



SHAPING THE FUTURE



Crescent Steel and
Allied Products Limited

Condensed Interim Report for the nine months period ended March 2014

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Company Information

Board of Directors

Ahmad Waqar
*Chairman, Non-Executive Director
(Independent)*

Ahsan M. Saleem
Chief Executive and Managing Director

Khurram Mazhar 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)*

Nasir Shafi
Member, Non-Executive Director

S.M. Ehtishamullah
Member, Non-Executive Director

Human Resource and Remuneration Committee

Syed Zahid Hussain
*Chairman, Non-Executive Director
(Independent)*

S.M. Ehtishamullah
Member, Non-Executive Director

Zahid Bashir
Member, Non-Executive Director

Governance and Evaluation Committee

Ahmad Waqar
*Chairman, Non-Executive Director
(Independent)*

Zahid Bashir
Member, Non-Executive Director

The Management

Chief Executive 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*

Stock Exchange Listing

Crescent Steel and Allied Products Limited is a listed Company and its shares are traded on all the three stock exchanges of Pakistan. The Company's shares are quoted in leading dailies under the Industrial metals and Mining Sector.

Public Information

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company should contact Mr. Abdul Wahab at the Company's Principal Office, Karachi.
Telephone: +92 21 3567 4881-85
Email: 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.
Telephone: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: 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.

Cotton division

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

Auditors

KPMG Taseer Hadi & Co.

Legal advisor

Hassan and Hassan, Advocates, Lahore

Bankers

Allied Bank Limited
Barclays Bank PLC, Pakistan
Habib Metropolitan Bank Limited
Industrial Commercial Bank of China
MCB Bank Limited
Summit Bank Limited
Standard Chartered Bank (Pakistan) Limited

* Year joined Company

Company Information

Registered office

10th Floor, BOP Tower, 10-B,
Block E-2, Main Boulevard,
Gulberg-III, Lahore.
Telephone: +92 42 3578 3801-03
Fax: +92 42 3578 3811

Liaison office Lahore

10th Floor, BOP Tower, 10-B,
Block E-2, Main Boulevard,
Gulberg-III, Lahore.
Telephone: +92 42 3578 3801-03
Fax: +92 42 3578 3811
Email: ejaz.ahmed@shakarganj.com.pk

Principal office

9th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi-74200.
Telephone: +92 21 3567 4881-85
Fax: +92 21 3568 0476
Email: arif.raza@crecident.com.pk

Factory – Steel division

Pipe and Coating plants

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

Engineering unit

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

Mills – Cotton Division

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

Power plant

Shakarganj Energy (Private)
Limited
57 Km Jhang Sargodha Road,
Bhone, District Jhang.
Telephone: +92 48 6889 210-12
Fax: +92 48 6889 211

Corporate website

To visit our website, go to
www.crescent.com.pk or scan QR
code



For Condensed Interim Report for
the nine months period ended
March 2014, go to [http://www.crescent.com.pk/wp-content/
uploads/2014/05/Quarter-Mar14.
pdf](http://www.crescent.com.pk/wp-content/uploads/2014/05/Quarter-Mar14.pdf)



Company Profile

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

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 was 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 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.

Expanding the steel business, the Company incorporated a wholly owned subsidiary company Crescent Hadeed (Private) limited on 15 May 2013. The principal activity of the subsidiary company will be to manufacture steel billets.

COTTON DIVISION

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

Company Profile

Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces good quality 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 having 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.

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

ENERGY DIVISION – SUBSIDIARY COMPANY SHAKARGANJ ENERGY (PRIVATE) LIMITED

Shakarganj Energy (Private) Limited (SEL) has developed a co-generation, bagasse fired thermal generation power plant due to commence commercial operations this year. The primary business of the subsidiary will be to generate, accumulate, distribute, sell and supply electricity to FESCO, PEPCO and to other distribution companies as permitted. This plant is currently under commissioning at Bhone, Punjab.

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 months ended 31 March 2014 (9MFY14).

Economic Outlook

On the back of foreign flows and increased activity in large scale manufacturing, positive changes in some macroeconomic indicators including single digit inflation, country's FX position, PKR/USD exchange rate, narrowing in of the trade deficit and a stable policy rate added to investor confidence over the last quarter with the KSE-100 index up by 29% for 9MFY14 (50% for the calendar year 2013). The release of foreign flows through bilateral and multilateral agencies, EU GSP Plus status for Pakistan textile exports, the Eurobond subscription and 3G/4G spectrum auctions will ease pressure on the country's FX position in the short to medium term.

We move into the last quarter of fiscal year 2014 with a promising outlook, privatisations and multiple infrastructure development projects in the pipeline beyond the fiscal close although indicators are still not within comfort zone and various macroeconomic and security challenges continue to weigh on the Pakistan economy; indicative GDP according to the ADB has improved to 3.4% for the current fiscal year.

Financial and Operational Performance

Overall financial performance

On the basis of unconsolidated results, the Company's after tax profit for 9MFY14 stood at Rs. 330.3 million as compared to after tax profit of Rs. 359.2 million (excluding insurance settlement net profit of Rs. 163.8 million) in the same period last year. EPS for the nine months stood at Rs. 5.32 as compared to earnings per share of Rs. 5.78¹ in the corresponding period last year, excluding insurance claim impact.

During the period IID and Steel Divisions reported profit before tax of 399.4 million (9MFY13 PBT: Rs. 132.3 million) and Rs. 1.7 million (9MFY13: 300.4 million), respectively. Income generated from IID Division mainly comprised of realized gains and dividend income on HFT and AFS investments, amounting to Rs. 309 million for the period.

However, Cotton Division reported a loss before tax of Rs. 75.1 million (9MFY13 PBT: Rs. 389.1 million) as compared to profit before tax of Rs. 389.1 million (including insurance claim impact) in the same period last year.

Sales revenue for 9MFY14 was Rs. 3,136.1 million (9MFY13: Rs. 3,903.7 million), with the Cotton Division contributing the most to turnover at Rs. 2,408.2 million (9MFY13: Rs. 2,268.2 million). During the third quarter, sales revenue from the Steel Division amounted to Rs.

667.9 million resulting in aggregate contribution to turnover of Rs. 727.9 million for the 9MFY14 (9MFY13: Rs. 1,635.5 million). Investment income from IID Division stood at Rs. 395.2 million (9MFY13: Rs. 158.3 million).

On a Group basis (including the results of wholly owned subsidiary companies), Consolidated profit after tax and EPS for the Group for the 9MFY14 amounted to Rs. 604.8 million and Rs. 9.74 per share as compared to profit after tax of Rs. 680.4 million and EPS of Rs. 10.95¹ (Rs. 8.32¹ excluding insurance claim impact) per share respectively, last year. In the condensed interim consolidated financial information, investments in associates have been accounted for using equity method of accounting. Share of profit from Associates amounted to Rs. 326 million (9MFY13: Rs. 166 million) and dividend received from associate amounted to Rs. 72.1 million during the period.

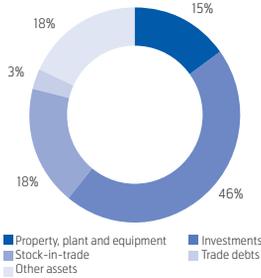
Summary of operating results as per unconsolidated financial information of the Company

- Sales revenue was Rs. 3,136.1 million as compared to Rs. 3,903.7 million in 9MFY13.
- Investment income stood at Rs. 395.2 million as compared to Rs. 158.2 million in 9MFY13.
- Other income amounted to Rs. 65.4 million as compared to Rs. 386.2 million in 9MFY13 (inclusive of insurance claim settlement).
- Gross Profit was Rs. 114.7 million (9MFY13: Rs. 594.2 million).

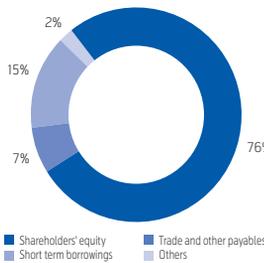
¹ EPS for prior period has been restated for the effect of bonus shares issued during the current period.

Directors' Review

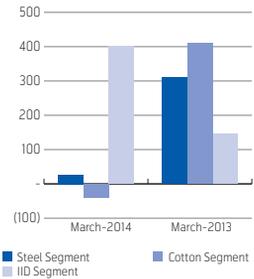
Total Assets



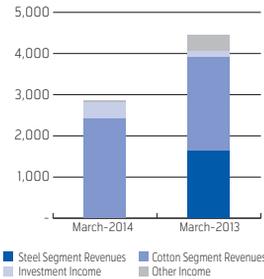
Total Liabilities



Profit from Operations Rupees in million



Revenue and Income Rupees in million



- EBITDA stood at Rs. 463 million for the current year as compared to Rs. 624 million in 9MFY13 (excluding insurance claim impact).
- EPS stood at Rs. 5.32 for the current year, as compared to earnings per share of Rs. 5.78 (excluding insurance claim impact) for 9MFY13.
- Return on average capital employed (annualized) was 11% for the current year as compared to 29.3% for the last year.
- Return on average equity (annualized) was 12.7% for the current period as compared to 20.8% for the period ended 31 March 2013.

- Break-up value per share decreased to Rs. 65.2 from Rs. 70.4 as at 30 June 2013, primarily on account of 10% bonus issue.

