

CONDENSED INTERIM REPORT
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2014

FROM
LEGEND
TO
LEGACY



Crescent Steel and
Allied Products Limited

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COMPANY INFORMATION

Board of Directors

Ahmad Waqar*
Chairman, Non-Executive Director
(Independent)
Ahsan M. Saleem*
Chief Executive Officer and Managing
Director
Nasir Shafi*
Non-Executive Director
Khurram M. Karim*
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 Officer and
Managing Director
Ahsan M. Saleem – 1983**

Chief Financial Officer
Muhammad Saad Thaniana – 2007**

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

BU Head – Cotton Division
Abdul Rouf – 2000**

Human Resource Advisor
Ehsan Durrani – 2008**

Head of Marketing – Steel
Division
Arif Raza – 1985**

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

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

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

Stock Exchange Listing

Crescent Steel and Allied
Products Limited is a listed
Company and its shares are
traded on all the three stock
exchanges of Pakistan. The
Company's shares are quoted
in leading dailies under the
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.
Tel: +92 21 3567 4881-85
Email: abdul.wahab@crestent.com.pk

Shareholders' information

Enquiries concerning lost share
certificates, dividend payments,
change of address, verification
of transfer deeds and share
transfers should be directed to
M/s CorpTec Associates (Private)
Limited, 503-E Johar Town,
Lahore.
Tel: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: info@corptec.com.pk

Products

Steel division

Manufacturer of DSAW steel
line pipes in diameters ranging
from 8" to 90" and applicator of
internal and external coating
conforming to international
standards.

Fabrication of machinery for
sugar and cement industry.

Cotton division

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

* As on 28 January 2015

** Year joined Company

COMPANY INFORMATION

Auditors

KPMG Taseer Hadi & Co.

Legal advisor

Hassan and Hassan, Advocates,
Lahore

Bankers

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

Registered office

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

Liaison office Lahore

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

Principal office

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

Factory – Steel division

Pipe and Coating plants

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

Engineering unit

17 Km Summundri Road,
Dalawal, District Faisalabad,
Punjab.
Tel : +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.
Tel : +92 41 4318 061-65
Fax: +92 41 4318 066
Email: abdul.rouf@crescent.com.pk

Power plant

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

Crescent Hadeed (Private) Limited

57 Kilometer, Jhang Sargodha
Road, Bhone, District Jhang
Tel: +92 47 6006111

Corporate website

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



For Condensed Interim
Report for the half year ended
December 2014, go to <http://www.crescent.com.pk/wp-content/uploads/2014/12/HalfYear-Dec2014.pdf> or scan QR code



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 is the first Pakistani company to acquire oil and gas industry specific ISO/TS 29001, Quality Management System Certification from API.

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

CSAPL has diversified its product offering by adding capabilities to fabricate and erect machinery especially for sugar and cement industry. This diversification enables the Company to manufacture machineries such as boilers, cane shredders up to diameter of 1700mm, juice heaters,

evaporators, batch and continuous vacuum pans, centrifugal machines, stainless steel spray clusters and multi-jet condensers, perforated plates and vibro screens, and high voltage transformer tanks.

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

COTTON DIVISION

The Company is running cotton spinning mill located at Jaranwala near Faisalabad, which is the hub of textile industry and carries out this activity under the name and title of "Crescent Cotton Products" (CCP) a division of Crescent Steel and Allied Products Limited. CCP is a division of the Company but its operating results are shown separately. CCP as a division holds ISO 9001: 2008 Quality Management Credentials, is registered with Ministry of Textile Industry Pakistan and is a member of International Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces good quality

COMPANY PROFILE

cotton yarn with value addition of Slub, Siro and Compact Attachments. CCP consisting of 19,680 spindles is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts from 6s to 30s and has a notional capacity (based on 20s) of 6.5 million kgs per annum. CCP products are consistently in demand and generally sold at a premium.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The division manages a portfolio of equity investments and real estate. The portfolio is balanced in a way that spreads risk over a diversified spectrum and offers potential for growth as well as dividend yields.

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

SHAKARGANJ ENERGY (PRIVATE) LIMITED

Shakarganj Energy (Private) Limited (SEL) had developed a co-generation, bagasse fired thermal generation power plant which had commenced its commercial operations in December 2014. The primary business of the subsidiary is to generate, accumulate, distribute, sell and supply electricity to FESCO, PEPCO and to other distribution companies as permitted.

Solution De Energy (Private) Limited

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

CRESCENT HADEED (PRIVATE) LIMITED

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

DIRECTORS' REVIEW

Dear Shareholders

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the half year ended 31 December 2014 (H1FY15).

Economic Outlook

Marginal improvement in electricity supply and declining oil prices facilitated greater industrial production and has helped to accelerate growth while reforms initiated by the government helped to improve economic conditions during the first half of fiscal year 2015. Renewed support from development partners, a \$2 billion Eurobond issue - the first in 7 years - followed by a \$1 billion Sukuk issue helped stabilize the currency and rebuild foreign exchange reserves from very low levels.

Going into the second half of fiscal year 2015, economic indicators are strong with single digit CPI, a stronger Pakistan Rupee and lower oil prices. A stable macroeconomic environment is dependent on the continuation of economic reforms and efforts to improve the security environment in order to maintain business confidence and help revive private investment.

Financial and Operational Performance

Overall financial performance

On the basis of unconsolidated results for H1FY15, the Company's after tax profit declined to Rs. 142.6 million as compared to Rs. 166.6 million in the same period last year. Steel and IID division closed on positive bottom line, whereas cotton division reported loss before tax. Earnings per share (EPS) for the current period stood at Rs. 2.30 as compared to EPS of Rs. 2.68 in the corresponding period last year.

Sales revenue amounted to Rs. 1,173.3 million (H1FY14: Rs. 1,852.2 million), with the Cotton Division contributing 69.5% to turnover at Rs. 815.8 million (H1FY14: Rs. 1,792.2 million). Turnover from the Cotton division was down by Rs. 976.4 million (54.5%) as yarn outsourcing contracts in place last year were no longer in effect. Sales revenue from the Steel Division at Rs. 357.5 million (H1FY14: Rs. 60.0 million) was higher as compared to the corresponding period last year while investment income from the IID Division was marginally lower at Rs. 210.4 million (H1FY14: Rs. 269.9 million).

Consolidated profit after tax and EPS for the Group for H1FY15 stood at Rs. 66.9 million and Rs. 1.08 per share (H1FY14: PAT Rs. 387.0 million, EPS Rs. 6.23). Net share of profit from equity-

accounted associates amounted to Rs. 32.8 million (H1FY14: Rs. 221.9 million), attributable mainly to share of losses on recognition of deferred tax charge on undistributed profits of Rousch (Pakistan) Power Limited in the consolidated results of AEL.

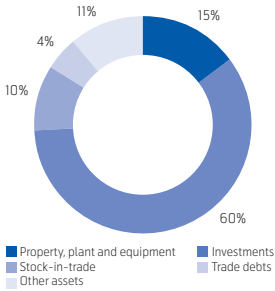
During the first half of fiscal year 2015 Shakarganj Energy (Private) Limited commenced commercial operations and has started supplying electricity to FESCO.

