

**CONDENSED INTERIM
REPORT FOR THE
FIRST QUARTER ENDED
30 SEPTEMBER 2015**



Crescent Steel and Allied Products Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director
(Independent)

Ahsan M. Saleem

Chief Executive Officer and Managing
Director

Farrukh V. Junaidy

Non-Executive Director (Independent)
NIT Nominee

Khurram Mazhar Karim

Non-Executive Director

Nasir Shafi

Non-Executive Director

S.M. Ehtishamullah

Non-Executive Director

Syed Zahid Hussain

Non-Executive Director (Independent)

Zahid Bashir

Non-Executive Director

COMPANY SECRETARY

Muhammad Saad Thaniana

AUDIT COMMITTEE

Syed Zahid Hussain

Chairman, Non-Executive Director
(Independent)

Farrukh V. Junaidy

Member, Non-Executive Director
(Independent)

Khurram Mazhar Karim

Member, Non-Executive Director

S.M. Ehtishamullah

Member, Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Zahid Bashir

Chairman, Non-Executive Director

Nasir Shafi

Member, Non-Executive Director

S.M. Ehtishamullah

Member, Non-Executive Director

Syed Zahid Hussain

Member, Non-Executive Director
(Independent)

GOVERNANCE AND EVALUATION COMMITTEE

Ahmad Waqar

Chairman, Non-Executive Director
(Independent)

Ahsan M. Saleem

Member, Chief Executive

Zahid Bashir

Member, Non-Executive Director

THE MANAGEMENT

Chief Executive Officer and
Managing Director

Ahsan M. Saleem – 1983*

Chief Financial Officer

Muhammad Saad Thaniana –
2007*

BU Head – Steel Division

Iqbal Zafar Siddiqui – 2008*

BU Head – Cotton Division

Abdul Rouf – 2000*

Head of Marketing – Steel
Division

Arif Raza – 1985*

Head of Manufacturing – Steel
Division

Mushtaque Ahmed – 1985*

Head of Corporate Affairs

Hajerah A. Saleem – 2012*

Resident Director (CCP)

Hasan Altaf Saleem – 2010*

Human Resource Advisor

Ehsan Durrani – 2008*

IT Advisor

Iqbal Abdulla – 2014*

STOCK EXCHANGE LISTING

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

PUBLIC INFORMATION

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

Tel: +92 21 3567 4881-85

Email: abdul.wahab@crescent.com.pk

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 yarns.

* Year joined Company

COMPANY INFORMATION

AUDITORS

KPMG Taseer Hadi & Co.

LEGAL ADVISOR

Hassan and Hassan, Advocates,
Lahore

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

BANKERS

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited

Habib Metropolitan Bank Limited
Industrial and Commercial Bank
of China

MCB Bank Limited

National Bank of Pakistan

Standard Chartered Bank
(Pakistan) Limited

Summit Bank Limited

REGISTERED OFFICE

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

Tel: +92 42 3578 3801-03

Fax: +92 42 3578 3811

LIAISON OFFICE LAHORE

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

Tel: +92 42 3578 3801-03

Fax: +92 42 3578 3811

Email: ejaz.ahmed@crescent.com.pk

PRINCIPAL OFFICE

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

Tel: +92 21 3567 4881-85

Fax: +92 21 3568 0476

Email: arif.raza@crescent.com.pk

STEEL DIVISION

PIPE AND COATING PLANTS

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

Tel: +92 25 4670 020-22

+92 25 4670 055

Email: iqbal.siddiqui@crescent.com.pk

SHAKARGANJ ENGINEERING

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

Tel : +92 41 2569 825-26

Fax: +92 41 2679 825

CRESCENT HADEED (PRIVATE) LIMITED

57 Kilometer, Jhang Sargodha
Road, Bhone, District Jhang
Tel: +92 47 6006 111

COTTON DIVISION

CRESCENT COTTON PRODUCTS

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

Tel : +92 41 4318 061-65

Fax: +92 41 4318 066

Email: abdul.rouf@crescent.com.pk

ENERGY DIVISION

SHAKARGANJ ENERGY (PRIVATE) LIMITED

57 Km Jhang Sargodha Road,
Bhone, District Jhang.

Tel: +92 48 6889 210 - 12

CORPORATE WEBSITE

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



For condensed Interim Report for the first quarter ended 30 September 2015, go to <http://www.crescent.com.pk/wp-content/uploads/2015/10/Quarter-Sep15.pdf> or scan QR code



COMPANY PROFILE

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

The Company operates three divisions and three wholly owned subsidiaries.

Steel Division

Spiral Pipe Production Line, Pipe Coatings and Fabrication Services

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

The Spiral Pipe Plant has the capability of manufacturing high quality steel pipes in the diameter range of 8" – 90" (219 mm – 2,286 mm) in wall thickness from 4 mm – 20 mm and material grades up to API 5L X-80. The Company has been gradually enhancing the pipe production capacity which has increased to

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

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

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

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

Cotton Division

Cotton Yarn Spinning Unit

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

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

COMPANY PROFILE

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

Investment and Infrastructure Development Division

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

Subsidiary Companies

CS CAPITAL (PRIVATE) LIMITED

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

SHAKARGANJ ENERGY (PRIVATE) LIMITED

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

The primary business of the subsidiary is to generate, accumulate, distribute, sell and supply electricity to FESCO, PEPCO and to other companies as permitted.