Business Segments

Steel segment

Segment performance

Steel segment's top line gained momentum during the third quarter of FY14 as compared to the first and second quarters. However, sales revenue of the segment for the 9MFY14 was only Rs. 727.9 million; less than half the revenue for corresponding period last year (9MFY13: Rs. 1,635.5 million). The low turnover is mainly due to delays

in execution of related projects by the customers. Consequently the division yielded a gross profit of Rs. 105.6 million only, leading to a near breakeven bottom-line of Rs. 1.7 million as compared to a net profit of Rs. 300.4 million in the corresponding period last year.

Cotton segment

Segment performance

Cotton Division recorded sales revenue of Rs. 2,408.2 million (9MFY13: Rs. 2,268.2 million), out of which Rs. 785.5 million (33%) pertains to outsourced yarn conversion; whereas, local raw cotton sales amounted to Rs. 132.1 million. Revenue from own production stood at Rs. 1,490.6 million (9MFY13: Rs. 1,344 million) or 62% of total sales.

Unavailability of power and worsening cotton quality during the period constrained the unit from running at desired capacity, adding to cost of production. Additionally, lower demand dampened yarn prices eroding profit margins. This resulted in bottom line loss before tax of Rs. 75.1 million for the period (9MFY13 PBT: Rs. 103.2 million).

Investment and Infrastructure Development segment

Market Review

After a slow first quarter in fiscal 2014 where the market went up by mere 4%, the second quarter witnessed robust activity with the market inflating by 16% and on a year to date basis the market augmented 29.3% to close at 27,160 points by 31 March 2014.

Segment performance – Unconsolidated

During the nine months period ended 31 March 2014, the IID division's CSAPL portfolio of equity investments recorded an ROI of 65.47% on average investments (excluding strategic investments) of Rs. 590.50 million – significantly higher than the benchmark bourse, which during the period, increased by 29.3%.

Income from investment activities during the period amounted to Rs. 395.2 million (9MFY13: Rs. 158.2 million). The accumulated profit before tax for the nine months ended 31 March 2014 stood at Rs. 399.4 million, compared to the division's PBT of Rs. 132.3 million in the corresponding period last year. The significant increase in PBT is primarily due to profit impacts of Rs.193.7 million on disposal of AFS investments and dividend income of Rs. 94.7 million. Rental income from real estate investments during the period contributed Rs. 8.6 million to the portfolio income (9MFY13: Rs. 7.9 million).

Total value of investments was Rs. 2,397.8 million (after divestment of AFS investments amounting to Rs. 258 million) as compared to Rs. 2,388.6 million as on 30 June 2013.

Segment performance – Consolidated

As per consolidated financial results, profit before taxation for the IID Division for 9MFY14 was

Rs. 638.7 million compared to Rs. 279.3 million for 9MFY13. This is mainly due to share of profits of Rs. 270.4 million from equity accounted investments and gains on disposal of AFS investments amounting to Rs. 193.7 million. On a consolidated basis, CS Capital (Private) Limited contributed Rs. 42.9 million to the division's profit before tax.

The closing position of the portfolio as of 31 March 2014 was Rs. 3,360.1 million, against Rs. 2,986.2 million as of 30 June 2013.

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

On a standalone basis, CS Capital (Private) Limited (CSCL) posted a profit before tax of Rs. 51.1 million as compared to profit before tax of Rs. 19.4 million in 9MFY13. The increase is due to unrealized and realized gains on investments amounting to Rs. 30.7 million and Rs. 10 million, respectively.

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

Shakarganj Energy (Private) Limited (SEL) has commissioned a 15 MW cogeneration power plant at Bhone with commercial operations expected to commence this year. During the period SEL contributed Rs. 52.7 million (9MFY13: Rs. 20.1 million) to the bottom line through share of profits from equity accounted associate (Altern Energy Limited).

Financial Position

Balance sheet

Balance sheet footing stood at Rs. 5,315.9 million as of 31 March 2014, compared to Rs. 4,889.5 million as of 30 June 2013. Break-up value per share decreased to Rs. 65.2 from Rs. 70.4 as at 30 June 2013.

Current ratio as at 31 March 2014 declined to 1.9:1 from 2.3:1 as at 30 June 2013. The Company's gearing ratio increased to 17.3% as at 31 March 2014 from 10% as at 30 June 2013.

On a Group basis, the consolidated balance sheet footing increased to Rs. 6,708.8 million, compared to Rs. 5,873.3 million as of 30 June 2013. Total shareholders' fund increased to Rs. 5,379.2 million from Rs. 4,957.1 million as of 30 June 2013. Break-up value per share decreased to Rs. 86.6 from Rs. 87.8 as at 30 June 2013.

Consequent on the revision of IAS 19 "Employee Benefits", the Company has changed its accounting policy for 'retirement benefits' and has restated the financial information accordingly. This is further explained in note 3.1 of the condensed interim financial information.

Dividend

Based on the operating performance and results, the Board in their meeting held on 28 April 2014 has decided to pay an interim cash dividend of 10% i.e. Rupee one per share.

Future Outlook

Sales during second half of the current FY14 has improved significantly over the previous half. However, YTD sales is still lower than corresponding period last year as some projects were not materialized. Although, the economic indicators of the Country are showing some signs of improvement, yet it's too early to say that the trend will continue. Infrastructure development projects in the Oil & Gas Sector have not shown any marked improvement and may take some more time, as a result, order position for the next year will depend mainly on the progress of LNG import and its related projects. Steel prices in the international market are expected to remain stable till the end of this Financial Year.

Cotton outlook for the next quarter is uncertain; textile manufacturers continue prudent inventory management approach by limiting procurement in view of declining cotton prices. Due to appreciation of the rupee, rates of textile products are below cost of production resulting in low demand and slow off take of yarn in the local market. The situation may change after the arrival of new crop at lower prices. Pakistani textile products may become more competitive in the international market due to expected appreciation of the Indian rupee after the elections.

At present, the KSE-100 index is trading at a significant discount to regional markets and its own

historical valuations. At a P/E multiple of 8.5x and dividend yield of 5% offering a considerable upside for medium to long term investments. Going forward, we expect the equity markets to perform strongly in CY14. Good corporate earnings and pay-outs as driven by improved economic and investment climate, along with a topping out of interest rates should drive Index performance.

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

For and on behalf of the Board of Directors



Ahsan M. Saleem
Chief Executive Officer
28 April 2014

Condensed Interim Unconsolidated Balance Sheet (Unaudited)

As at 31 March 2014

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	5	774,884	777,834
Intangible assets		10,803	13,645
Investment property		28,154	31,268
Long term investments	6	1,828,463	1,590,521
Long term loans and deposits	7	381,243	369,388
Deferred taxation		9,091	-
		3,032,638	2,782,656
Current assets			
Stores, spares and loose tools		80,666	78,639
Stock-in-trade	8	975,509	662,419
Trade debts	9	171,031	196,857
Advances	10	54,496	31,654
Trade deposits and short term prepayments		12,742	9,147
Investments	11	569,316	798,095
Mark-up accrued		86,530	54,337
Other receivables		175,385	134,847
Taxation - net		152,884	75,430
Cash and bank balances		4,724	65,220
		2,283,283	2,106,645
Total assets		5,315,921	4,889,301
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		621,060	564,600
Capital reserves		303,886	529,926
Revenue reserves		3,126,625	2,881,064
		4,051,571	3,975,590
Non-current liabilities			
Liabilities against assets subject to finance lease	12	44,688	34,450
Deferred taxation		-	5,230
Deferred income		778	1,413
		45,466	41,093
Current liabilities			
Trade and other payables		397,173	412,288
Mark-up accrued		9,892	9,002
Short term borrowings	13	770,102	418,365
Current portion of deferred income		847	847
Current portion of liabilities against assets subject to finance lease	12	40,870	32,116
		1,218,884	872,618
Contingencies and commitments	14		
Total equity and liabilities		5,315,921	4,889,301

The annexed notes from 1 to 28 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 period ended 31 March 2014

Rupees in '000	Note	Quarter ended		Nine months period ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
Sales - net	15	1,283,863	1,679,083	3,136,107	3,903,727
Cost of sales		1,130,296	1,403,352	3,021,451	3,309,488
Gross profit		153,567	275,731	114,656	594,239
Income from investments	16	125,274	31,905	395,220	158,277
		278,841	307,636	509,876	752,516
Distribution and selling expenses		11,588	18,275	44,953	51,545
Administrative expenses		46,816	31,210	124,654	114,728
Other operating expenses	17	2,962	28,350	16,234	107,053
		61,366	77,835	185,841	273,326
		217,475	229,801	324,035	479,190
Other income	18	19,157	30,244	65,429	386,184
Operating profit before finance costs		236,632	260,045	389,464	865,374
Finance costs	19	35,189	26,136	63,494	43,643
Profit before taxation		201,443	233,909	325,970	821,731
Taxation - current		7,333	77,493	12,831	312,562
- prior		-	-	(2,791)	(7,607)
- deferred		30,469	7,459	(14,321)	(6,266)
	20	37,802	84,952	(4,281)	298,689
Profit for the period		163,641	148,957	330,251	523,042
			(Rupees)		
			Restated		Restated
Basic and diluted earnings per share	21	2.63	2.40	5.32	8.42

The annexed notes from 1 to 28 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 period ended 31 March 2014