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

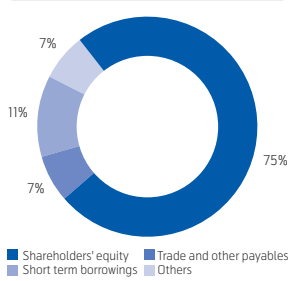
- Sales revenue declined to Rs. 1,173.3 million as compared to Rs. 1,852.2 million in H1FY14.
- Investment income decreased to Rs. 210.4 million as compared to Rs. 269.9 million in H1FY14.
- Gross Profit increased to Rs. 69.9 million as compared to a gross loss of Rs. 38.9 million in H1FY14.
- EBITDA increased to Rs. 228.8 million as compared to Rs. 201.0 million in H1FY14.
- EPS stood at Rs. 2.30 for the current period, as compared to EPS of Rs. 2.68 for H1FY14.
- Return on average capital employed (annualized) was 7.3% in H1FY15 as compared to 6.7% in H1FY14.
- Return on average equity (annualized) was 7.0% in H1FY15 as compared to 8.4% in H1FY14.

DIRECTORS' REVIEW

Total Assets



Total Liabilities

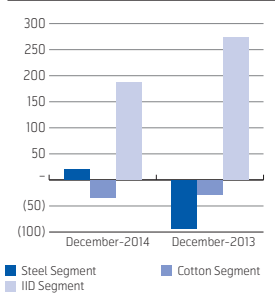


Investment and Infrastructure Development (IID) segment

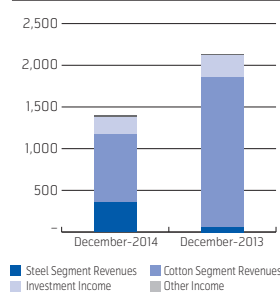
Market Review

After a dull first quarter of FY15, the market witnessed robust activity and increased by 8.09% during the second quarter. In aggregate, for the half year ended December 2014, the KSE-100 Index increased by 8.36% to close at 32,131 points.

Profit from Operations Rupees in million



Revenue and Income Rupees in million



- Break-up value per share increased to Rs. 65.3 from Rs. 64.5 as at 30 June 2014.

Business Segments

Steel segment

Segment performance

Performance of Steel division showed slight improvement when compared to the same period last year, however remained below expectations due to low order conversions. Revenue improved to Rs. 357.5 million (H1FY14: Rs. 60.0 million) with a Gross Profit of Rs. 91.6 million (H1FY14: gross loss of Rs. 46.6 million). Consequently, net profit before tax for the period stood at Rs. 4.5 million compared to net loss before tax of Rs. 97.4 million last year.

Cotton segment

Segment performance

The limited energy supply to Punjab based textile industries constrained the unit from running at desired capacity to meet targeted production, consequently, production fell by 2% relative to the same period last year. In terms of volumes, sales were down by 2.5% as compared to H1FY14. Cotton division recorded sales revenue of Rs. 815.8 million (H1FY14: Rs. 1,792.2 million; including outside conversion and raw cotton sales of Rs. 840.1 million).

The division reported loss before tax of Rs. 50.7 million against LBT of Rs. 50.3 million in H1FY14.

Segment performance – Unconsolidated

During the period under review, IID division's CSAPL portfolio of equity investments recorded an ROI of 11.42% on average investments of Rs. 474.5 million (excluding strategic investments).

Income from investment activities during the period amounted to Rs. 210.4 million (H1FY14: Rs. 269.9 million). The division's profit before tax stood at Rs. 186 million, compared to PBT of Rs. 272.2 million in H1FY14. The YoY variance in PBT is due to profit impacts of Rs. 193.7 million on disposal of AFS investments last year, this was mitigated by dividend income of Rs. 145.1 million from AEL and subsidiaries – CS Capital (Private) Limited and Shakarganj Energy (Private) Limited.

Closing position of the investment portfolio was Rs. 3,224.1 million as compared to Rs. 2,844.1 million as of 30 June 2014.

DIRECTORS' REVIEW

Segment performance – Consolidated

As per consolidated results, after inclusion of bottom line contribution of Rs. 45 million from CS Capital (Private) Limited, profit before taxation for IID Division for the H1FY15 was Rs. 108 million compared to PBT of Rs. 473 million for H1FY14. This reduction is mainly attributable to a decline in share of profits from associates when compared to last year.

The value of investments portfolio as of 31 December 2014 was Rs. 3,518 million as compared to Rs. 3,518.5 million as of 30 June 2014.

Financial Position

Balance sheet

Balance sheet footing stood at Rs. 5,428.8 million as of 31 December 2014, compared to Rs. 4,733.0 million as of 30 June 2014. Break-up value per share increased to Rs. 65.3 from Rs. 64.5 as at 30 June 2014.

Current ratio as at 31 December 2014 declined marginally to 1.7: 1 from 2.3: 1 as at 30 June 2014. Gearing ratio increased to 18.3% as at 31 December 2014 over 5% as at 30 June 2014, mainly attributable to CAPEX financing.

On a Group basis, the consolidated balance sheet footing increased to Rs. 6,788.5 million, compared to Rs. 6,165.2 million as of 30 June 2014. Total shareholders' fund reduced to Rs. 5,208.8 million

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

Board Composition

The new Board will be elected at the expiry of the Board's term which is due on the 29th of January 2015.

Future Outlook

Tender bids for orders floated during the year are under evaluation – and are expected to materialize in the second half of FY15. Infrastructure development is still on the cards and the Government has announced a LNG pipeline project that will be laid from Karachi to Lahore. However, foreign bidders specially Chinese suppliers are participating aggressively in steel line pipe tenders resulting in increased competition.

Textile sector especially spinning is going through hard times, given reduced demand of yarn and fabric from China and stiff competition in international market because of high cost of production. Going forward, it is expected that, cotton prices will remain range bound which may benefit the spinning sector only if yarn prices move up, improving profit margins.

Strong fundamental performances surrounded by positive macroeconomic

factors have led to strong price appreciation. With reduction in policy rate, expected foreign inflows and reduction in input costs for the manufacturing sector post decline in oil prices; capital market is expected to further appreciate in the later part of FY15.

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

For and on behalf of the Board of Directors



Ahsan M. Saleem
Chief Executive Officer
28 January 2015

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended 31 December 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

on Review of Condensed Interim Unconsolidated Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Crescent Steel and Allied Products Limited** ("the Company") as at 31 December 2014 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

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

Conclusion

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

The figures for the quarter ended 31 December 2014 in the condensed interim unconsolidated financial information have not been reviewed by us and we do not express a conclusion on them.