Solution De Energy (Private) Limited

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

CRESCENT HADEED (PRIVATE) LIMITED

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

Crescent Steel maintains high quality norms in all its products, striving for excellence in product quality across all product lines

and will continue to remain at the cutting edge of technology, best in class Quality Management Systems and management practices.

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

DIRECTORS' REVIEW

Dear Shareholders

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the three months period ended September 30, 2015.

Economic Outlook

Macroeconomic indicators continue to remain positive with lowest inflation, decline in interest rates, higher exchange reserves, reduction in current account deficit on account of lower oil imports and strong foreign remittances. Capital markets declined but it showed resilience when compared to regional and international markets after the steep fall in Chinese market during the period. Prospects for private investment and growth are high in coming years in relation to China Pakistan Economic Corridor (CPEC) and improved international ratings of the country.

Going forward, inflation is expected to be slightly higher as oil prices recover, whereas, monetary policy is expected to remain supportive. Projected growth however, is largely dependent on better security and energy conditions, structural reforms, and good governance.

Financial and Operational Performance

Overall financial performance

Unconsolidated results for the quarter ended September 30,

2015 (Q1FY16) the Company's after tax profit amounted to Rs. 128.8 million as compared to Rs. 71.8 million in the same period last year. The healthy bottom line is attributable to Steel division which posted PBT of 262.9 million (Q1FY15 LBT: Rs. 1.8 million) and mitigated the losses of Cotton and IID divisions, whereas PAT of last year was due to profits of IID division amounting to Rs. 100.2 million. Sharp decline of 7% i.e. 2,439 points in equity markets in September 2015 resulted in unrealized losses on HFT investments and consequently IID Division posted a loss before tax of Rs. 35.9 million. Production in Cotton Division remained closed due to planned BMR activities and challenging market conditions thereby, the division also reported loss before tax of Rs. 31.2 million (Q1FY15: Rs. 23.9 million). Earnings per share (EPS) for the current period stood at Rs. 2.07 as compared to EPS of Rs. 1.16 in the corresponding period last year.

Sales revenue amounted to Rs. 943.5 million, contributed entirely by the steel division (Q1FY15: Rs. 497.9 million including Rs. 356.9 million from cotton division). Whereas, loss on investment from IID Division amounted to Rs. 31.6 million (Q1FY15 Investment income: Rs. 104.9 million).

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

- Sales revenue increased to Rs. 943.5 million as compared to Rs. 497.9 million in Q1FY15.

- Loss on Investments amounted to Rs. 31.6 million as compared investment income of Rs. 104.9 million in Q1FY15.
- Other income declined to Rs. 5.7 million as compared to Rs. 8.7 million in the corresponding period last year.
- Gross Profit significantly increased to Rs. 310.9 million as compared to Rs. 15.3 million in Q1FY15.
- EBITDA increased to Rs. 255.1 million as compared to Rs. 111.7 million in Q1FY15.
- EPS stood at Rs. 2.07 for the current period, as compared to EPS of Rs. 1.16 for Q1FY15.
- Return on average capital employed (annualized) was 17.1% for the current period as compared to 7.5% for the corresponding period last year.
- Return on average equity (annualized) was 12.4% for the current quarter as compared to 7.0% for the corresponding period last year.
- Break-up value per share increased to Rs. 67.3 from Rs. 65.2 as at June 30, 2015.

Business Segments

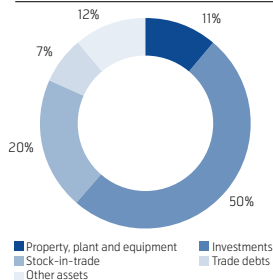
Steel segment

Segment performance

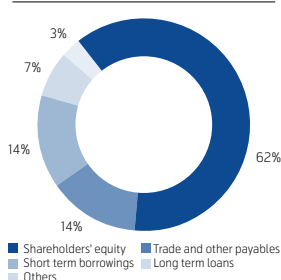
Steel segment operated at full swing during the quarter mainly on account of strong order intake from gas transmission companies for both for bare pipe and coating. Capacity utilization, therefore remained high throughout the period.

DIRECTORS' REVIEW

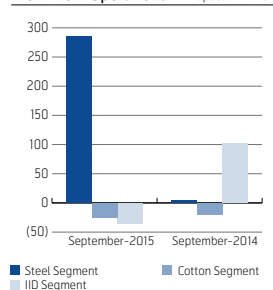
Total Assets



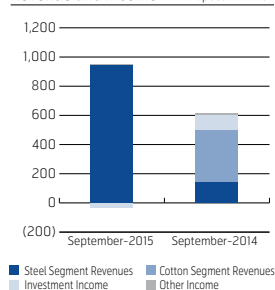
Total Liabilities



Profit from Operations Rupees in million



Revenue and Income Rupees in million



Revenue amounting to Rs. 943.5 million was generated during the current period, vis-à-vis Rs. 140.9 million during Q1FY15. Gross Profit (GP) of Rs. 335.6 million was registered during the period as compared to Rs. 31.5 million during Q1FY15. Consequently, the bottom-line resulted in profit after tax of Rs. 263.0 million as compared to net loss of Rs. 1.8 million for the corresponding period last year.

Cotton segment

Segment performance

Cotton plant was shut down for BMR activities to improve the production systems and upgrade machinery. However, current trend of cotton and yarn prices

have restrained the Company to recommence production of yarn. Accordingly production activities will commence once the market shows sustained improvement which is expected shortly. Loss before tax of the division for the period was Rs. 31.2 million (Q1FY15 LBT: Rs. 23.9 million) mainly representing fixed costs related to production and administrative expenses.