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Profit for the period	163,641	148,957	330,251	523,042
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealized (depreciation) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(1,276)	40,766	41,813	81,845
Reclassification adjustments relating to loss / (gain) realized on disposal of investments classified as 'available for sale'	-	209	(211,393)	(971)
Other comprehensive income for the period	(1,276)	40,975	(169,580)	80,874
Total comprehensive income for the period	162,365	189,932	160,671	603,916

The annexed notes from 1 to 28 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 quarter and nine period ended 31 March 2014

Rupees in '000	Note	Nine months period ended	
		31 March 2014	31 March 2013
Cash flows from operating activities			
Cash used in operations	22	(184,910)	(180,270)
Taxes paid		(106,274)	(166,940)
Finance costs paid		(62,604)	(47,228)
Contribution to gratuity and pension funds		(9,990)	(9,085)
Contribution to Workers' Profit Participation Fund		(52,395)	(1,120)
Infrastructure fee paid		(3,761)	(5,479)
Compensated absences paid		(99)	(518)
Deferred income on sale and lease back		-	2,472
10-C bonus paid		(2,349)	(4,910)
Long term loans and deposits - net		(11,855)	(131,518)
Net cash used in operating activities		(434,237)	(544,596)
Cash flows from investing activities			
Capital expenditure		(68,268)	(99,785)
Acquisition of intangible assets		(900)	(70)
Proceeds from disposal of operating fixed assets		1,615	303,656
Investments - net		112,392	(39,538)
Dividend income received		98,690	46,314
Interest income received		333	644
Net cash inflows from investing activities		143,862	211,221
Cash flows from financing activities			
Proceeds from disposal of operating fixed assets under sale and leaseback arrangements		38,787	62,150
Payments against finance lease obligations		(19,795)	(10,416)
Proceed from short term loans obtained		261,543	268,751
Dividends paid		(141,482)	(111,444)
Net cash inflows from financing activities		139,053	209,041
Net decrease in cash and cash equivalents		(151,322)	(124,334)
Cash and cash equivalents at beginning of the period		(220,038)	(253,076)
Cash and cash equivalents at end of the period	23	(371,360)	(377,410)

The annexed notes from 1 to 28 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 quarter and nine period ended 31 March 2014

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Reserve for issue of bonus shares	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 2012 - as previously reported	564,600	-	349,959	27,343	1,842,000	317,343	3,101,245
Change in accounting policy for reversal of defined benefit liability recognition of actuarial gains and losses (refer note 3.1)	-	-	-	-	-	8,445	8,445
Balance as at 1 July 2012 - as restated	564,600	-	349,959	27,343	1,842,000	325,788	3,109,690
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	523,042	523,042
Other comprehensive income							
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	-	81,845	-	-	81,845
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(971)	-	-	(971)
Total Other comprehensive income for the period	-	-	-	80,874	-	-	80,874
Total comprehensive income for the period	-	-	-	80,874	-	523,042	603,916
Transaction with owners							
Dividend:							
- Final @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2012	-	-	-	-	-	(56,460)	(56,460)
- First interim @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2013	-	-	-	-	-	(56,460)	(56,460)
	-	-	-	-	-	(112,920)	(112,920)
Balance as at 31 March 2013	564,600	-	349,959	108,217	1,842,000	735,910	3,600,686
Balance as at 1 July 2013 - as previously reported	564,600	-	349,959	179,967	1,842,000	963,703	3,900,229
Change in accounting policy for reversal of defined benefit liability recognition of actuarial gains and losses (refer note 3.1)	-	-	-	-	-	75,361	75,361
Balance as at 1 July 2013 - as restated	564,600	-	349,959	179,967	1,842,000	1,039,064	3,975,590
Transfer to general reserve	-	-	-	-	800,000	(800,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	330,251	330,251
Other comprehensive income							
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	-	41,813	-	-	41,813
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)	-	-	(211,393)
Total Other comprehensive income for the period	-	-	-	(169,580)	-	-	(169,580)
Total comprehensive income for the period	-	-	-	(169,580)	-	330,251	160,671
Transactions with owners							
Dividend:							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	-	(84,690)	(84,690)
Transfer to reserve for issue of bonus shares @ 10% subsequent to the year end (i.e. 30 June 2013)	-	56,460	(56,460)	-	-	-	-
	-	56,460	(56,460)	-	-	(84,690)	(84,690)
Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-	-
Balance as at 31 March 2014	621,060	-	293,499	10,387	2,642,000	484,625	4,051,571

The annexed notes from 1 to 28 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 quarter and nine period ended 31 March 2014

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 the Companies Ordinance, 1984) and is quoted on all stock exchanges of Pakistan. The registered office of the Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 24.1.

2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2014 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 separate financial statements of the Company as at and for the year ended 30 June 2013.
- 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.

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 audited annual separate financial statements of the Company for the year ended 30 June 2013 except for the change in accounting policy as follows:

3.1 Change in accounting policy for employee benefits - defined benefit plan

IAS 19 (revised) 'Employee benefits' amends the accounting for employment benefits which became effective to the Company from 1 July 2013. The changes introduced by the IAS 19 (revised) are as follows:

- (a) The standards requires past service cost to be recognised immediately in profit or loss;
- (b) The standards replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- (c) There is new term "remeasurement". This is made up of actuarial gains and losses, the differences between actual investment returns and return implied by the net interest cost; and
- (d) The amendment requires an entity to recognise remeasurements immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortised over the expected future services of the employees.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

The management believes that the effects of these changes would not have significant effect on this condensed interim unconsolidated financial information except for the changes referred in (d) above that has been accounted for retrospectively in accordance with the requirement of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' resulting in restatement of financial statements of prior period.

The effect of the change in accounting policy has been demonstrated below:

Rupees in '000	30 June 2013	1 July 2012
Effect on balance sheet		
Unappropriated profit		
As previously reported	963,703	317,343
Effect of change in accounting policy	75,361	8,445
As restated	1,039,064	325,788
Trade and other payables		
As previously reported	412,519	691,904
Effect of change in accounting policy - balance reclassified to other receivables	(114,184)	(12,796)
	298,335	679,108
Receivable from defined benefit plans reclassified to other receivables	113,953	12,429
As restated	412,288	691,537
Deferred taxation - Asset / (Liability)		
As previously reported	33,593	12,606
Effect of change in accounting policy	(38,823)	(4,351)
As restated	(5,230)	8,255
Other receivables		
As previously reported	20,894	29,318
Receivable from defined benefit plans reclassified from trade and other payables	113,953	12,429
As restated	134,847	41,747

The management is in process of determining the effect of this change, if any, to the amount to be recognised through Comprehensive Income for the full year ending 30 June 2014 and has therefore not considered any amount as an adjustment in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of other comprehensive income for the current period and prior periods.

This change in accounting policy has no impact on the statement of cash flows and on earnings per share.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 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 separate financial statements of the Company as at and for the year ended 30 June 2013.

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 2014		Nine months period ended 31 March 2013	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	47,568	38,410	49,244	84,658
Plant and machinery - leased	34,995	-	-	-
Furniture and fittings	382	-	169	-
Electrical / office equipment and installation	586	-	857	10
Computers	954	40	552	-
Motor vehicles - owned	3,796	4,126	26,820	19,738
Motor vehicles - leased	9,571	1,405	14,290	-
Workshop equipment	84	-	-	-
	97,936	43,981	91,932	104,406

- 5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 9.118 million (2013: Rs. 71.629 million).

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013
6. LONG TERM INVESTMENTS			
Subsidiary companies			
- at cost	6.1	714,870	504,871
- share deposit money			
Shakarganj Energy (Private) Limited	6.1.1	37,943	-
Crescent Hadeed (Private) Limited		-	10,000
		37,943	10,000
Associated companies - at cost	6.2	896,704	896,704
Other long term investments	6.3	178,946	178,946
		1,828,463	1,590,521

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

6.1 Subsidiary companies - at cost

	31 March 2014	30 June 2013		Note	Unaudited 31 March 2014	Audited 30 June 2013
	Number of shares				Rupees in '000	
			Unquoted			
	33,010,000	33,010,000	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	330,100	330,100
	37,476,995	17,476,995	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah A. Saleem)	6.1.2	374,770	174,770
	1,000,000	100	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	10,000	1
	2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
					714,870	504,871

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 further deposited share deposit money amounting to Rs. 37.943 million against right shares issued by the subsidiary company.

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 20 million ordinary shares for Rs. 200 million, making a total holding of 374.77 million ordinary shares as at 31 March 2014.

6.1.3 This represents 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 the investee company aggregating 0.999 million ordinary shares for Rs. 9.999 million

6.1.4 This represents investment in subsidiary amounting to Rs. 90 only. The subsidiary company has not commenced operation.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

6.2 Associated companies – at cost

Unaudited 31 March 2014	Audited 30 June 2013		Note	Unaudited 31 March 2014	Audited 30 June 2013
Number of shares				Rupees in '000	
		Quoted			
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Syed Zamanat Abbas)	6.2.1	593,488	593,488
15,244,665	15,244,665	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)		388,562	388,562
				982,050	982,050
		Less: Provision for impairment		85,346	85,346
				896,704	896,704

6.2.1 The Company holds 16.64% shareholding in Altern Energy Limited and there is no common directorship in the investee company. However, only for the purpose of equity accounting as required under IAS 28 'Investment in Associate' it has been treated as an associate.

6.2.2 The fair value of investments in associates as at 31 March 2014 is Rs. 1,733.736 million (30 June 2013: Rs. 1,080.724 million).

