	4,354	-	22,079	71,809
Depreciation and amortization	24,935	45,082	3,502	-	73,519
Non-cash items other than depreciation and amortization - net	26,932	47,421	(641,850)	(55,656)	(623,153)

## 23. 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 nine months period ended 31 March 2015

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended	
			31 March 2015	31 March 2014
Altern Energy Limited	Associated company	Dividend received	72,103	72,103
Central Depository Company of Pakistan Limited	Related party	Services received	108	-
Shakarganj Mills Limited	Associated company	Dividend paid	4,039	6,120
		Sales of finished goods	216,751	3,145
		Purchase of raw material	212,593	-
		Services received	2,942	2,564
		Reimbursable expenses	1,452	1,171
		Purchase of asset	40	-
Crescent Jute Products Limited *	Related party	Services received	90	-
		Reimbursable expenses	459	-
CSAP Foundation *	Related party	Donation given	569	-
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
Premier Insurance Company *	Related party	Insurance premium	5,881	8,672
The Citizens' Foundation *	Related party	Donation given	7,811	11,298
The Crescent Textile Mills Limited *	Related party	Dividend paid	9,221	13,972
		Dividend received	565	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	1,292	1,400
		Dividend paid	7	11
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,096	2,825
		Dividend paid	1,765	2,675
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	7,760	6,623
		Dividend paid	3,959	6,423
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,274	3,975
		Dividend paid	788	1,126
Key management personnel	Related parties	Remuneration and benefits	48,691	49,507

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

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

For the nine months period ended 31 March 2015

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- 22.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 22.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 22.3 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.

## 23. 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 2014.

## 24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 22 April 2015.

  
Chief Executive

  
Director

  
Chief Financial Officer



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