Investment and Infrastructure Development (IID) segment

Market Review

KSE-100 index witnessed a fall of 6.1% in Q1FY16, the highest quarterly slump after global financial crisis when price floor was imposed at the local bourse

in 2008. Falling global equities markets have been the primary reason for this performance and foreign stake holders who have an exposure close to USD 6.5 Billion have sold their interests amounting to USD 105mn during Q1FY16 as per National Clearing Company Pakistan Limited.

Segment performance - Unconsolidated

During the period under review, IID division's CSAPL portfolio of equity investments recorded an ROI of -11.3% on average investments of Rs. 339.8 million (excluding strategic investments).

Loss from investment activities during the period amounted to Rs. 31.6 million (Q1FY15: Rs. 104.9 million) mainly representing unrealized loss on HFT investments amounting to Rs. 31.9 million due to sharp decline in equity markets in the month of September 2015. The division's loss before tax stood at Rs. 35.9 million, compared to PBT of Rs. 100.2 million in Q1FY15.

Closing position of investment portfolio was Rs. 3,339.9 million as compared to Rs. 3,426.2 million as of June 30, 2015.

Segment performance - Consolidated

On consolidated basis, operating profit before finance cost amounted to Rs. 181.6 million (2014 LBIT: Rs. 14.1 million). Net share of profit from equity-accounted associates amounted to Rs. 102.2 million (Q1FY15 share of loss: Rs. 64.0 million).

DIRECTORS' REVIEW

Consequently, consolidated profit after tax and EPS of the Group for Q1FY16 amounted to Rs. 183.3 million and Rs. 2.95 per share as compared to loss after tax of Rs. 86.5 million and LPS of Rs. 1.39 per share respectively in the corresponding period last year.

During the period, operational loss of SEL amounted to Rs. 14.9 million mainly due to fixed operating costs and loss on investments.

Plant and machinery for Crescent Hadeed (Private) Limited (CHL) has been installed and civil works are in advanced stages of completion. Trial production is expected in Q2FY16.

As per consolidated results, profit before taxation for IID Division for the Q1FY16 was Rs. 35.6 million compared to loss before tax of Rs. 59.1 million in Q1FY15. This is mainly attributable to share of profit amounting to Rs. 100.4 million (Q1FY15 share of loss: Rs. 60.4 million) from equity accounted investments in associate.

The value of investment portfolio as of September 30, 2015 was Rs. 3,373.3 million as compared to Rs. 3,467.9 million as of June 30, 2015.

Financial Position

Balance sheet

Balance sheet footing stood at Rs. 6,701 million as of September 30, 2015, compared to Rs. 5,392.7 million as of June 30, 2015. Break-

up value per share increased to Rs. 67.3 from Rs. 65.2 as at June 30, 2015.

Current ratio as at September 30, 2015 remained at same levels of 1.4: 1 as at June 30, 2015. Gearing ratio increased to 27% as at September 30, 2015 over 14% as at June 30, 2015, mainly due to financing increased working capital requirements for orders in hand.

On a Group basis, the consolidated balance sheet footing increased to Rs. 8,286.2 million, compared to Rs. 6,836.7 million as of June 30, 2015. Total shareholders' fund increased to Rs. 5,572.8 million from Rs. 5,390.2 million as of June 30, 2015. Break-up value per share increased to Rs. 89.7 from Rs. 86.8 as at June 30, 2015.

Future Outlook

Performance of steel division significantly improved compared to the last two years. The outlook remains promising for the rest of the financial year as significant projects have been awarded to the Company by gas transmission companies. Further, in order to cater to the current orders in hand and expected increase in demand of large diameter steel pipes owing to infrastructure developments projects announced by the Government, the Company has decided to augment its capacity for line pipe production by adding another SP Line, Coating Systems and other ancillary machinery at existing site of steel division at Nooriabad Industrial Area.

Prices of cotton and yarn are currently not in favourable position, accordingly operations of the cotton division have been suspended and BMR activities are being carried out. We expect that operations of the divisions will be resumed once the market conditions and prices become favourable.

Outlook on equity market remains positive in line with positive macroeconomic indicators including lower interest rates, inflation and oil prices. Foreign investments and crude oil prices will be the key drivers of the equity market along with security and political situation.

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
October 29, 2015

Crescent Steel and Allied Products Limited

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

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	765,014	780,672
Intangible assets		7,641	9,525
Investment property		22,317	23,319
Long term investments	6	3,077,674	3,038,174
Long term deposits		26,312	24,220
Deferred taxation		41,486	38,047
		3,940,444	3,913,957
Current assets			
Stores, spares and loose tools		59,743	66,801
Stock-in-trade	7	1,362,603	453,108
Trade debts	8	444,428	87,922
Advances		64,910	17,867
Trade deposits and short term prepayments		13,925	11,411
Investments	9	262,268	388,005
Other receivables	10	302,164	200,311
Taxation - net		230,024	210,770
Cash and bank balances		20,510	42,551
		2,760,575	1,478,746
Total assets		6,701,019	5,392,703
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			
		298,973	299,041
Revenue reserves			
		3,259,483	3,130,642
		4,179,516	4,050,743
Non-current liabilities			
Long term loan	11	488,500	238,875
Liabilities against assets subject to finance lease		49,037	46,367
Deferred income		992	1,315
		538,529	286,557
Current liabilities			
Trade and other payables	12	926,397	637,632
Mark-up accrued		18,250	11,683
Short term borrowings	13	912,004	301,822
Current portion of long term loan		73,500	55,125
Current portion of liabilities against assets subject to finance lease		51,177	47,283
Current portion of deferred income		1,646	1,858
		1,982,974	1,055,403
Contingencies and commitments	14		
Total equity and liabilities		6,701,019	5,392,703