Date 28 January 2015

Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammed Nadeem

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 December 2014

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	813,078	795,085
Intangible assets		10,696	14,031
Investment property		25,318	27,135
Long term investments	6	2,729,174	2,388,183
Long term deposits		26,430	26,169
Deferred taxation		9,672	-
		3,614,368	3,250,603
Current assets			
Stores, spares and loose tools		69,751	71,956
Stock-in-trade	7	547,521	407,199
Trade debts	8	245,343	89,479
Advances		19,088	48,581
Trade deposits and short term prepayments		8,260	7,074
Investments	9	494,919	455,963
Other receivables		176,555	136,081
Taxation - net		178,167	158,819
Cash and bank balances		74,852	107,246
		1,814,456	1,482,398
Total assets		5,428,824	4,733,001
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	621,060
Capital reserves			
		297,304	298,742
Revenue reserves			
		3,136,792	3,087,377
		4,055,156	4,007,179
Non-current liabilities			
Long term loan	10	265,000	-
Liabilities against assets subject to finance lease		49,412	61,963
Deferred taxation		-	9,724
Deferred income		1,844	2,324
		316,256	74,011
Current liabilities			
Trade and other payables	11	373,421	372,447
Mark-up accrued		15,336	8,168
Short term borrowings	12	626,576	228,366
Current portion of deferred income		2,034	1,764
Current portion of liabilities against assets subject to finance lease		40,045	41,066
		1,057,412	651,811
Contingencies and commitments	13		
Total equity and liabilities		5,428,824	4,733,001

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter and six months period ended 31 December 2014

Rupees in '000	Note	Quarter ended		Six months period ended	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Sales - net	14	675,386	886,761	1,173,265	1,852,244
Cost of sales		620,803	924,388	1,103,337	1,891,155
Gross profit / (loss)		54,583	(37,627)	69,928	(38,911)
Income from investments	15	105,539	90,173	210,406	269,946
		160,122	52,546	280,334	231,035
Distribution and selling expenses		8,904	16,153	14,358	33,365
Administrative expenses		53,677	38,333	92,191	77,838
Other operating expenses		15,617	13,113	15,617	13,613
		78,198	67,599	122,166	124,816
		81,924	(15,053)	158,168	106,219
Other income		6,121	19,400	14,832	46,613
Operating profit before finance costs		88,045	4,347	173,000	152,832
Finance costs	16	22,727	15,728	33,220	28,305
Profit / (loss) before taxation		65,318	(11,381)	139,780	124,527
Taxation - current		6,904	(6,597)	16,602	5,498
- prior		-	(2,791)	-	(2,791)
- deferred		(12,356)	(49,533)	(19,396)	(44,790)
	17	(5,452)	(58,921)	(2,794)	(42,083)
Profit for the period		70,770	47,540	142,574	166,610
				Rupees	
Basic and diluted earnings per share	18	1.14	0.77	2.30	2.68

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and six months period ended 31 December 2014

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit for the period	70,770	47,540	142,574	166,610
Other comprehensive income				
Items that are or may be reclassified subsequently to profit and loss account				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(1,456)	2,117	(1,438)	43,089
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)
Other comprehensive income for the period	(1,456)	2,117	(1,438)	(168,304)
Total comprehensive income for the period	69,314	49,657	141,136	(1,694)

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Six months period ended	
		31 December 2014	31 December 2013
Cash flows from operating activities			
Cash (used in) / generated from operations	19	(112,831)	27,406
Taxes paid		(36,529)	(27,589)
Finance costs paid		(19,285)	(23,943)
Contribution to gratuity and pension funds		(6,836)	(6,701)
Contribution to Workers' Profit Participation Fund		(4,851)	(52,395)
Infrastructure fee paid		(592)	(339)
Compensated absences paid		(44)	(75)
10-C bonus paid		(1,067)	(2,326)
Long term loans and deposits - net		(260)	(11,855)
Net cash used in operating activities		(182,295)	(97,817)
Cash flows from investing activities			
Capital expenditure		(71,874)	(65,227)
Acquisition of intangible assets		(21)	(900)
Proceeds from disposal of operating fixed assets		7,432	394
Investments - net		(418,705)	82,539
Dividend income received		125,824	33,662
Interest income received		1,454	220
Net cash (used in) / flow from investing activities		(355,890)	50,688
Cash flows from financing activities			
Proceeds from long term loan		265,000	-
Proceeds from disposal of operating fixed assets under sale and leaseback arrangements		10,000	38,787
Payments against finance lease obligations		(30,138)	(10,397)
Proceed from short term loans obtained		-	40,685
Dividends paid		(137,281)	(141,294)
Net cash flow / (used in) from financing activities		107,581	(72,219)
Net decrease in cash and cash equivalents		(430,604)	(119,348)
Cash and cash equivalents at beginning of the period		(121,120)	(220,251)
Cash and cash equivalents at end of the period	20	(551,724)	(339,599)

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31 December 2014

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	General reserve	Unappropriated profit	
Rupees in '000						
Balance as at 30 June 2013	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 after taxation	-	-	-	-	166,610	166,610
Other comprehensive income	-	-	(168,304)	-	-	(168,304)
Total Other comprehensive income for the period	-	-	(168,304)	-	-	(168,304)
Total comprehensive income for the period	-	-	(168,304)	-	166,610	(1,694)
Transaction with owners						
Dividend:						
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	(84,690)	(84,690)
Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-
Balance as at 31 December 2013	621,060	293,499	11,663	2,642,000	320,984	3,889,206
Balance as at 30 June 2014	621,060	293,499	5,243	2,642,000	445,377	4,007,179
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	142,574	142,574
Other comprehensive income	-	-	(1,438)	-	-	(1,438)
Total Other comprehensive income for the period	-	-	(1,438)	-	-	(1,438)
Total comprehensive income for the period	-	-	(1,438)	-	142,574	141,136
Transactions with owners						
Dividend:						
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	(93,159)	(93,159)
Balance as at 31 December 2014	621,060	293,499	3,805	2,642,000	494,792	4,055,156

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 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 Companies Ordinance, 1984) and is quoted on all stock exchanges of Pakistan. The registered office of the Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 21.

2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 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 unconsolidated financial statements of the Company as at and for the year ended 30 June 2014.
- 2.3 This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4 This condensed interim unconsolidated financial information is being submitted to the shareholders as required by listing regulations of Karachi Stock Exchange vide section 245 of the Companies Ordinance 1984.

3. ACCOUNTING POLICIES

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

4. ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 Estimates and judgements made by management in the preparation of this condensed interim unconsolidated financial information are the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2014.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Six months period ended 31 December 2014		Six months period ended 31 December 2013	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	21,349	9,554	46,456	38,232
Plant and machinery - leased	10,020	5,055	34,995	-
Furniture and fittings	198	-	382	-
Electrical / office equipment and installation	1,585	521	341	-
Computers	1,446	1,575	830	-
Motor vehicles - owned	9,080	3,268	3,796	4,126
Motor vehicles - leased	-	2,005	3,828	-
Workshop equipment	-	-	84	-
	43,678	21,978	90,712	42,358

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 37.449 million (2013: Rs. 13.122 million).