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013
6.3 Other long term investments			
Investments in related parties			
Available for sale	6.3.1	-	-
Other investments			
Available for sale		178,946	178,946
		178,946	178,946

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

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013
7. LONG TERM LOANS AND DEPOSITS			
Long term loan – Considered good (Unsecured)			
- to subsidiary company	7.1	358,444	349,444
Security deposits - leasing companies		10,181	7,327
Security deposits - others		12,618	12,617
		381,243	369,388

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

- 7.1 This represents long term loan to the wholly owned subsidiary company namely; Shakarganj Energy (Private) Limited. The approved limit as per agreement of long term loan is Rs. 385 million. The repayment schedule of this long term financing will be finalized after the commencement of commercial operations of the Company.

The mark-up rate on the above loan is 3 months KIBOR prevailing on the date of disbursement of each tranche and thereafter on each re-pricing date plus 250 base points. Mark-up is payable on quarterly basis. The mark-up charged during the period ranged from 11.45% to 12.59% (2013: 12.84%) per annum.

Rupees in '000	Unaudited 31 March 2014	Audited 30 June 2013
8. STOCK-IN-TRADE		
Raw materials		
Hot rolled steel coils (HR Coil)	269,284	11,142
Coating materials	89,574	103,232
Others	15,308	16,762
Raw cotton	303,436	313,503
Stock-in-transit	94,957	-
	772,559	444,639
Work-in-process	63,410	17,574
Finished goods	129,006	196,283
Scrap / cotton waste	10,534	3,923
	202,950	217,780
	975,509	662,419
9. TRADE DEBTS		
Secured		
Considered good	98,072	36,605
Unsecured		
Considered good	72,959	160,252
Considered doubtful	2,786	13,701
Provision for doubtful trade debts	(2,786)	(13,701)
	72,959	160,252
	171,031	196,857

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013
10. ADVANCES			
Unsecured- considered good			
Executives		3,126	2,645
Suppliers for goods and services		51,370	29,009
Advances - considered doubtful			
Suppliers for goods and services		47	47
Provision for doubtful advances		(47)	(47)
		-	-
		54,496	31,654
11. INVESTMENTS			
Investments in related parties			
Available for sale		8,473	8,007
Held to maturity	11.1	29,994	29,994
		38,467	38,001
Other investments			
Available for sale		-	258,011
Held for trading		530,849	502,083
		530,849	760,094
		569,316	798,095

- 11.1** This represents 2,999,396 (30 June 2013: 2,999,396) preference shares of Rs. 10 each of Shakargani 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. A provision of Rs. 5.106 million (30 June 2013: Rs. 5.106 million) has been recognized against the exposure as the balance amount is considered to be recovered in due course of time.

- 11.2** Investments having an aggregate market value of Rs. 1,617.422 million (30 June 2013: Rs. 909.398 million) have been pledged with financial institutions as security against financing facilities (see note 13.4) out of which Rs. 1,291.138 million (30 June 2013: Rs. 664.659 million) relates to long term investments.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

12. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	Unaudited 31 March 2014	Audited 30 June 2013	Unaudited 31 March 2014	Audited 30 June 2013	Unaudited 31 March 2014	Audited 30 June 2013
Rupees in '000						
Not later than one year	48,790	38,577	7,920	6,461	40,870	32,116
Later than one year and not later than five years	48,634	37,505	3,946	3,055	44,688	34,450
	97,424	76,082	11,866	9,516	85,558	66,566
Less: Current portion shown under current liabilities					40,870	32,116
					44,688	34,450

- 12.1 The Company has entered into finance lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangements is three years (30 June 2013: three years) and the liability is payable by month ranging from four months to thirty-two months (30 June 2013: ten months to thirty-two months). The periodic lease payments include built-in rates of mark-up ranging between 14.59% to 20.25% (2013: 14.59% to 20.25%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 86.658 million (30 June 2013: Rs. 64.161 million) which pertains to obligations arising from sale and leaseback of assets.

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

	Unaudited 31 March 2014	Audited 30 June 2013
Rupees in '000		
13. SHORT TERM BORROWINGS		
Secured from banking companies		
Running finances under mark-up arrangements	376,084	285,890
Short term loans	394,018	132,475
	770,102	418,365

- 13.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 500 million (30 June 2013: Rs. 500 million) out of which Rs. 250 million (30 June 2013: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 10.58% to 12.71% (2013: 10.81% to 15.10%) per annum.
- 13.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2013: Rs. 1,100 million) out of which Rs. 300 million (30 June 2013: Rs. 300 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 11.26% to 13.12% (2013: 11.27% to 14.35%) per annum.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

- 13.3** The facilities for opening letter of credit amounted to Rs. 1,400 million (30 June 2013: Rs. 1,400 million) out of which Rs. 250 million (30 June 2013: Rs. 250 million) and Rs. 300 million (30 June 2013: Rs. 300 million) are interchangeable with short term running finance and short term loans respectively as mentioned in notes 13.1 and 13.2 above. The facility for letters of guarantee as at 31 March 2014 amounted to Rs. 500 million (30 June 2013: Rs. 500 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2014 were Rs. 964.459 million and Rs. 226.744 million (30 June 2013: Rs. 1,356.764 million and Rs. 191.017 million) respectively.
- 13.4** The above facilities are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document.
- 14. CONTINGENCIES AND COMMITMENTS**
- 14.1** There is no change in the status of contingencies set out in note 12 to the Company's annual separate financial statements for the year ended 30 June 2013, except as set out in note 14.2 below.
- 14.2** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated Rs. 273.256 million (30 June 2013: Rs. 308.983 million).
- 14.3** Commitments in respect of capital expenditure contracted for as at 31 March 2014 amounted to Rs. 7.462 million (30 June 2013: Rs. 7.462 million) payable by June 2014 representing office premises located in Islamabad.
- 14.4** Commitments under letters of credit as at 31 March 2014 amounted to Rs. 76.536 million (30 June 2013: Rs. 43.236 million).

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
15. SALES - NET				
Local sales				
Bare pipes (own product excluding coating revenue)	747,414	809,872	772,880	1,204,099
Revenue from conversion	-	1,154	6,752	5,908
Coating of pipes	17,979	158,080	38,846	595,662
Cotton yarn / raw cotton	600,992	719,097	2,220,775	1,824,970
Others (including pipes laboratory testing)	4,217	8,008	18,892	58,071
Scrap / waste	26,882	23,467	50,936	67,261
Sales returns	(1,174)	(2,036)	(30,528)	(11,166)
	1,396,310	1,717,642	3,078,553	3,744,805
Export sales				
Cotton yarn / raw cotton	10,482	101,378	221,725	421,096
	1,406,792	1,819,020	3,300,278	4,165,901
Sales tax	(122,929)	(139,937)	(164,171)	(262,174)
	1,283,863	1,679,083	3,136,107	3,903,727

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

Rupees in '000	Unaudited		Unaudited	
	Quarter ended		Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
16. INCOME FROM INVESTMENTS				
Return on term finance certificates	-	-	-	76
Dividend income	66,669	11,330	94,712	53,887
Gain on sale of investment - net	10,672	17,531	214,301	33,122
Unrealized gain on held for trading investments - net	45,075	332	77,635	63,270
Rent from investment property	2,858	2,712	8,572	7,922
	125,274	31,905	395,220	158,277

16.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.374 million (2013: Rs. 2.663 million). Further, Rs. 0.978 million (2013: Rs. 0.919 million) were incurred against non rented out area.

Rupees in '000	Unaudited		Unaudited	
	Quarter ended		Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
17. OTHER OPERATING EXPENSES				
Exchange loss	-	7,361	500	17,773
Provision for slow moving stores, spares and loose tools	-	-	3,326	942
Loss on disposal of operating fixed assets	-	-	2,945	-
Provision for Workers' Welfare Fund	-	4,706	-	19,215
Provision for Workers' Profit Participation Fund	89	11,283	89	38,475
Provision for liquidated damages	2,152	5,000	2,152	9,891
Provision for Government Infrastructure Development Cess	721	-	7,222	-
Impairment charge relating to capital work in process	-	-	-	20,619
Others	-	-	-	138
	2,962	28,350	16,234	107,053

18. OTHER INCOME

Corresponding period includes an amount of Rs. 310.872 million on account of gain on final settlement of insurance claim received against damages caused by fire in the Spinning Unit No. 2 of the Cotton segment of the Company situated in Jaranwala on 7 January 2012.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
19. FINANCE COSTS				
Incurring on:				
- finance lease obligations	2,822	1,064	6,911	2,794
- running finances / short term loans	29,447	21,214	53,030	35,697
Bank charges	2,920	3,858	3,553	5,152
	35,189	26,136	63,494	43,643

20. TAXATION

20.1 Minimum tax liability of Rs. 29.143 million 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	Note	Unaudited Quarter ended		Unaudited Nine months period ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
21. BASIC AND DILUTED EARNINGS PER SHARE					
Profit for the period		163,641	148,957	330,251	523,042
		(Number of shares)	(Number of shares)	(Number of shares)	(Number of shares)
			(Restated)		(Restated)
Average number of ordinary shares					
in issue during the period	21.1	62,105,992	62,105,992	62,105,992	62,105,992
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
			(Restated)		(Restated)
Basic and diluted earnings per share		2.63	2.40	5.32	8.42