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 first quarter ended 30 September 2015

Rupees in '000	Note	First quarter ended	
		30 September 2015	30 September 2014
Sales - net	15	943,462	497,879
Cost of sales		632,575	482,534
Gross profit		310,887	15,345
(Loss) / income from investments	16	(31,571)	104,867
		279,316	120,212
Distribution and selling expenses		2,977	5,454
Administrative expenses		37,368	38,514
Other operating expenses		18,807	-
		59,152	43,968
		220,164	76,244
Other income		5,704	8,711
Operating profit before finance costs		225,868	84,955
Finance costs	17	30,065	10,493
Profit before taxation		195,803	74,462
Taxation - current		70,401	9,698
- deferred		(3,439)	(7,040)
		66,962	2,658
Profit for the period		128,841	71,804
		Rupees	
Basic and diluted earnings per share	18	2.07	1.16

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 first quarter ended 30 September 2015

Rupees in '000	First quarter ended	
	30 September 2015	30 September 2014
Profit for the period	128,841	71,804
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'	(68)	18
Other comprehensive income for the period	(68)	18
Total comprehensive income for the period	128,773	71,822

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 first quarter ended 30 September 2015

Rupees in '000	Note	First quarter ended	
		30 September 2015	30 September 2014
Cash flows from operating activities			
Cash (used in) / generated from operations	19	(820,783)	159
Taxes paid		(89,655)	(18,788)
Finance costs paid		(20,508)	(9,446)
Contribution to gratuity and pension funds		(3,821)	(3,427)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Compensated absences paid		(70)	(8)
10-C bonus paid		-	(1,055)
Long term deposits - net		(2,092)	(260)
Net cash used in operating activities		(936,929)	(37,676)
Cash flows from investing activities			
Capital expenditure		(16,585)	(21,777)
Proceeds from disposal of operating fixed assets		5,995	9,810
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,335	10,000
Investments - net		42,356	(258,864)
Dividend income received		740	61,622
Interest income received		647	349
Net cash flow from / (used in) investing activities		52,488	(198,860)
Cash flows from financing activities			
Proceeds from long term loan		268,000	190,000
Payments against finance lease obligations		(15,697)	(12,510)
Proceed from short term loans obtained		621,958	-
Dividends paid		(85)	(44,616)
Net cash flow from financing activities		874,176	132,874
Net decrease in cash and cash equivalents		(10,265)	(103,662)
Cash and cash equivalents at beginning of the period		(259,271)	(121,120)
Cash and cash equivalents at end of the period	20	(269,536)	(224,782)

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 first quarter ended 30 September 2015

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	General reserve	Unappropriated profit	
Rupees in '000						
Balance as at 30 June 2014	621,060	293,499	5,243	2,642,000	445,377	4,007,179
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	71,804	71,804
Other comprehensive income						
Total Other comprehensive income for the period	-	-	18	-	-	18
Total comprehensive income for the period	-	-	18	-	71,804	71,822
Balance as at 30 September 2014	621,060	293,499	5,261	2,642,000	517,181	4,079,001
Balance as at 30 June 2015	621,060	293,499	5,542	2,642,000	488,642	4,050,743
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	128,841	128,841
Other comprehensive income						
Total Other comprehensive income for the period	-	-	(68)	-	-	(68)
Total comprehensive income for the period	-	-	(68)	-	128,841	128,773
Balance as at 30 September 2015	621,060	293,499	5,474	2,642,000	617,483	4,179,516

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 first quarter ended 30 September 2015

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 three months period ended 30 September 2015 has been prepared in accordance with the requirements of the International Accounting Standards 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim unconsolidated financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.
- 2.3 This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4 This condensed interim unconsolidated financial information is being submitted to the shareholders as required by listing regulations of 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 2015.

4. ESTIMATES AND JUDGEMENTS

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	648,535	670,823
Capital work-in-progress	5.2	116,479	109,849
		765,014	780,672

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

Rupees in '000	First quarter ended 30 September 2015		First quarter ended 30 September 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	8,528	48,871	18,414	9,203
Plant and machinery - leased	19,271	-	10,020	5,055
Furniture and fittings	200	-	-	-
Electrical / office equipment and installation	390	70	850	-
Computers	795	-	114	1,413
Motor vehicles - owned	64	905	903	3,049
Motor vehicles - leased	-	-	-	2,005
	29,248	49,846	30,301	20,725

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 6.631 million (2014: Rs. 5.304 million).

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
6. LONG TERM INVESTMENTS			
Subsidiary companies			
- at cost	6.1	1,930,039	1,930,039
- share deposit money			
Crescent Hadeed (Private) Limited	6.1.5	129,000	89,500
Associated companies - at cost	6.2	839,689	839,689
Other long term investments	6.3	178,946	178,946
		3,077,674	3,038,174

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

6.1 Subsidiary companies - at cost

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

6.1.1 This represents the Company's investment in 100% ordinary shares of Shakarganj Energy (Private) Limited. The Company has acquired Shakarganj Energy (Private) Limited on 4 January 2010.