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
6. LONG TERM INVESTMENTS			
Subsidiary companies			
- at cost	6.1	1,688,539	964,770
- share deposit money			
Shakarganj Energy (Private) Limited	6.1.1	-	358,039
CS Capital (Private) Limited	6.1.5	22,000	35,000
Associated companies - at cost	6.2	839,689	851,428
Other long term investments	6.3	178,946	178,946
		2,729,174	2,388,183

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

6.1 Subsidiary companies - at cost

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

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

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

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

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

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

6.2 Associated companies - at cost

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

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

6.2.2 This represents provision for diminution in the value of investments of ordinary shares of Shakarganj Mills Limited. Provision amounting to Rs. 11.739 million made during the period is included in "other operating expenses" in profit and loss account.

6.2.3 The fair value of investments in associates as at 31 December 2014 is Rs. 2,093.120 million (30 June 2014: Rs. 1,559.371 million).

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
6.3 Other long term investments			
Investments in related parties			
Available for sale	6.3.1	58,946	-
Other investments			
Available for sale		120,000	178,946
		178,946	178,946

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
7. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR Coil)		20,656	19,823
Coating materials		34,494	88,798
Others		13,472	15,246
Raw cotton		343,659	144,193
Stock-in-transit		2,722	19,401
		415,003	287,461
Work-in-process			
Finished goods		23,178	42,007
Scrap / cotton waste		96,885	71,054
		12,455	6,677
		132,518	119,738
		547,521	407,199
8. TRADE DEBTS			
Secured			
Considered good		156,825	72,110
Unsecured			
Considered good		88,518	17,369
Considered doubtful		2,584	2,786
Provision for doubtful trade debts		(2,584)	(2,786)
		88,518	17,369
		245,343	89,479
9. INVESTMENTS			
Investments in related parties			
Available for sale - The Crescent Textile Mills Limited		7,831	9,269
Held to maturity	9.1	20,996	23,995
		28,827	33,264
Other investments			
Available for sale		-	-
Held for trading		466,092	422,699
		466,092	422,699
		494,919	455,963

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

- 9.1 This represents 2,999,396 (2014: 2,999,396) preference shares of Rs. 10 each of Shakarganj Mills Limited, a related party, issued in October 2004. These shares carry dividend rate of 8.5% per annum payable annually and were due for redemption in October 2009. The preference shares are convertible into ordinary shares of Rs. 10 each. The conversion option is exercisable at the end of every financial year of the investee company.

The Company does not intend to exercise the option to convert the preference shares into ordinary shares as mentioned above. Aggregate provision of Rs. 14.104 million (2014: Rs. 11.105 million) has been recognized against the exposure as the balance amount is considered to be recovered in due course of time. Provision amounting to Rs. 2.999 million made during the period is included in "other operating expenses" in profit and loss account.

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

- 9.2 Investments having an aggregate market value of Rs. 741.758 million (30 June 2014: Rs. 727.980 million) have been pledged with financial institutions as security against financing facilities (refer note 12.4) out of which Rs. 606.219 million (30 June 2014: Rs. 570.280 million) relates to long term investments.

10. LONG TERM LOAN

During the period, the Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 265 million, out of which Rs. 265 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments starting from 15th month from disbursement. Markup is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period, mark-up on such arrangements ranged between 11.33% to 11.68% per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

11. TRADE AND OTHER PAYABLE

This includes balances due to Shakarganj Mills Limited (Associated Company) and Shakarganj Energy (Private) Limited (Subsidiary Company) amounting to Rs. 0.333 million (30 June 2014: 0.258 million) and Rs. 36 million respectively.

12. SHORT TERM BORROWINGS

- 12.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 500 million (30 June 2014: Rs. 500 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 11.59% to 12.37% (2013: 10.58% to 12.71%) per annum.
- 12.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2014: Rs. 1,300 million) out of which Rs. 400 million (30 June 2014: Rs. 400 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 11.37% to 12.62% (2013: 11.26% to 12.46%) per annum.
- 12.3 The facilities for opening letter of credit amounted to Rs. 1,500 million (30 June 2014: Rs. 1,500 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) and Rs. 400 million (30 June 2014: Rs. 400 million) are interchangeable with short term running finance and short term loans

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

respectively as mentioned in notes 12.1 and 12.2 above. The facility for letters of guarantee as at 31 December 2014 amounted to Rs. 536 million (30 June 2014: Rs. 526 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2014 were Rs. 1,232.322 million and Rs. 245.110 million (30 June 2014: Rs. 1,431.518 million and Rs. 278.360 million) respectively.

- 12.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 9.2) and cotton / cotton yarn; and lien over import / export document.

13. CONTINGENCIES AND COMMITMENTS

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

- 13.1 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated Rs. 290.496 million (30 June 2014: Rs. 247.640 million).
- 13.2 Commitments in respect of capital expenditure contracted for as at 31 December 2014 amounted to Rs. 8.708 million (30 June 2014: Rs. 7.462 million) in relation to office premises located in Islamabad payable on completion of project.
- 13.3 Commitments under letters of credit as at 31 December 2014 amounted to Rs. 242.944 million (30 June 2014: Rs. 55.021 million) including L/C of Rs. 180 million opened for import of plant for its subsidiary company against which an advance has been received by the Company (refer note 22).

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
14. SALES - NET				
Local sales				
Bare pipes (own product excluding coating revenue)	60,412	19,832	167,061	25,466
Revenue from conversion	3,097	712	3,097	6,752
Coating of pipes	169,301	7,770	215,457	20,867
Cotton yarn / raw cotton	465,697	746,713	801,955	1,619,783
Others (including pipes laboratory testing)	20,405	8,953	32,088	14,675
Scrap / waste	12,437	12,558	19,411	24,054
Sales returns	(17,897)	(11,112)	(17,897)	(29,354)
	713,452	785,426	1,221,172	1,682,243
Export sales				
Cotton yarn / raw cotton	7,908	121,310	28,362	211,243
	721,360	906,736	1,249,534	1,893,486
Sales tax	(45,974)	(19,975)	(76,269)	(41,242)
	675,386	886,761	1,173,265	1,852,244

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Unaudited		Unaudited	
		Quarter ended		Six months period ended	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
15. INCOME FROM INVESTMENTS					
Dividend income		61,512	12,608	173,328	28,043
Gain / (loss) on sale of investment - net		26,909	(5,144)	27,892	203,629
Unrealized gain on held for trading investments - net		15,861	79,852	5,339	32,560
Rent from investment property	15.1	1,257	2,857	3,847	5,714
		105,539	90,173	210,406	269,946

15.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.317 million (2013: Rs. 2.018 million). Further, Rs. 1.641 million (2013: Rs. 0.55 million) were incurred against non rented out area.

Rupees in '000	Unaudited		Unaudited		
	Quarter ended		Six months period ended		
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
16. FINANCE COSTS					
Incurred on:					
- finance lease obligations		3,148	2,090	6,566	4,089
- long term loan		7,091	-	8,150	-
- running finances / short term loans		12,084	13,167	17,491	23,583
- Workers' Profit Participation Fund		130	-	130	-
Bank charges		274	471	883	633
		22,727	15,728	33,220	28,305

17. TAXATION

17.1 Minimum tax liability of Rs. 11.449 million for the period ended 31 December 2014 and Rs. 37.790 million for the year ended 30 June 2014 has not been recognized in view of expectation of availability of sufficient future taxable profits resulting in tax liability under normal tax regime in near future.