21.1 The number of shares for the prior periods have been adjusted for the effect of bonus shares issued during the current period. As a result of which prior earnings per share (basic and diluted) has been restated.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

Rupees in '000	Note	Nine months period ended	
		31 March 2014	31 March 2013
22 CASH USED IN OPERATIONS			
Profit before taxation for the period		325,970	821,731
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		69,775	68,043
Amortization of intangible assets		3,744	1,487
Charge for the period on staff retirement benefit funds		9,990	9,085
Charge for compensated absences		172	1,506
Provision for 10-C bonus		33	1,683
Amortization of advances to staff		-	5
Dividend income		(94,712)	(53,887)
Unrealized gain on held for trading investments - net		(77,635)	(63,270)
Gain on sale of investments - net		(214,301)	(33,122)
Provision for stock-in-trade and stores, spares and loose tools - net		3,326	377
Reversal of provision for doubtful trade debts - net		(10,916)	-
Provision for Workers' Welfare Fund		-	19,215
Provision for Workers' Profit Participation Fund		89	38,475
Provision for Government Infrastructure Development Cess		7,222	-
Provision for liquidated damages		2,152	9,891
Reversal of provision for liquidated damages		-	(8,934)
Return on deposits, loan and investments		(32,527)	(27,516)
Loss / (gain) on disposal of operating fixed assets		2,945	(303,733)
Deferred income		(635)	(71)
Impairment charge relating to capital work in process		-	20,619
Finance costs		63,494	43,644
Working capital changes	22.1	(243,096)	(725,498)
		(184,910)	(180,270)
22.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(5,353)	(26,136)
Stock-in-trade		(302,502)	(508,113)
Trade debts		36,742	(54,652)
Advances		(22,842)	61,561
Trade deposits and short term prepayments		(3,595)	(2,870)
Other receivables		(43,485)	(87,563)
		(341,035)	(617,773)
Increase / (decrease) in current liabilities			
Trade and other payables		97,939	(107,725)
		(243,096)	(725,498)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

Rupees in '000	Nine months period ended	
	31 March 2014	31 March 2013
23. CASH AND CASH EQUIVALENTS		
Running finances under mark-up arrangements	(376,084)	(434,208)
Cash and bank balances	4,724	56,798
	(371,360)	(377,410)

24. SEGMENT REPORTING

24.1 Reportable segments

The Company's reportable segments as per the requirement of International Financial Reporting Standard 8 are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.
- Cotton segment - It comprises of manufacturing of yarn.
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment property (held for rentals as well as long term appreciation).

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

24.2 Segment revenues and results

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

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the Nine months period ended				
31 March 2014				
Sales - net	727,933	2,408,174	-	3,136,107
Cost of sales	622,354	2,399,097	-	3,021,451
Gross profit	105,579	9,077	-	114,656
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
Operating profit / (loss) before finance costs	26,455	(39,254)	402,263	389,464
Finance costs	24,775	35,882	2,837	63,494
Profit / (loss) before taxation	1,680	(75,136)	399,426	325,970
Taxation				(4,281)
Profit for the period				330,251

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the Nine months period ended				
31 March 2013				
Sales - net	1,635,496	2,268,231	-	3,903,727
Cost of sales	1,210,455	2,099,033	-	3,309,488
Gross profit	425,041	169,198	-	594,239
Income from investments	-	-	158,277	158,277
	425,041	169,198	158,277	752,516
Distribution and selling expenses	9,445	42,100	-	51,545
Administrative expenses	83,835	21,153	9,740	114,728
Other operating expenses	45,829	39,221	22,003	107,053
	139,109	102,474	31,743	273,326
	285,932	66,724	126,534	479,190
Other income	23,842	344,250	18,092	386,184
Operating profit before finance costs	309,774	410,974	144,626	865,374
Finance costs	9,372	21,920	12,351	43,643
Profit before taxation	300,402	389,054	132,275	821,731
Taxation				298,689
Profit for the period				523,042

24.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2013: Nil).

24.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as disclosed in the audited annual separate financial statements of the Company for the preceding year ended 30 June 2013. 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.

24.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 15 to this condensed interim unconsolidated financial information.

24.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 595.609 million (2013: Rs. 1,241.737 million) of total Steel segment revenue of Rs. 727.933 million (2013: Rs. 1,635.496 million). Further, revenue from major customers of Cotton segment represents an aggregate amount of Rs. 261.155 million (2013: Rs. 964.258 million) of total Cotton segment revenue of Rs. 2,408.174 million (2013: Rs. 2,268.231 million).

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

24.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Pakistan	1,273,381	1,577,705	2,914,382	3,482,631
Far East	10,482	101,378	221,725	421,096
	1,283,863	1,679,083	3,136,107	3,903,727

24.5.2 All non-current assets of the Company as at 31 March 2014 and 30 June 2013 were located and operated in Pakistan.

24.6 Segments 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
As at 31 March 2014 (Unaudited)				
Segment assets for reportable segments	1,476,211	1,143,641	2,499,100	5,118,952
Unallocated corporate assets				196,969
Total assets as per balance sheet				5,315,921
Segment liabilities for reportable segments	179,412	258,087	3,047	440,546
Unallocated corporate liabilities				823,804
Total liabilities as per balance sheet				1,264,350
As at 30 June 2013 - Restated (Audited)				
Segment assets for reportable segments	516,760	1,390,398	2,528,794	4,435,952
Unallocated corporate assets				453,349
Total assets as per balance sheet				4,889,301
Segment liabilities for reportable segments	148,375	210,255	2,806	361,436
Unallocated corporate liabilities				552,275
Total liabilities as per balance sheet				913,711

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

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
- all liabilities are allocated to reportable segments other than 'trade and other payables' directly relating to corporate, 'short term borrowings', 'mark-up accrued' and liabilities relating to current and deferred taxation.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine period ended 31 March 2014

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

24.7 Other segment information

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
For the Nine months period ended				
31 March 2014				
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)
For the Nine months period ended				
31 March 2013				
Capital expenditure	7,784	66,073	3,454	77,311
Depreciation and amortization	20,357	45,621	3,557	69,535
Non-cash items other than depreciation and amortization - net	38,618	(250,922)	(133,734)	(346,038)

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary and associated companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months period ended 31 March 2014	31 March 2013
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	1,151	-
		Right shares subscribed	9,999	-
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	200,000	104,756
Shakarganj Energy (Private) Limited	Subsidiary company	Long term loan provided	9,000	126,294
		Mark-up on long term loan	32,193	27,149
		Share deposit money	37,942	-
		Sales of finished goods	1,638	-
		Reimbursable expenses	119	-

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000			Unaudited	
Name of entity	Nature of relationship	Nature of transaction	31 March 2014	31 March 2013
Altern Energy Limited	Associated company	Dividend received	60,475	-
Shakarganj Mills Limited	Associated company	Dividend paid	6,120	2,448
		Sales of finished goods	3,145	41,747
		Sales of raw cotton	-	130,554
		Services received	2,564	895
		Reimbursable expenses	1,171	2,183
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1
Premier Insurance Company *	Related party	Dividend paid	-	11
		Insurance premium	8,672	1,571
The Citizens' Foundation *	Related party	Donation given	11,298	13,004
Pakistan Centre for Philanthropy *	Related party	Services received	-	180
Commecs Educational Trust *	Related party	Donation given	-	2,000
The Crescent Textile Mills Limited *	Related party	Dividend paid	13,972	5,589
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	1,400	1,341
		Dividend paid	11	4
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	2,825	2,593
		Dividend paid	2,675	621
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	6,623	6,492
		Dividend paid	6,423	1,244
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	3,975	3,665
		Dividend paid	1,126	400
Key management personnel	Related parties	Remuneration and benefits	49,507	40,427

* 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 quarter and nine period ended 31 March 2014

- 25.1** 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.
- 25.2** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 25.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with key management personnel during the period other than their terms of employment / entitlements.

26. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2013.

27. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 28 April 2014 has declared first interim cash dividend of Re. 1 per share (i.e. 10%), amounting to Rs. 62.106 million. This condensed interim unconsolidated financial information does not reflect this proposed issue.

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 28 April 2014.