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

6.1.3 This represents the Company's investment in 100% ordinary shares of Crescent Hadeed (Private) Limited which was incorporated on 15 May 2013.

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

6.1.5 This represents share deposit money against right shares of Crescent Hadeed (Private) Limited.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

6.2 Associated companies - at cost

Unaudited 30 September 2015 (Number of shares)	Audited 30 June 2015		Note	Unaudited 30 September 2015 (Rupees in '000)	Audited 30 June 2015
Quoted					
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.2.1	593,488	593,488
15,244,665	15,244,665	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	388,562	388,562
				982,050	982,050
		Less: Provision for impairment	6.2.3	142,361	142,361
				839,689	839,689

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

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

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

6.2.4 The fair value of investments in associates as at 30 September 2015 is Rs. 2,534.183 million (30 June 2015: Rs. 2,194.372 million).

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

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
7. STOCK-IN-TRADE			
<i>Raw materials</i>			
Hot rolled steel coils (HR Coil)		211,810	11,727
Coating materials		22,218	31,546
Others		20,502	19,331
Raw cotton		68,201	32,901
Stock-in-transit		856,242	315,294
		1,178,973	410,799
Work-in-process		140,153	13,480
Finished goods		36,929	26,062
Scrap / cotton waste		6,548	2,767
		183,630	42,309
		1,362,603	453,108

8. TRADE DEBTS

<i>Secured</i>			
Considered good	8.1	427,532	33,749
<i>Unsecured</i>			
Considered good		16,896	54,173
Considered doubtful		5,684	5,684
Provision for doubtful trade debts		(5,684)	(5,684)
		16,896	54,173
		444,428	87,922

8.1 This includes amounting to Rs. 36.565 million (30 June 2015: Rs. 32.381 million) due from wholly owned subsidiary company.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
9. INVESTMENTS			
<i>Investments in related parties</i>			
Available for sale - The Crescent Textile Mills Limited		9,500	9,568
Held to maturity	9.1	13,347	13,347
		22,847	22,915
<i>Other investments</i>			
Available for sale		-	-
Held for trading		239,421	365,090
		239,421	365,090
		262,268	388,005

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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

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

The fair value of preference shares as at 30 September 2015 amounts to Rs. 13.287 million (30 June 2015: Rs. 13.347 million).

9.2 Investments having an aggregate market value of Rs. 1,902.174 million (30 June 2015: Rs. 1,453.820 million) have been pledged with financial institutions as security against financing facilities (refer note 13.4) out of which Rs. 1,666.080 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
10. OTHER RECEIVABLES			
Dividend receivable		11,184	938
Receivable against sale of investments		-	63
Receivable against rent from investment property from related party		610	305
Claim receivable		562	562
Due from related parties	10.1	24,216	18,393
Sales tax refundable		77,817	2,426
Receivable from staff retirement benefits funds		184,589	177,575
Others		3,186	49
		302,164	200,311
10.1 This includes balances due from related parties are as follows:			
Shakarganj Limited		1,720	-
CS Capital (Private) Limited		342	137
Shakarganj Energy (Private) Limited		904	680
Crescent Hadeed (Private) Limited		12,597	10,376
Solution de Energy (Private) Limited		8,653	7,200
		24,216	18,393

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
11. LONG TERM LOAN			
Secured			
Allied Bank Limited	11.1	312,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	11.2	250,000	-
		562,000	294,000
Less: Current portion shown under current liabilities		73,500	55,125
		488,500	238,875

11.1 During last year, the Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 315 million, out of which Rs. 312 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments starting from December 2015. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period, mark-up on such arrangements ranged between 8.33% to 8.44% (2015: Nil) per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

12. TRADE AND OTHER PAYABLE

This includes balances due to Premier Insurance Limited amounting to Rs. 0.148 million (30 June 2015: Rs. 0.02 million) respectively.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
13. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	13.1	290,046	301,822
Short term loans	13.2	621,958	-
		912,004	301,822

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

- 13.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 550 million (30 June 2015: Rs. 550 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million) and Rs. 50 million (30 June 2015:Rs 50 million) is interchangeable with letter of credit facility and with Finance Against Import Material (FIM) respectively. During the period, the mark-up on such arrangements ranged between 8.40% to 8.74% (2014: 11.67% to 12.27%) per annum.
- 13.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 1,850 million (30 June 2015: Rs. 1,300 million) out of which Rs. 900 million (30 June 2015: Rs. 400 million), Rs. 50 million (30 June 2015: Rs. 50 million) and Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with letter of credit, short term running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.76 % to 8.96 % (2014: Nil) per annum.
- 13.3 The facilities for opening letter of credit amounted to Rs. 2,218 million (30 June 2015: Rs. 1,500 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million) , Rs. 900 million (30 June 2015: Rs. 400 million) and Rs. 200 million (30 June 2015: Rs. Nil) are interchangeable with short term running finance, short term loans and letter of guarantees facility respectively as mentioned in notes 13.1 and 13.2 above. The facility for letters of guarantee as at 30 September 2015 amounted to Rs. 934.5 million (30 June 2015: Rs. 727 million) out of which Rs. 200 million (30 June 2015: Nil) are interchangeable with short term loan and letter of credit facility. Amounts unutilized for letters of credit and guarantees as at 30 September 2015 were Rs. 233 million and Rs. Nil (30 June 2015: Rs. 548.405 million and Rs. 50.201 million) respectively.
- 13.4 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.