Rupees in '000	Unaudited		Unaudited		
	Quarter ended		Six months period ended		
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
18. BASIC AND DILUTED EARNINGS PER SHARE					
Profit for the period		70,770	47,540	142,574	166,610
		Number of shares		Number of shares	
Average number of ordinary shares in issue during the period		62,105,992	62,105,992	62,105,992	62,105,992
		Rupees		Rupees	
Basic and diluted earnings per share		1.14	0.77	2.30	2.68

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2014	31 December 2013
19. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation for the period		139,780	124,527
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		52,405	45,680
Amortization of intangible assets		3,356	2,463
Charge for the period on staff retirement benefit funds		6,937	6,701
Charge for compensated absences		860	160
Provision for 10-C bonus		-	33
Dividend income		(173,328)	(28,043)
Unrealized gain on held for trading investments - net		(5,339)	(32,560)
Gain on sale of investments - net		(27,892)	(203,629)
Provision for stock-in-trade and stores, spares and loose tools - net		427	3,326
Reversal of provision for doubtful trade debts - net		(202)	(10,916)
Provision for Workers' Welfare Fund		3	-
Provision for Workers' Profit Participation Fund		217	-
Provision / (reversal of provision) for infrastructure fee		514	-
Provision for Government Infrastructure Development Cess		-	6,501
Provision for liquidated damages		232	-
Provision for diminution in the value of investments - net		14,738	-
Return on deposits, loan and investments		(1,454)	(21,285)
Gain on disposal of operating fixed assets		(3,237)	3,251
Deferred income		(1,017)	(419)
Liabilities written back		-	(35)
Finance costs		33,220	28,305
Working capital changes	19.1	(153,051)	103,346
		(112,831)	27,406
19.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spares and loose tools		1,778	(6,385)
Stock-in-trade		(139,808)	(391,456)
Trade debts		(155,662)	47,714
Advances		29,493	(170,891)
Trade deposits and short term prepayments		(1,186)	(4,649)
Other receivables		7,729	(18,724)
		(257,656)	(544,391)
Increase in current liabilities			
Trade and other payables		104,605	647,737
		(153,051)	103,346

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Unaudited Six months period ended	
	31 December 2014	31 December 2013
20. CASH AND CASH EQUIVALENTS		
Running finances under mark-up arrangements	(626,576)	(364,402)
Cash and bank balances	74,852	24,803
	(551,724)	(339,599)

21. SEGMENT REPORTING

21.1 Reportable segments

The Company's reportable segments are as follows:

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

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

21.2 Segment revenues and results

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

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the six months period ended				
31 December 2013				
Sales - net	60,038	1,792,206	-	1,852,244
Cost of sales	106,672	1,784,483	-	1,891,155
Gross (loss) / profit	(46,634)	7,723	-	(38,911)
Income from investments	-	-	269,946	269,946
	(46,634)	7,723	269,946	231,035
Distribution and selling expenses	7,365	26,000	-	33,365
Administrative expenses	55,313	15,831	6,694	77,838
Other operating expenses	3,786	9,827	-	13,613
	66,464	51,658	6,694	124,816
	(113,098)	(43,935)	263,252	106,219
Other income	20,355	16,005	10,253	46,613
Operating (loss) / profit before finance costs	(92,743)	(27,930)	273,505	152,832
Finance costs	4,667	22,359	1,279	28,305
(loss) / profit before taxation	(97,410)	(50,289)	272,226	124,527
Taxation				(42,083)
Profit for the period				166,610

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

21.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as disclosed in the annual unconsolidated separate financial statements of the Company for the preceding year ended 30 June 2014. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial charges between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

21.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 14 to this condensed interim unconsolidated financial information.

21.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 302.909 million (2013: Rs. 35.800 million) of total Steel segment revenue of Rs. 357.503 million (2013: Rs. 60.038 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 438.055 million (2013: Rs. 227.666 million) of total Cotton segment revenue of Rs. 815.762 million (2013: Rs. 1,792.206 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

21.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Pakistan	667,478	765,451	1,144,903
Far East	7,908	121,310	28,362	211,243
	675,386	886,761	1,173,265	1,852,244

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

21.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
As at 31 December 2014 (Unaudited)				
Segment assets for reportable segments	1,236,012	894,037	2,990,646	5,120,695
Unallocated corporate assets				308,129
Total assets as per balance sheet				5,428,824
Segment liabilities for reportable segments	209,133	179,716	1,807	390,656
Unallocated corporate liabilities				983,012
Total liabilities as per balance sheet				1,373,668
As at 30 June 2014 - (Audited)				
Segment assets for reportable segments	1,125,658	882,112	2,562,193	4,569,963
Unallocated corporate assets				163,038
Total assets as per balance sheet				4,733,001
Segment liabilities for reportable segments	198,479	130,675	57,574	386,728
Unallocated corporate liabilities				339,094
Total liabilities as per balance sheet				725,822

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

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

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

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

21.7 Other segment information

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the six months period ended				
31 December 2014				
Capital expenditure	9,262	57,681	2,248	69,191
Depreciation and amortization	19,821	31,741	4,199	55,761
Non-cash items other than depreciation and amortization - net	17,812	16,754	(189,887)	(155,321)
For the six months period ended				
31 December 2013				
Capital expenditure	43,684	3,216	159	47,059
Depreciation and amortization	15,882	29,920	2,341	48,143
Non-cash items other than depreciation and amortization - net	(544)	25,310	(272,957)	(248,191)

22. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2014	31 December 2013
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	2,029	693
		Right shares subscribed	290,500	9,999
		Sale of finished goods	1,242	-
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	75,230	-
		Dividend Income	37,477	-
		Reimbursable expenses	165	-
		Share deposit money	22,000	197,000
Shakarganj Energy (Private) Limited	Subsidiary company	Right shares subscribed	358,039	-
		Long term loan provided	-	9,000
		Dividend Income	47,192	-
		Advance received (refer note 13.3)	36,000	-
		Mark-up on long term loan	-	21,065
		Share deposit money	-	22,458
		Sale of finished goods	-	1,638
		Reimbursable expenses	185	-
Altern Energy Limited	Associated company	Dividend received	60,475	-
Shakarganj Mills Limited	Associated company	Dividend paid	4,039	6,120
		Sales of finished goods	4,158	3,145
		Services received	1,398	839
		Reimbursable expenses	774	778
		Purchase of assets	40	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000			Unaudited	
Name of entity	Nature of relationship	Nature of transaction	Six months period ended	
			31 December 2014	31 December 2013
Crescent Jute Products Limited *	Related party	Services received	77	-
		Reimbursable expenses	412	-
The Citizens' Foundation *	Related party	Donation given	1,705	714
CSAP Foundation *	Related party	Donation given	569	-
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	917	2
Premier Insurance Company *	Related party	Insurance premium	4,431	5,743
The Crescent Textile Mills Limited *	Related party	Dividend paid	9,221	13,972
		Dividend received	565	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	877	991
		Dividend paid	7	11
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,992	1,892
		Dividend paid	1,765	2,675
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	5,003	4,819
		Dividend paid	3,958	5,873
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	2,774	2,665
		Dividend paid	788	1,126
Key management personnel	Related parties	Remuneration and benefits	32,646	34,604

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

- 22.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 22.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 22.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with key management personnel during the period other than their terms of employment / entitlements.