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Condensed Interim Consolidated Balance Sheet (Unaudited)

As at 31 March 2014

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,299,752	1,280,704
Intangible assets		32,273	13,645
Investment property		69,755	62,408
Investment in equity accounted investees	6	2,503,253	2,040,213
Other long term investments	7	220,717	220,717
Long term loans and deposits		54,408	19,944
Deferred taxation		9,091	-
		4,189,249	3,637,631
Current assets			
Stores, spares and loose tools		80,666	78,639
Stock-in-trade	8	975,509	662,419
Trade debts	9	171,031	196,857
Advances	10	54,496	31,654
Trade deposits and short term prepayments		14,087	9,503
Investments	11	856,869	945,997
Mark-up accrued		235	-
Other receivables		178,157	136,414
Taxation - net		153,393	75,649
Cash and bank balances		16,194	79,552
		2,500,637	2,216,684
Non-current asset held for sale		19,000	19,000
Total assets		6,708,886	5,873,315
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		621,060	564,600
Capital reserves		400,829	555,198
Revenue reserves		4,357,332	3,837,268
		5,379,221	4,957,066
Non-current liabilities			
Liabilities against assets subject to finance lease	12	44,688	34,450
Deferred taxation		-	5,230
Deferred income		778	1,413
		45,466	41,093
Current liabilities			
Trade and other payables		402,156	414,826
Mark-up accrued		11,137	9,002
Short term borrowings	13	829,189	418,365
Current portion of deferred income		847	847
Current portion of liabilities against assets subject to finance lease	12	40,870	32,116
		1,284,199	875,156
Contingencies and commitments	14		
Total equity and liabilities		6,708,886	5,873,315

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


Chief Executive


Director


Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Quarter ended		Nine months period ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
Sales - net	15	1,283,863	1,679,083	3,134,707	3,903,727
Cost of sales		1,130,296	1,403,352	3,020,051	3,309,488
Gross profit		153,567	275,731	114,656	594,239
Income from investments	16	91,203	39,370	384,320	179,100
		244,770	315,101	498,976	773,339
Distribution and selling expenses		11,588	18,275	44,953	51,545
Administrative expenses		49,436	31,469	130,144	116,231
Other operating expenses	17	2,986	28,437	16,258	107,140
		64,010	78,181	191,355	274,916
		180,760	236,920	307,621	498,423
Other income	18	8,163	20,454	33,572	359,343
Operating profit before finance costs		188,923	257,374	341,193	857,766
Finance costs	19	36,293	26,137	64,758	43,645
Share of profit in equity accounted investees - net of taxation		104,009	80,746	325,952	165,783
Profit before taxation		256,639	311,983	602,387	979,904
Taxation - current		8,414	77,821	14,745	313,406
- prior		-	-	(2,791)	(7,607)
-deferred		30,469	7,459	(14,321)	(6,266)
	20	38,883	85,280	(2,367)	299,533
Profit for the period		217,756	226,703	604,754	680,371
			(Rupees)		
			Restated		Restated
Basic and diluted earnings per share	21	3.51	3.65	9.74	10.95

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


Chief Executive


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Quarter ended		Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Profit for the period	217,756	226,703	604,754	680,371
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealized (depreciation) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(9,126)	40,766	49,607	81,845
Reclassification adjustments relating to loss / (gain) realized on disposal of investments classified as 'available for sale'	-	209	(211,393)	(971)
Proportionate share of other comprehensive income of equity accounted investees	(142,529)	-	63,877	-
Other comprehensive income for the period	(151,655)	40,975	(97,909)	80,874
Total comprehensive income for the period	66,101	267,678	506,845	761,245

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


Chief Executive


Director


Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Nine months period ended	
		31 March 2014	31 March 2013
Cash flows from operating activities			
Cash used in operations	22	(188,830)	(177,105)
Taxes paid		(108,576)	(167,679)
Finance costs paid		(62,623)	(47,230)
Contribution to gratuity and pension funds		(9,990)	(9,085)
Contribution to Workers' Profit Participation Fund		(52,395)	(1,120)
Infrastructure fee paid		(3,761)	(5,479)
Compensated absences paid		(99)	(518)
Deferred income on sale and lease back		-	2,472
10-C bonus paid		(2,349)	(4,910)
Long term loans and deposits - net		(34,464)	(131,518)
Net cash used in operating activities		(463,087)	(542,172)
Cash flows from investing activities			
Capital expenditure		(90,347)	(229,145)
Acquisition of intangible assets		(22,370)	(70)
Proceeds from disposal of operating fixed assets		1,615	303,656
Investments - net		176,299	(20,267)
Dividend income received		45,821	49,542
Interest income received		377	950
Net cash inflows from investing activities		111,395	104,666
Cash flows from financing activities			
Proceeds from long term loan		-	126,354
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		38,787	62,150
Payments against finance lease obligations		(19,795)	(10,416)
Repayments against short term loans		261,543	268,751
Dividends paid		(141,482)	(111,444)
Net cash inflows from financing activities		139,053	335,395
Net decrease in cash and cash equivalents		(212,639)	(102,111)
Cash and cash equivalents at beginning of the period		(206,338)	(247,044)
Cash and cash equivalents at end of the period	23	(418,977)	(349,155)

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


Chief Executive


Director


Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the quarter and nine months period ended 31 March 2014

	Issued, subscribed and paid-up capital	Capital reserves				Revenue reserves		Total
		Reserve for issue of bonus shares	Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Other*	General reserve	Unappropriated profit	
Rupees in '000								
Balance as at 1 July 2012 - as previously reported	564,600	-	349,959	27,343	25,272	1,842,000	1,198,788	4,007,962
Change in accounting policy for reversal of defined benefit liability recognition of actuarial gains and losses (refer note 3.1)	-	-	-	-	-	-	8,445	8,445
Balance as at 1 July 2012 - as restated	564,600	-	349,959	27,343	25,272	1,842,000	1,207,233	4,016,407
Total comprehensive income for the period							680,371	680,371
Profit for the period	-	-	-	-	-	-	680,371	680,371
Other comprehensive income								
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	-	81,845	-	-	-	81,845
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(971)	-	-	-	(971)
Total Other comprehensive income for the period	-	-	-	80,874	-	-	-	80,874
Total comprehensive income for the period	-	-	-	80,874	-	-	680,371	761,245
Transaction with owners								
Dividend:								
- Final @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2012	-	-	-	-	-	-	(56,460)	(56,460)
- First Interim @ 10% (i.e. Re. 1 per share) for the year ended 30 June 2013	-	-	-	-	-	-	(56,460)	(56,460)
	-	-	-	-	-	-	(112,920)	(112,920)
Balance as at 31 March 2013	564,600	-	349,959	108,217	25,272	1,842,000	1,774,684	4,664,732
Balance as at 1 July 2013 - as previously reported	564,600	-	349,959	179,967	25,272	1,842,000	1,919,907	4,881,705
Change in accounting policy for reversal of defined benefit liability recognition of actuarial gains and losses (refer note 3.1)	-	-	-	-	-	-	75,361	75,361
Balance as at 1 July 2013 - as restated	564,600	-	349,959	179,967	25,272	1,842,000	1,995,268	4,957,066
Transfer to general reserve	-	-	-	-	-	800,000	(800,000)	-
Total comprehensive income for the period							604,754	604,754
Profit for the period	-	-	-	-	-	-	604,754	604,754
Other comprehensive income								
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	-	49,607	-	-	-	49,607
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)	-	-	-	(211,393)
Proportionate share of other comprehensive income of equity accounted investees	-	-	-	-	63,877	-	-	63,877
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
Transactions with owners								
Dividend:								
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	-	-	(84,690)	(84,690)
Transfer to reserve for issue of bonus shares @ 10% subsequent to the year end (i.e. 30 June 2013)	-	56,460	(56,460)	-	-	-	-	-
	-	56,460	(56,460)	-	-	-	(84,690)	(84,690)
Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-	-	-
Balance as at 31 March 2014	621,060	-	293,499	18,181	89,149	2,642,000	1,715,332	5,379,221

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

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


Chief Executive


Director


Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

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 2014 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 2013.
- 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 quarter and nine months period ended 31 March 2014

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 for the year ended 30 June 2013 except for the change in accounting policy as follows:

3.1 Change in accounting policy for employee benefits - defined benefit plan

IAS 19 (revised) 'Employee benefits' amends the accounting for employment benefits which became effective to the Group from 1 July 2013. The changes introduced by the IAS 19 (revised) are as follows:

- (a) The standards requires past service cost to be recognised immediately in profit or loss;
- (b) The standards replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- (c) There is new term "remeasurement". This is made up of actuarial gains and losses, the differences between actual investment returns and return implied by the net interest cost; and
- (d) The amendment requires an entity to recognise remeasurements immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortised over the expected future services of the employees.

The management believes that the effects of these changes would not have significant effect on this condensed interim consolidated financial information except for the changes referred in (d) above that has been accounted for retrospectively in accordance with the requirement of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' resulting in restatement of financial statements of prior period.

The effect of the change in accounting policy has been demonstrated below:

Rupees in '000	30 June 2013	1 July 2012
Effect on balance sheet		
Unappropriated profit		
As previously reported	1,919,907	1,198,788
Effect of change in accounting policy	75,361	8,445
As restated	1,995,268	1,207,233

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

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Rupees in '000	30 June 2013	1 July 2012
Trade and other payables		
As previously reported	415,057	692,709
Effect of change in accounting policy - balance reclassified to other receivables	(114,184)	(12,796)
	300,873	679,913
Receivable from defined benefit plans reclassified to other receivables	113,953	12,429
As restated	414,826	692,342
Deferred taxation - Asset / (Liability)		
As previously reported	33,593	12,606
Effect of change in accounting policy	(38,823)	(4,351)
As restated	(5,230)	8,255
Other receivables		
As previously reported	22,461	36,760
Receivable from defined benefit plans reclassified from trade and other payables	113,953	12,429
As restated	136,414	49,189

"The management is in process of determining the effect of this change, if any, to the amount to be recognised through Comprehensive Income for the full year ending 30 June 2014 and has therefore not considered any amount as an adjustment in the condensed interim consolidated profit and loss account and condensed interim consolidated statement of other comprehensive income for the current period and prior periods.

This change in accounting policy has no impact on the statement of cash flows and on earnings per share.

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 2013.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Nine months period 31 March 2014		Nine months period ended 31 March 2013	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	47,568	38,410	49,244	84,658
Plant and machinery - leased	34,995	-	-	-
Furniture and fittings	382	-	169	-
Electrical / office equipment and installation	586	-	857	10
Computers	954	40	552	-
Motor vehicles - owned	3,796	4,126	26,820	19,738
Motor vehicles - leased	9,571	1,405	14,290	-
Workshop equipment	84	-	-	-
	97,936	43,981	91,932	104,406

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

The following associates, over which the Group has significant influence are accounted for under the equity method of accounting as defined in International Accounting Standard IAS 28, 'Investments in Associates'.