14. CONTINGENCIES AND COMMITMENTS

- 14.1 There is no significant change in the status of contingencies as set out in note 13 to the Company's annual unconsolidated financial statements for the year ended 30 June 2015, except as set out below.
- 14.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 934.12 million (30 June 2015: Rs. 676.799 million).
- 14.3 Commitments in respect of capital expenditure contracted for as at 30 September 2015 amounted to Rs. 7.462 million (30 June 2015: Rs. 13.101 million) in relation to office premises located in Islamabad payable on completion of project.
- 14.4 Commitments under letters of credit as at 30 September 2015 amounted to Rs. 486.226 million (30 June 2015: Rs. 651.730 million) including L/C of Rs. 56.906 million (30 June 2015: Rs. 197.450 million) opened for import of plant for its subsidiary company.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
15. SALES - NET		
<i>Local sales</i>		
Bare pipes (own product excluding coating revenue)	846,221	106,649
Coating of pipes	212,208	46,156
Cotton yarn / raw cotton	-	336,258
Others (including pipes laboratory testing)	39,230	11,683
Scrap / waste	6,527	6,974
	1,104,186	507,720
<i>Export sales</i>		
Cotton yarn / raw cotton	-	20,454
	1,104,186	528,174
Sales tax	(160,724)	(30,295)
	943,462	497,879

16. (LOSS) / INCOME FROM INVESTMENTS

Dividend income	10,986	111,816
(Loss) / gain on sale of investment - net	(11,924)	983
Unrealized loss on held for trading investments - net	(31,891)	(10,522)
Rent from investment property	16.1	1,258
	(31,571)	104,867

16.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 0.953 million (2014: Rs. 1.685 million). Further, Rs. 0.271 million (2014: Rs. 0.166 million) were incurred against non rented out area.

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
17. FINANCE COSTS		
Incurred on:		
- finance lease obligations	2,990	3,418
- long term loan	10,371	1,059
- running finances / short term loans	14,313	5,407
Bank charges	2,391	609
	30,065	10,493

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014

18. BASIC AND DILUTED EARNINGS PER SHARE

Profit for the period	128,841	71,804
	(Number of shares)	
Average number of ordinary shares in issue during the period	62,105,992	62,105,992
	(Rupees)	
Basic and diluted earnings per share	2.07	1.16

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014

19. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit before taxation for the period	195,803	74,462
<i>Adjustments for non cash charges and other items</i>		
Depreciation on operating fixed assets and investment property	27,307	25,037
Amortization of intangible assets	1,884	1,677
(Reversal) / charge for the period on staff retirement benefit funds	(3,193)	3,386
Charge for compensated absences	70	3
Dividend income	(10,986)	(111,816)
Unrealized loss on held for trading investments - net	31,891	10,522
Loss / (gain) on sale of investments - net	11,924	(983)
Provision for Workers' Welfare Fund	4,857	-
Provision for Workers' Profit Participation Fund	13,672	-
Return on deposits, loan and investments	(647)	(349)
Gain on disposal of operating fixed assets	(121)	(2,688)
Deferred income	(535)	(510)
Liabilities written back	(3,786)	-
Finance costs	30,065	10,493
Working capital changes	19.1	(9,075)
	(820,783)	159

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2015	30 September 2014
19.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spares and loose tools		7,058	(4,026)
Stock-in-trade		(909,323)	(15,920)
Trade debts		(356,506)	(66,563)
Advances		(47,043)	(115,975)
Trade deposits and short term prepayments		(2,514)	(1,635)
Other receivables		(84,656)	(8,038)
		(1,392,984)	(212,157)
Increase in current liabilities			
Trade and other payables		273,996	203,082
		(1,118,988)	(9,075)
20. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(290,046)	(297,846)
Cash and bank balances		20,510	73,064
		(269,536)	(224,782)

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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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 first quarter ended				
30 September 2015				
Sales - net	943,462	-	-	943,462
Cost of sales	607,827	24,748	-	632,575
Gross profit / (loss)	335,635	(24,748)	-	310,887
Loss from investments	-	-	(31,571)	(31,571)
	335,635	(24,748)	(31,571)	279,316
Distribution and selling expenses	2,540	437	-	2,977
Administrative expenses	28,979	5,350	3,039	37,368
Other operating expenses	18,777	11	19	18,807
	50,296	5,798	3,058	59,152
	285,339	(30,546)	(34,629)	220,164
Other income	724	4,980	-	5,704
Operating profit / (loss) before finance costs	286,063	(25,566)	(34,629)	225,868
Finance costs	23,072	5,656	1,337	30,065
Profit / (loss) before taxation	262,991	(31,222)	(35,966)	195,803
Taxation				66,962
Profit for the period				128,841

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the first quarter ended				
30 September 2014				
Sales - net	140,926	356,953	-	497,879
Cost of sales	109,417	373,117	-	482,534
Gross profit / (loss)	31,509	(16,164)	-	15,345
Income from investments	-	-	104,867	104,867
	31,509	(16,164)	104,867	120,212
Distribution and selling expenses	2,293	3,161	-	5,454
Administrative expenses	27,792	6,410	4,312	38,514
	30,085	9,571	4,312	43,968
	1,424	(25,735)	100,555	76,244
Other income	2,127	6,036	548	8,711
Operating profit / (loss) before finance costs	3,551	(19,699)	101,103	84,955
Finance costs	5,399	4,178	916	10,493
(Loss) / profit before taxation	(1,848)	(23,877)	100,187	74,462
Taxation				2,658
Profit for the period				71,804

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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

21.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the audited annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2015. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

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 15 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. 998.602 million (2014: Rs. 109.616 million) of total Steel segment revenue of Rs. 943.462 million (2014: Rs. 140.926 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil (2014: Rs. 111.919 million) of total Cotton segment revenue of Rs. Nil (2014: Rs. 356.953 million).