23. FINANCIAL RISK MANAGEMENT

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

24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 28 January 2015.


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
**Condensed Interim Consolidated
Financial Information (Unaudited)**
For six months period ended 31 December 2014

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 31 December 2014

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,706,284	1,404,441
Intangible assets		40,680	39,292
Investment property		70,262	73,316
Investment in equity accounted investees	6	2,430,711	2,540,064
Other long term investments	7	220,717	220,717
Long term deposits		52,037	50,603
		4,520,691	4,328,433
Current assets			
Stores, spares and loose tools		69,751	71,956
Stock-in-trade	8	547,521	407,199
Trade debts	9	320,569	89,479
Advances		19,093	57,550
Trade deposits and short term prepayments		8,437	7,410
Investments	10	866,627	757,696
Mark-up accrued		150	473
Other receivables		133,087	142,096
Taxation - net		189,207	158,668
Cash and bank balances		113,388	144,262
		2,267,830	1,836,789
Total assets		6,788,521	6,165,222
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			
Capital reserves		621,060	621,060
Revenue reserves		377,314	388,388
		4,210,490	4,236,749
		5,208,864	5,246,197
Non-current liabilities			
Long term loan	11	265,000	-
Liabilities against assets subject to finance lease		49,412	61,963
Deferred income		1,844	2,324
Deferred taxation		118,072	141,503
		434,328	205,790
Current liabilities			
Trade and other payables		415,722	432,818
Mark-up accrued		17,180	9,221
Short term borrowings	12	670,348	228,366
Current portion of deferred income		2,034	1,764
Current portion of liabilities against assets subject to finance lease		40,045	41,066
		1,145,329	713,235
Contingencies and commitments	13		
Total equity and liabilities		6,788,521	6,165,222

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and six months period ended 31 December 2014

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit for the period	153,370	174,654	66,900	386,998
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(10,459)	17,761	(10,330)	58,733
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale'	-	-	-	(211,393)
Proportionate share of other comprehensive income / (loss) of equity accounted investees	11,721	64,858	(744)	206,406
Other comprehensive income for the period	1,262	82,619	(11,074)	53,746
Total comprehensive income for the period	154,632	257,273	55,826	440,744

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Six months period ended	
		31 December 2014	31 December 2013
Cash flows from operating activities			
Cash (used in) / generated from operations	19	(192,046)	23,720
Taxes paid		(51,609)	(28,466)
Finance costs paid		(22,316)	(24,103)
Contribution to gratuity and pension funds		(6,836)	(6,701)
Contribution to Workers' Profit Participation Fund		(4,851)	(52,395)
Infrastructure fee paid		(592)	(339)
Compensated absences paid		(44)	(75)
10-C bonus paid		(1,067)	(2,326)
Long term loans and deposits - net		(260)	(2,855)
Net cash used in operating activities		(279,621)	(93,540)
Cash flows from investing activities			
Capital expenditure		(359,057)	(79,302)
Acquisition of intangible assets		(4,744)	(10,980)
Proceeds from disposal of operating fixed assets		7,432	394
Investments - net		(61,660)	100,748
Dividend income received		114,611	39,187
Interest income received		2,603	427
Net cash (used in) / flow from investing activities		(300,815)	50,474
Cash flows from financing activities			
Proceeds from long term loan		265,000	-
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		10,000	38,787
Payments against finance lease obligations		(30,138)	(10,397)
Repayments against short term loans		-	40,685
Dividends paid		(137,282)	(141,294)
Net cash flow / (used in) from financing activities		107,580	(72,219)
Net decrease in cash and cash equivalents		(472,856)	(115,285)
Cash and cash equivalents at beginning of the period		(84,104)	(206,338)
Cash and cash equivalents at end of the period	20	(556,960)	(321,623)

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31 December 2014

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Other*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 30 June 2013	564,600	349,959	179,967	25,272	1,842,000	1,995,268	4,957,066
Transfer to general reserves	-	-	-	-	800,000	(800,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	386,998	386,998
Other comprehensive income							
Total Other comprehensive income for the period	-	-	(152,660)	206,406	-	-	53,746
Total comprehensive income for the period	-	-	(152,660)	206,406	-	386,998	440,744
Transaction with owners							
Dividend:							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2013	-	-	-	-	-	(84,690)	(84,690)
- Issuance of Bonus shares final 2013 (10%)	56,460	(56,460)	-	-	-	-	-
	56,460	(56,460)	-	-	-	(84,690)	(84,690)
Balance as at 31 December 2013	621,060	293,499	27,307	231,678	2,642,000	1,497,576	5,313,120
Balance as at 30 June 2014	621,060	293,499	17,919	76,970	2,642,000	1,594,749	5,246,197
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	66,900	66,900
Other comprehensive income							
Total Other comprehensive income for the period	-	-	(10,330)	(744)	-	-	(11,074)
Total comprehensive income for the period	-	-	(10,330)	(744)	-	66,900	55,826
Transactions with owners							
Dividend:							
- Final @ 15% (i.e. Rs. 1.5 per share) for the year ended 30 June 2014	-	-	-	-	-	(93,159)	(93,159)
Balance as at 31 December 2014	621,060	293,499	7,589	76,226	2,642,000	1,568,490	5,208,864

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

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 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 as at and for the year ended 30 June 2014.

4. ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2014.

5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Six months period ended 31 December 2014		Six months period ended 31 December 2013	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	10,589	-	-	-
Plant and machinery - owned	639,812	9,554	46,456	38,232
Plant and machinery - leased	10,020	5,055	34,995	-
Furniture and fittings	198	-	382	-
Electrical / office equipment and installation	1,585	521	341	-
Computers	1,446	1,575	830	-
Motor vehicles - owned	9,080	3,268	3,796	4,126
Motor vehicles - leased	-	2,005	3,828	-
Workshop equipment	-	-	84	-
	672,730	21,978	90,712	42,358

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 December 2014	Audited 30 June 2014		Note	Unaudited 31 December 2014	Audited 30 June 2014
Number of shares				Rupees in '000	
		Quoted			
69,403,141	72,103,141	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,398,785	2,479,138
19,471,769	19,471,769	Shakarganj Mills Limited (Chief Executive Officer - Mr. Ahsan M. Saleem)	6.2	-	26,626
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.3	31,926	34,300
				2,430,711	2,540,064

- 6.1 The Holding Company and the Subsidiary Companies hold 16.64% and 2.46% respectively i.e. aggregate holding of 19.10% in the investee company. There is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

Share of profit and reserves from associates recognized during the period amounted to Rs. 85.826 million and Rs. 0.744 million respectively. Group has also received dividend amounting to Rs. 72.103 million during the period.