Unaudited 31 March 2014	Audited 30 June 2013		Note	Unaudited 31 March 2014	Audited 30 June 2013
Number of shares				Rupees in '000	
		Quoted			
72,103,141	69,175,416	Altern Energy Limited (Chief Executive Officer - Syed Zamanat Abbas)	6.1	2,483,494	2,040,213
19,471,769	15,244,665	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)	6.2	19,759	-
				2,503,253	2,040,213

- 6.1** The Holding Company and the Subsidiary Companies hold 16.64% and 3.2% respectively i.e. aggregate holding of 19.84% in the investee company. There is no common directorship in the investee company. However, only for the purpose of equity accounting as required under IAS 28 'Investments in Associates' it has been treated as an associate.
- 6.2** During the period the Group has further invested Rs. 85.120 million in the investee company, which has been adjusted by share of losses and reserves for the period.
- 6.3** The above figures are based on financial information of these companies as at 31 December 2013.
- 6.4** The fair value of investments in associates as at 31 March 2014 is Rs. 2,091.035 million (30 June 2013: Rs. 1,118.256 million).

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Unaudited 31 March 2014	Audited 30 June 2013
7. OTHER LONG TERM INVESTMENTS			
Investments in related parties			
Available for sale	7.1	-	-
Other investments			
Available for sale		220,717	220,717
		220,717	220,717

- 7.1 This represents 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 2014	Audited 30 June 2013
8. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR Coil)		269,284	11,142
Coating materials		89,574	103,232
Others		15,308	16,762
Raw cotton		303,436	313,503
Stock-in-transit		94,957	-
		772,559	444,639
Work-in-process			
Work-in-process		63,410	17,574
Finished goods			
Finished goods		129,006	196,283
Scrap / cotton waste			
Scrap / cotton waste		10,534	3,923
		202,950	217,780
		975,509	662,419
9. TRADE DEBTS			
Secured			
Considered good		98,072	36,605
Unsecured			
Considered good		72,959	160,252
Considered doubtful		2,786	13,701
Provision for doubtful trade debts		(2,786)	(13,701)
		72,959	160,252
		171,031	196,857

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Unaudited 31 March 2014	Audited 30 June 2013
10. ADVANCES		
Unsecured - Considered good		
Advances to executives	3,126	2,645
Suppliers for goods and services	51,370	29,009
Unsecured - Considered doubtful		
Suppliers for goods and services	47	47
Provision for doubtful advances	(47)	(47)
	-	-
	54,496	31,654
11. INVESTMENTS		
Investments in related parties		
Available for sale	71,185	8,007
Held to maturity	11.1 29,994	29,994
	101,179	38,001
Other investments		
Available for sale	-	258,011
Held for trading	753,519	647,899
Investment in commodity	2,171	2,086
	755,690	907,996
	856,869	945,997

- 11.1** This represents 2,999,396 (30 June 2013: 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 Group does not intend to exercise the option to convert the preference shares into ordinary shares as mentioned above. A provision of Rs. 5.106 million (30 June 2013: Rs. 5.106 million) has been recognized against the exposure as the balance amount is considered to be recovered in due course of time.

- 11.2** Investments having an aggregate market value of Rs. 1,731.995 million (30 June 2013: Rs. 909.398 million) have been pledged with financial institutions as security against financing facilities (see note 13.4) out of which Rs. 1,291.138 million (30 June 2013: Rs. 664.659 million) relates to long term investments.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

12. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	Unaudited 31 March 2014	Audited 30 June 2013	Unaudited 31 March 2014	Audited 30 June 2013	Unaudited 31 March 2014	Audited 30 June 2013
Rupees in '000						
Not later than one year	48,790	38,577	7,920	6,461	40,870	32,116
Later than one year and not later than five years	48,634	37,505	3,946	3,055	44,688	34,450
	97,424	76,082	11,866	9,516	85,558	66,566
Less: Current portion shown under current liabilities					40,870	32,116
					44,688	34,450

- 12.1** The Holding Company has entered into finance lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangements is three years (30 June 2013: three years) and the liability is payable by months ranging from four months to thirty-five months (30 June 2013: ten months to thirty-two months). The periodic lease payments include built-in rates of mark-up ranging between 14.59% to 20.25% (2013: 14.59% to 20.25%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 86.658 million (30 June 2013: Rs. 64.161 million) which pertains to obligations arising from sale and leaseback of assets.

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

	Unaudited 31 March 2014	Audited 30 June 2013
Rupees in '000		
13. SHORT TERM BORROWINGS		
Secured from banking companies		
Running finances under mark-up arrangements	435,171	285,890
Short term loans	394,018	132,475
	829,189	418,365

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

- 13.1** Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 600 million (30 June 2013: Rs. 500 million) out of which Rs. 250 million (30 June 2013: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 10.58% to 12.71% (2013: 10.81% to 15.10%) per annum.
- 13.2** Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2013: Rs. 1,100 million) out of which Rs. 300 million (30 June 2013: Rs. 300 million) is interchangeable with letters of credit facility. During the period, the mark-up on such arrangements ranged between 11.26% to 13.12% (2013: 11.27% to 14.35%) per annum.
- 13.3** The facilities for opening letters of credit amounted to Rs. 1,400 million (30 June 2013: Rs. 1,400 million) out of which Rs. 250 million (30 June 2013: Rs. 250 million) and Rs. 300 million (30 June 2013: Rs. 300 million) are interchangeable with short term running finance and short term loans respectively as mentioned in notes 13.1 and 13.2 above. The facility for letters of guarantee as at 31 March 2014 amounted to Rs. 500 million (30 June 2013: Rs. 500 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2014 were Rs. 964.459 million and Rs. 226.744 million (30 June 2013: Rs. 1,356.764 million and Rs. 191.017 million) respectively.
- 13.4** The above facilities are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document.

14. CONTINGENCIES AND COMMITMENTS

- 14.1** There is no change in the status of contingencies set out in note 13 to the Group's annual consolidated financial statements for the year ended 30 June 2013, except as set out in note 14.2 below.
- 14.2** Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated Rs. 273.256 million (30 June 2013: Rs. 308.983 million).
- 14.3** Commitments in respect of capital expenditure contracted for as at 31 March 2014 amounted to Rs. 24.375 million (30 June 2013: Rs. 17.592 million) payable by June 2014 representing office premises located in Islamabad. This also includes commitments contracted by the subsidiaries companies aggregating Rs. 16.913 million (30 June 2013: Rs. 10.13 million) in respect of capital expenditure to acquire plant and machinery and infrastructure development.
- 14.4** Commitments under letters of credit as at 31 March 2014 amounted to Rs. 76.536 million (30 June 2013: Rs. 43.236 million).

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
15. SALES - NET				
Local sales				
Bare pipes (own product excluding coating revenue)	747,414	809,872	772,880	1,204,099
Revenue from conversion	-	1,154	6,752	5,908
Coating of pipes	17,979	158,080	38,846	595,662
Cotton yarn / raw cotton	600,992	719,097	2,220,775	1,824,970
Others (including pipes laboratory testing)	4,217	8,008	17,254	58,071
Scrap / waste	26,882	23,467	50,936	67,261
Sales returns	(1,174)	(2,036)	(30,528)	(11,166)
	1,396,310	1,717,642	3,076,915	3,744,805
Export sales				
Cotton yarn / raw cotton	10,482	101,378	221,725	421,096
	1,406,792	1,819,020	3,298,640	4,165,901
Sales tax	(122,929)	(139,937)	(163,933)	(262,174)
	1,283,863	1,679,083	3,134,707	3,903,727
16. INCOME FROM INVESTMENTS				
Return on term finance certificates	-	-	-	76
Dividend income	9,461	13,459	43,032	58,317
(Loss) / gain on commodity	(85)	-	86	-
Gain on sale of investments - net	16,338	18,931	224,342	37,791
Unrealized gain on held for trading investments - net	62,631	4,268	108,288	74,994
Rent from investment property	2,858	2,712	8,572	7,922
	91,203	39,370	384,320	179,100

- 16.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.374 million (2013: Rs. 2.663 million). Further, Rs. 0.978 million (2013: Rs. 0.919 million) were incurred against non rented out area.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
17. OTHER OPERATING EXPENSES				
Exchange loss	-	7,361	500	17,773
Provision for slow moving stores, spares and loose tools	-	-	3,326	942
Loss on disposal of operating fixed assets	-	-	2,945	-
Provision for Workers' Welfare Fund	24	4,793	24	19,302
Provision for Workers' Profit Participation Fund	89	11,283	89	38,475
Provision for liquidated damages	2,152	5,000	2,152	9,891
Provision for Government Infrastructure Development Cess	721	-	7,222	-
Impairment charge relating to capital work in process	-	-	-	20,619
Others	-	-	-	138
	2,986	28,437	16,258	107,140

18. OTHER INCOME

Corresponding period includes an amount of Rs. 310.872 million on account of gain on final settlement of insurance claim received against damages caused by fire in the Spinning Unit No. 2 of the Cotton segment of the Holding Company situated in Jaranwala on 7 January 2012.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Unaudited Quarter ended		Unaudited Nine months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
19. FINANCE COSTS				
Incurring on:				
- finance lease obligations	2,822	1,064	6,911	2,794
- running finances / short term loans	29,447	21,214	53,030	35,697
Bank charges	4,024	3,859	4,817	5,154
	36,293	26,137	64,758	43,645