21.5 Geographical information

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

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
Pakistan	943,462	477,425
Far East	-	20,454
	943,462	497,879

21.5.2 All non-current assets of the Company as at 30 September 2015 and 30 June 2015 were located and operating in Pakistan.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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 30 September 2015 (Unaudited)				
Segment assets for reportable segments	3,117,145	479,638	2,717,579	6,314,362
Unallocated corporate assets				386,657
Total assets as per balance sheet				6,701,019
Segment liabilities for reportable segments	823,727	129,823	1,522	955,072
Unallocated corporate liabilities				1,566,431
Total liabilities as per balance sheet				2,521,503
As at 30 June 2015 - (Audited)				
Segment assets for reportable segments	1,725,602	488,312	2,832,988	5,046,902
Unallocated corporate assets				345,801
Total assets as per balance sheet				5,392,703
Segment liabilities for reportable segments	490,721	163,564	1,483	655,768
Unallocated corporate liabilities				686,192
Total liabilities as per balance sheet				1,341,960

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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

21.7 Other segment information

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the first quarter ended				
30 September 2015				
Capital expenditure	8,166	7,070	–	15,236
Depreciation and amortization	11,225	16,771	1,195	29,191
Non-cash items other than depreciation and amortization - net	38,331	846	34,061	73,238
For the first quarter ended				
30 September 2014				
Capital expenditure	2,692	21,627	88	24,407
Depreciation and amortization	9,720	15,848	1,146	26,714
Non-cash items other than depreciation and amortization - net	5,775	3,529	(101,246)	(91,942)

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

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.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			30 September 2015	30 September 2014
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	2,285	694
		Sale of finished goods	3,575	–
		Share deposit money	39,500	97,000

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			30 September 2015	30 September 2014
CS Capital (Private) Limited	Subsidiary company	Right shares subscribed	-	75,230
		Dividend Income	-	37,477
		Reimbursable expenses	205	80
		Share deposit money	-	2,000
Shakarganj Energy (Private) Limited	Subsidiary company	Right shares subscribed	-	358,039
		Reimbursable expenses	37,726	182
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	1,453	-
Altern Energy Limited	Associated company	Dividend received	-	60,475
Shakarganj Limited	Associated company	Sales of finished goods	-	486
		Services received	663	619
		Reimbursable expenses	383	392
Central Depository Company of Pakistan Limited	Related party	Services received	293	-
		Dividend received	5,809	-
Crescent Jute Products Limited *	Related party	Services received	-	37
		Reimbursable expenses	-	211
The Citizens' Foundation *	Related party	Donation given	-	42

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			30 September 2015	30 September 2014
CSAP Foundation *	Related party	Donation given	1,038	569
Premier Insurance Company *	Related party	Insurance premium	1,867	2,460
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	195	414
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,129	969
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	2,835	2,442
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	1,559	1,331
Key management personnel	Related parties	Remuneration and benefits	15,982	16,644

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

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

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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

24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 29 October 2015.


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited

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

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,189,525	2,018,522
Intangible assets		73,339	68,211
Investment property		65,405	67,026
Investment in equity accounted investees	6	2,490,361	2,423,250
Other long term investments	7	220,717	220,717
Long term deposits		50,679	48,011
		5,090,026	4,845,737
Current assets			
Stores, spares and loose tools		59,743	66,801
Stock-in-trade	8	1,362,603	453,108
Trade debts	9	412,961	60,639
Advances		104,583	58,395
Trade deposits and short term prepayments		14,587	14,552
Investments	10	662,264	823,918
Mark-up accrued		570	475
Other receivables	11	288,102	186,669
Taxation - net		245,566	224,989
Cash and bank balances		45,194	101,408
		3,196,173	1,990,954
Total assets		8,286,199	6,836,691
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			
		394,738	395,534
Revenue reserves			
		4,556,960	4,373,623
		5,572,758	5,390,217
Non-current liabilities			
Long term loan	12	488,500	238,875
Liabilities against assets subject to finance lease		49,037	46,367
Deferred income		992	1,315
Deferred taxation		96,400	98,208
		634,929	384,765
Current liabilities			
Trade and other payables	13	956,726	642,765
Mark-up accrued		18,880	12,856
Short term borrowings	14	976,583	301,822
Current portion of long term loans		73,500	55,125
Current portion of liabilities against assets subject to finance lease		51,177	47,283
Current portion of deferred income		1,646	1,858
		2,078,512	1,061,709
Contingencies and commitments	15		
Total equity and liabilities		8,286,199	6,836,691

The annexed notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	First quarter ended	
		30 September 2015	30 September 2014
Sales - net	16	939,887	497,879
Cost of sales		638,952	482,534
Gross profit		300,935	15,345
(Loss) / income from investments	17	(64,334)	9,170
		236,601	24,515
Distribution and selling expenses		2,977	5,454
Administrative expenses		40,041	42,821
Other operating expenses		18,823	19
		61,841	48,294
		174,760	(23,779)
Other income		6,819	9,700
Operating profit / (loss) before finance costs		181,579	(14,079)
Finance costs	18	30,760	12,446
Share of profit / (loss) in equity accounted investees - net of taxation		102,165	(63,957)
Profit / (loss) before taxation		252,984	(90,482)
Taxation - current		71,455	11,510
- deferred		(1,808)	(15,522)
		69,647	(4,012)
Profit / (loss) for the period		183,337	(86,470)
Basic and diluted earnings / (loss) per share	19	2.95	(1.39)