- 6.2 As at 31 December 2014, the carrying amount of equity accounted investment in Shakarganj Mills Limited has been reduced to Nil due to recognition of the Group's share of losses and reserves amounting to Rs. 26.626 million (2013: Rs. 2.867 million) incurred by the investee company. The Group further recognized its share of losses amounting to Rs. 23.995 million against the carrying amount in respect of preference shares of the investee company held by the Group. Unrecognized share of losses and reserves as at 31 December 2014 amounted to Rs. 66.010 million.
- 6.3 During the year, share of loss from associate recognized amounted to Rs. 2.374 million.
- 6.4 The above figures are based on financial information of these companies as at 30 September 2014.
- 6.5 The fair value of investments in associates as at 31 December 2014 is Rs. 2,434.041 million (30 June 2014: Rs. 1,881.122 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Unaudited 31 December 2014	Audited 30 June 2014
7. OTHER LONG TERM INVESTMENTS			
Investments in related parties			
Available for sale	7.1	60,717	-
Other investments			
Available for sale		160,000	220,717
		220,717	220,717

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

Rupees in '000		Unaudited 31 December 2014	Audited 30 June 2014
8. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR Coil)		20,656	19,823
Coating materials		34,494	88,798
Others		13,472	15,246
Raw cotton		343,659	144,193
Stock-in-transit		2,722	19,401
		415,003	287,461
Work-in-process			
Finished goods		23,178	42,007
Scrap / cotton waste		96,885	71,054
		12,455	6,677
		132,518	119,738
		547,521	407,199

9. TRADE DEBTS			
Secured			
Considered good		232,051	72,110
Unsecured			
Considered good		88,518	17,369
Considered doubtful		2,584	2,786
Provision for doubtful trade debts		(2,584)	(2,786)
		88,518	17,369
		320,569	89,479

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in `000	Note	Unaudited 31 December 2014	Audited 30 June 2014
10. INVESTMENTS			
Investments in related parties			
Available for sale - The Crescent Textile Mills Limited		56,236	66,305
Held to maturity	10.1	-	23,995
		56,236	90,300
Other investments			
Available for sale		-	-
Held for trading		796,916	654,693
Short term deposit		11,475	10,575
Investment in commodity		2,000	2,128
		810,391	667,396
		866,627	757,696

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

10.2 Investments having an aggregate market value of Rs. 831.535 million (30 June 2014: Rs. 802.024 million) have been pledged with financial institutions as security against financing facilities (refer note 12.4) out of which Rs. 606.219 million (30 June 2014: Rs. 570.280 million) relates to long term investments.

11. LONG TERM LOAN

During the period, long term loan arrangement was entered with Allied Bank Limited for an amount of Rs. 265 million by the Holding Company out of which Rs. 265 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments starting from 15th month from disbursement. Markup is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period markup on such arrangements ranged between 11.33% to 11.68% per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

12. SHORT TERM BORROWINGS

12.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 600 million (30 June 2014: Rs. 600 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) is interchangeable with letter of credit facility. During the period, the mark-up on such arrangements ranged between 11.59% to 12.37% (2013: 10.58% to 12.71%) per annum.

12.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2014: Rs. 1,300 million) out of which Rs. 400 million (30 June 2014: Rs. 400 million) is interchangeable with letters of credit facility. During the period, the mark-up on such arrangements ranged between 11.37% to 12.62% (2013: 11.26% to 12.46%) per annum.

12.3 The facilities for opening letters of credit amounted to Rs. 1,815 million (30 June 2014: Rs. 1,815 million) out of which Rs. 250 million (30 June 2014: Rs. 250 million) and Rs. 400 million (30 June 2014: Rs. 400 million) are interchangeable with short term running finance and short term loans

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

respectively as mentioned in notes 12.1 and 12.2 above. The facility for letters of guarantee as at 31 December 2014 amounted to Rs. 547 million (30 June 2014: Rs. 538 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2014 were Rs. 1,514.055 million and Rs. 245.110 million (30 June 2014: Rs. 1,599.693 million and Rs. 278.360 million) respectively.

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

13. CONTINGENCIES AND COMMITMENTS

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

13.1 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated Rs. 301.972 million (30 June 2014: Rs. 258.215 million).

13.2 Commitments in respect of capital expenditure contracted for as at 31 December 2014 amounted to Rs. 298.529 million (30 June 2014: Rs. 71.649 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. This also includes commitments contracted by the subsidiaries companies aggregating Rs. 289.821 million (30 June 2014: Rs. 64.187 million) in respect of capital expenditure to acquire plant and machinery and infrastructure development.

13.3 Commitments under letters of credit as at 31 December 2014 amounted to Rs. 263.674 million (30 June 2014: Rs. 201.846 million).

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
14. SALES - NET				
Local sales				
Bare pipes (own product excluding coating revenue)	60,412	19,832	167,061	25,466
Revenue from conversion	3,097	712	3,097	6,752
Coating of pipes	169,301	7,770	215,457	20,867
Cotton yarn / raw cotton	465,697	746,713	801,955	1,619,783
Power supply	36,820	-	36,820	-
Steam supply	36,870	-	36,870	-
Others (including pipes laboratory testing)	19,163	7,315	30,846	13,037
Scrap / waste	12,437	12,558	19,411	24,054
Sales returns	(17,897)	(11,112)	(17,897)	(29,354)
	785,900	783,788	1,293,620	1,680,605
Export sales				
Cotton yarn / raw cotton	7,908	121,310	28,362	211,243
	793,808	905,098	1,321,982	1,891,848
Sales tax	(56,685)	(19,737)	(86,980)	(41,004)
	737,123	885,361	1,235,002	1,850,844

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For the six months period ended 31 December 2014

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
15. INCOME FROM INVESTMENTS				
Dividend income	24,588	14,810	43,011	33,571
(Loss) / gain on commodity	(72)	(200)	(129)	171
Gain / (loss) on sale of investments - net	22,799	(2,039)	24,170	208,004
Unrealized loss on held for trading investments - net	36,961	101,337	22,604	45,657
Rent from investment property	2,457	2,857	6,247	5,714
	86,733	116,765	95,903	293,117

15.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 4.688 million (2013: Rs. 2.018 million). Further, Rs. 1.641 million (2013: Rs. 0.550 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
16. FINANCE COSTS				
Incurred on				
- finance lease obligations	10,239	2,090	6,566	4,089
- long term loan	-	-	8,150	-
- running finances / short term loans	13,926	13,167	21,263	23,583
- Workers' Profit Participation Fund	130	-	130	-
Bank charges	308	627	940	793
	24,603	15,884	37,049	28,465

17. TAXATION

17.1 Minimum tax liability of Rs. 11.449 million for the period ended 31 December 2014 and Rs. 37.790 million for the year ended 30 June 2014 has not been recognized in view of expectation of availability of sufficient future taxable profits resulting in tax liability under normal tax regime in near future.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
18. BASIC AND DILUTED EARNINGS PER SHARE				
Profit for the period	153,370	174,654	66,900	386,998
	Number of shares		Number of shares	
Average number of ordinary shares in issue during the period	62,105,992	62,105,992	62,105,992	62,105,992
	Rupees		Rupees	
Basic and diluted earnings per share	2.47	2.81	1.08	6.23