20. TAXATION

20.1 Minimum tax liability of Rs. 29.143 million 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	Note	Unaudited Quarter ended		Unaudited Nine months period ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
21. BASIC AND DILUTED EARNINGS PER SHARE					
Profit for the period		217,756	226,703	604,754	680,371
		(Number of shares)	(Number of shares)	(Number of shares)	(Number of shares)
			(Restated)		(Restated)
Average number of ordinary shares					
in issue during the period	21.1	62,105,992	62,105,992	62,105,992	62,105,992
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
			(Restated)		(Restated)
Basic and diluted earnings per share		3.51	3.65	9.74	10.95

21.1 The number of shares for the prior periods have been adjusted for the effect of bonus shares issued during the current period. As a result of which prior earnings per share (basic and diluted) has been restated.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Nine months period ended	
		31 March 2014	31 March 2013
22 CASH USED IN OPERATIONS			
Profit before taxation for the period		602,387	979,904
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		69,775	68,043
Amortization of intangible assets		3,744	1,487
Charge for the period on staff retirement benefit funds		9,990	9,085
Charge for compensated absences		172	1,507
Provision for 10-C bonus		33	1,683
Amortization of advances to staff		-	5
Dividend income		(43,032)	(58,317)
Unrealized gain on held for trading investments - net		(108,288)	(74,994)
Gain on sale of investments - net		(224,342)	(37,791)
Unrealized gain on commodity - Silver		(86)	-
Provision for stock-in-trade and stores, spares and loose tools - net		3,326	377
Reversal of provision for doubtful trade debts - net		(10,916)	-
Provision for Workers' Welfare Fund		-	19,215
Provision for Workers' Profit Participation Fund		113	38,475
Provision for Government Infrastructure Development Cess		7,222	-
Provision for liquidated damages		2,152	9,891
Reversal of provision for liquidated damages		-	(8,934)
Return on deposits, loan and investments		(613)	(675)
Loss / (gain) on disposal of operating fixed assets		2,945	(303,733)
Deferred income		(635)	(71)
Impairment charge relating to capital work in process		-	20,619
Finance costs		64,758	43,645
Share of profit from equity accounted investees - net of taxation		(325,952)	(165,783)
Working capital changes	22.1	(241,583)	(720,743)
		(188,830)	(177,105)
22.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(5,353)	(26,136)
Stock-in-trade		(302,502)	(508,113)
Trade debts		36,742	(54,652)
Advances		(22,842)	61,461
Trade deposits and short term prepayments		(4,584)	(3,097)
Other receivables		(44,701)	(83,122)
		(343,240)	(613,659)
Increase / (decrease) in current liabilities			
Trade and other payables		101,657	(107,084)
		(241,583)	(720,743)

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Nine months period ended	
		31 March 2014	31 March 2013
23. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(435,171)	(434,208)
Cash and bank balances		16,194	85,053
		(418,977)	(349,155)

24. SEGMENT REPORTING

24.1 Reportable segments

The Group's reportable segments as per the requirement of International Financial Reporting Standard 8 are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.
- Cotton segment - It comprises of manufacturing of yarn.
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment property (held for rentals as well as long term appreciation).
- Energy segment - It comprises operations of Shakarganj Energy (Private) Limited.

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

24.2 Segment revenues and results

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
For the nine months period ended					
31 March 2014					
Sales - net	726,533	2,408,174	-	-	3,134,707
Cost of sales	620,954	2,399,097	-	-	3,020,051
Gross profit	105,579	9,077	-	-	114,656
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
Operating profit / (loss) before finance costs	19,518	(47,949)	372,449	(2,825)	341,193
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
(Loss) / profit before taxation	(5,257)	(83,831)	638,773	52,702	602,387
Taxation					(2,367)
Profit for the period					604,754

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
For the nine months period ended					
31 March 2013					
Sales - net	1,635,496	2,268,231	-	-	3,903,727
Cost of sales	1,210,455	2,099,033	-	-	3,309,488
Gross profit	425,041	169,198	-	-	594,239
Income from investments	-	-	179,100	-	179,100
	425,041	169,198	179,100	-	773,339
Distribution and selling expenses	9,445	42,100	-	-	51,545
Administrative expenses	83,835	21,153	10,422	821	116,231
Other operating expenses	45,829	39,221	22,090	-	107,140
	139,109	102,474	32,512	821	274,916
	285,932	66,724	146,588	(821)	498,423
Other income	18,889	340,148	173	133	359,343
Operating profit / (loss) before finance costs	304,821	406,872	146,761	(688)	857,766
Finance costs	9,372	21,920	12,351	2	43,645
Share of profit in equity accounted investees - net of taxation	-	-	144,933	20,850	165,783
Profit before taxation	295,449	384,952	279,343	20,160	979,904
Taxation					299,533
Profit for the period					680,371

24.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2013: Nil).

24.2.2 The accounting policies of the reportable segments are the same as the Group's accounting policies as disclosed in the audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2013. 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.

24.3 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 15 to this condensed interim consolidated financial information.

24.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 595,609 million (2013: Rs. 1,241,737 million) of total Steel segment revenue of Rs. 726,533 million (2013: Rs. 1,635,496 million). Further, revenue from major customers of Cotton segment represent an aggregate amount of Rs. 261,155 million (2013: Rs. 717,387 million) of total Cotton segment revenue of Rs. 2,408,174 million (2013: Rs. 2,268,231 million).

24.5 Geographical information

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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Note	Unaudited		Unaudited	
		Quarter ended		Nine months period ended	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
Pakistan		1,273,381	1,577,705	2,912,982	3,482,631
Far East		10,482	101,378	221,725	421,096
		1,283,863	1,679,083	3,134,707	3,903,727

24.5.2 All non-current assets of the Group as at 31 March 2014 and 30 June 2013 were located and operated in Pakistan.

24.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total	
As at 31 March 2014					
Segment assets for reportable segments	1,473,225	1,143,641	1,258,579	616,136	4,491,581
Investment in equity accounted investees	-	-	2,256,597	246,656	2,503,253
Unallocated corporate assets					(285,948)
Total assets as per balance sheet					6,708,886
Segment liabilities for reportable segments	179,412	258,087	63,480	4,882	505,861
Unallocated corporate liabilities					823,804
Total liabilities as per balance sheet					1,329,665
As at 30 June 2013 - Restated					
Segment assets for reportable segments	514,925	1,390,398	1,351,364	526,847	3,783,534
Investment in equity accounted investees	-	-	1,840,398	199,815	2,040,213
Unallocated corporate assets					49,568
Total assets as per balance sheet					5,873,315
Segment liabilities for reportable segments	153,605	210,255	3,031	2,313	369,204
Unallocated corporate liabilities					547,045
Total liabilities as per balance sheet					916,249

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

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
- all liabilities are allocated to reportable segments other than 'trade and other payables' directly relating to corporate, 'short term borrowings', 'mark-up accrued' and liabilities relating to current and deferred taxation.

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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000	Steel segment	Cotton segment	IID segment	Total	
For the nine months period ended					
31 March 2014					
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)
For the nine months period ended					
31 March 2013					
Capital expenditure	7,784	66,073	3,454	129,360	206,671
Depreciation and amortization	20,357	45,621	3,557	-	69,535
Non-cash items other than depreciation and amortization - net	43,571	(246,820)	(281,571)	(20,981)	(505,801)

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. Balances and transactions between the Holding Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 March 2014	31 March 2013
Altern Energy Limited	Associated company	Dividend received	72,103	-
Shakarganj Mills Limited	Associated company	Dividend paid	6,120	2,448
		Sales of finished goods	3,145	41,747
		Sale of raw cotton	-	130,554
		Services received	2,564	895
		Reimbursable expenses	1,171	2,183
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	1	1

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the quarter and nine months period ended 31 March 2014

Rupees in '000			Unaudited	
Name of entity	Nature of relationship	Nature of transaction	31 March 2014	31 March 2013
Premier Insurance Company *	Related party	Dividend paid	-	11
		Insurance premium	8,672	1,571
Pakistan Centre for Philanthropy *	Related party	Annual Subscription	-	180
The Citizens' Foundation *	Related party	Donation given	11,298	13,004
Commecs Educational Trust *	Related party	Donation given	-	2,000
The Crescent Textile Mills Limited *	Related party	Dividend paid	13,972	5,589
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	1,400	1,341
		Dividend paid	11	4
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	2,825	2,593
		Dividend paid	2,675	621
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	6,623	6,492
		Dividend paid	6,423	1,244
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	3,975	3,665
		Dividend paid	1,126	400
Key management personnel	Related parties	Remuneration and benefits	49,507	40,427

* 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 quarter and nine months period ended 31 March 2014

- 25.1** 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.
- 25.2** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 25.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group. There were no transactions with key management personnel during the period other than their terms of employment / entitlements.

26. 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 2013.

27. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on 28 April 2014 has declared first interim cash dividend of Re. 1 per share (i.e. 10%), amounting to Rs. 62.106 million. This condensed interim consolidated financial information does not reflect this proposed issue.

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 28 April 2014.


Chief Executive


Director


Chief Financial Officer