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2014	31 December 2013
19. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation for the period		63,962	345,748
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		58,852	45,680
Amortization of intangible assets		3,356	2,463
Charge for the period on staff retirement benefit funds		6,937	6,701
Charge for compensated absences		860	160
Provision for 10-C bonus		-	33
Dividend income		(43,012)	(33,571)
Unrealized gain on held for trading investments - net		(22,474)	(45,657)
Gain on sale of investments - net		(21,822)	(208,004)
Unrealized loss / (gain) on commodity - Silver		129	(171)
Provision for stock-in-trade and stores, spares and loose tools - net		427	3,326
Reversal of provision for doubtful trade debts - net		(202)	(10,916)
Provision for Workers' Welfare Fund		3	-
Provision for Workers' Profit Participation Fund		217	-
Provision for infrastructure fee		514	-
Provision for Government Infrastructure Development Cess		-	6,501
Provision for liquidated damages		232	-
Return on deposits, loan and investments		(1,823)	(427)
(Gain) / loss on disposal of operating fixed assets		(3,237)	3,251
Deferred income		(1,017)	(419)
Liabilities written back		-	(35)
Finance costs		38,180	28,465
Share of profit from equity accounted investees - net of taxation		(32,831)	(221,943)
Working capital changes	19.1	(239,297)	102,535
		(192,046)	23,720
19.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		1,778	(6,385)
Stock-in-trade		(139,808)	(391,456)
Trade debts		(230,888)	47,714
Advances		29,493	(170,891)
Trade deposits and short term prepayments		(1,027)	(4,345)
Other receivables		15,497	(20,832)
		(324,955)	(546,195)
Increase in current liabilities			
Trade and other payables		85,658	648,730
		(239,297)	102,535

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Unaudited Six months period ended	
	31 December 2014	31 December 2013
20. CASH AND CASH EQUIVALENTS		
Running finances under mark-up arrangements	(670,348)	(364,402)
Cash and bank balances	113,388	42,779
	(556,960)	(321,623)

21. SEGMENT REPORTING

21.1 Reportable segments

The Group's reportable segments are as follows:

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

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

21.2 Segment revenues and results

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the six months period ended					
31 December 2013					
Sales - net	58,638	1,792,206	-	-	1,850,844
Cost of sales	105,272	1,784,483	-	-	1,889,755
Gross (loss) / profit	(46,634)	7,723	-	-	(38,911)
Income from investments	-	-	293,117	-	293,117
	(46,634)	7,723	293,117	-	254,206
Distribution and selling expenses	7,365	26,000	-	-	33,365
Administrative expenses	56,007	15,831	7,764	1,106	80,708
Other operating expenses	3,786	9,827	68	-	13,681
	67,158	51,658	7,832	1,106	127,754
	(113,792)	(43,935)	285,285	(1,106)	126,452
Other income	17,515	8,018	214	71	25,818
Operating (loss) / profit before finance costs	(96,277)	(35,917)	285,499	(1,035)	152,270
Finance costs	4,667	22,359	1,279	160	28,465
Share of profit in equity accounted investees - net of taxation	-	-	189,043	32,900	221,943
(Loss) / profit before taxation	(100,944)	(58,276)	473,263	31,705	345,748
Taxation					(41,250)
Profit for the period					386,998

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

21.2.2 The accounting policies of the reportable segments are the same as the Group's accounting policies as disclosed in the annual consolidated financial statements of the Group for the preceding year ended 30 June 2014. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial charges between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

21.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 14 to this condensed interim consolidated financial information.

21.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 302.909 million (2013: Rs. 35.800 million) of total Steel segment revenue of Rs. 356.261 million (2013: Rs. 58.638 million). Revenue from major customers of Cotton segment represent an aggregate amount of Rs. 438.055 million (2013: Rs. 227.666 million) of total Cotton segment revenue of Rs. 815.762 million (2013: Rs. 1,792.206 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

21.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Pakistan	729,215	764,051	1,206,640
Far East	7,908	121,310	28,362	211,243
	737,123	885,361	1,235,002	1,850,844

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

21.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
As at 31 December 2014					
Segment assets for reportable segments	1,233,074	894,037	1,196,253	735,990	4,059,354
Investment in equity accounted investees	-	-	2,275,905	154,806	2,430,711
Unallocated corporate assets					298,456
Total assets as per balance sheet					6,788,521
Segment liabilities for reportable segments	210,764	179,716	48,998	73,333	512,811
Unallocated corporate liabilities					1,066,846
Total liabilities as per balance sheet					1,579,657
As at 30 June 2014					
Segment assets for reportable segments	1,122,218	882,112	1,208,524	607,606	3,820,460
Investment in equity accounted investees	-	-	2,293,501	246,563	2,540,064
Unallocated corporate assets					(195,302)
Total assets as per balance sheet					6,165,222
Segment liabilities for reportable segments	198,594	130,675	114,607	4,276	448,152
Unallocated corporate liabilities					470,873
Total liabilities as per balance sheet					919,025

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 31 December 2014

21.7 Other segment information

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
For the six months period ended 31 December 2014					
Capital expenditure	290,359	57,681	2,244	6,090	356,374
Depreciation and amortization	19,821	31,741	5,437	5,209	62,208
Non-cash items other than depreciation and amortization - net	17,844	16,754	(102,968)	(10,549)	(78,919)
For the six months period ended 31 December 2013					
Capital expenditure	43,684	3,216	159	14,075	61,134
Depreciation and amortization	15,882	29,920	2,341	-	48,143
Non-cash items other than depreciation and amortization - net	2,295	32,878	(475,068)	(32,811)	(472,706)

22. 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 December 2014	31 December 2013
Altern Energy Limited	Associated	Dividend received	72,103	-
Shakarganj Mills Limited	Associated company	Dividend paid	4,039	6,120
		Sales of finished goods	4,158	3,145
		Services received	1,438	839
		Reimbursable expenses	774	778
		Purchase of electricity	53	-
Crescent Jute Products Limited *	Related party	Purchase of asset	40	-
		Services received	77	-
		Reimbursable expenses	412	-
CSAP Foundation *	Related party	Donation given	569	-

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Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2014	31 December 2013
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	917	2
Premier Insurance Company *	Related party	Insurance premium	4,431	5,743
The Citizens' Foundation *	Related party	Donation given	1,705	714
The Crescent Textile Mills Limited *	Related party	Dividend paid	9,221	13,972
		Dividend received	565	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	877	991
		Dividend paid	7	11
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,992	1,892
		Dividend paid	1,765	2,675
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	5,003	4,819
		Dividend paid	3,958	5,873
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	2,774	2,665
		Dividend paid	788	1,126
Key management personnel	Related parties	Remuneration and benefits	32,646	34,604

* 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 six months period ended 31 December 2014

- 22.1 Sale of finished goods, operating fixed assets and raw materials, rendering of services and rental income are based on commercial terms and at market prices which are approved by the Board of Directors.
- 22.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 22.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group. There were no transactions with key management personnel during the period other than their terms of employment / entitlements.

23. FINANCIAL RISK MANAGEMENT

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

24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 28 January 2015.


Chief Executive


Director


Chief Financial Officer



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