The annexed notes from 1 to 25 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 first quarter ended 30 September 2015

Rupees in '000	First quarter ended	
	30 September 2015	30 September 2014
Profit / (loss) for the period	183,337	(86,470)
<u>Other comprehensive income</u>		
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'	(657)	129
Proportionate share of other comprehensive income of equity accounted investees	(139)	(12,465)
Other comprehensive income for the period	(796)	(12,336)
Total comprehensive income for the period	182,541	(98,806)

The annexed notes from 1 to 25 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 first quarter ended 30 September 2015

Rupees in '000	Note	First quarter ended	
		30 September 2015	30 September 2014
Cash flows from operating activities			
Cash (used in) / generated from operations	20	(822,336)	7,227
Taxes paid		(92,032)	(24,783)
Finance costs paid		(21,746)	(10,524)
Contribution to gratuity and pension funds		(3,821)	(3,427)
Contribution to Workers' Profit Participation Fund		-	(4,851)
Compensated absences paid		(70)	(8)
10-C bonus paid		-	(1,055)
Long term loans and deposits - net		(2,092)	(260)
Net cash used in operating activities		(942,097)	(37,681)
Cash flows from investing activities			
Capital expenditure		(176,200)	(120,722)
Acquisition of intangible assets		(6,900)	(2,611)
Proceeds from disposal of operating fixed assets		5,995	9,810
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		19,335	10,000
Investments - net		113,497	(257,398)
Dividend income received		2,133	74,365
Interest income received		1,043	9
Net cash used in investing activities		(41,097)	(286,547)
Cash flows from financing activities			
Proceeds from long term loan		268,000	190,000
Payments against finance lease obligations		(15,697)	(12,510)
Proceed from short term loans obtained		621,958	-
Dividends paid		(85)	(44,616)
Net cash flow from financing activities		874,176	132,874
Net decrease in cash and cash equivalents		(109,018)	(191,354)
Cash and cash equivalents at beginning of the period		(200,413)	(84,104)
Cash and cash equivalents at end of the period	21	(309,431)	(275,458)

The annexed notes from 1 to 25 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 first quarter ended 30 September 2015

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Other*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 30 June 2014	621,060	293,499	17,919	76,970	2,642,000	1,594,749	5,246,197
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(86,470)	(86,470)
Other comprehensive income							
Total Other comprehensive income for the period	-	-	129	(12,465)	-	-	(12,336)
Total comprehensive income for the period	-	-	129	(12,465)	-	(86,470)	(98,806)
Balance as at 30 September 2014	621,060	293,499	18,048	64,505	2,642,000	1,508,279	5,147,391
Balance as at 30 June 2015	621,060	293,499	25,809	76,226	2,642,000	1,731,623	5,390,217
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	183,337	183,337
Other comprehensive income							
Total Other comprehensive income for the period	-	-	(657)	(139)	-	-	(796)
Total comprehensive income for the period	-	-	(657)	(139)	-	183,337	182,541
Balance as at 30 September 2015	621,060	293,499	25,152	76,087	2,642,000	1,914,960	5,572,758

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

The annexed notes from 1 to 25 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 first quarter ended 30 September 2015

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 three months period ended 30 September 2015 has been prepared in accordance with the requirements of the International Accounting Standards 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim consolidated financial information of the Group does not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.
- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.

4. ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2015.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,197,146	1,227,329
Capital work-in-progress		992,379	791,193
		2,189,525	2,018,522

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

Rupees in '000	First quarter ended 30 September 2015		First quarter ended 30 September 2014	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Plant and machinery - owned	8,528	48,871	18,414	9,203
Plant and machinery - leased	19,271	–	10,020	5,055
Furniture and fittings	200	–	–	–
Electrical / office equipment and installation	390	70	850	–
Computers	795	–	114	1,413
Motor vehicles - owned	64	905	903	3,049
Motor vehicles - leased	–	–	–	2,005
	29,248	49,846	30,301	20,725

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

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

Unaudited 30 September 2015 (Number of shares)	Audited 30 June 2015		Note	Unaudited 30 September 2015 (Rupees in '000)	Audited 30 June 2015
Quoted					
63,591,500	64,491,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,467,013	2,397,727
19,471,769	19,471,769	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2	-	-
Unquoted					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.3	23,348	25,523
				2,490,361	2,423,250

- 6.1 The Holding Company and the Subsidiary Companies hold 16.64% and 0.86% respectively i.e. aggregate holding of 17.50% 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. 104.340 million and Rs. (0.139) million respectively.

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

As at 30 September 2015 and 30 June 2015, the carrying amount of equity accounted investment in Shakarganj Limited has been reduced to Nil due to recognition of the Group's share of losses incurred by the investee company. The Group has already further recognized its share of losses against the carrying amount in respect of preference shares of the investee company held by the Group as more fully explained in notes 17.2 and 26.2 to the audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2015.

The Group has discontinued any further recognition of its share of losses of the investee company. The unrecognized share of net profit for the period amounted to Rs. 63.460 million (2014: Rs. Nil) and cumulatively share of unrecognized net losses as at 30 September 2015 amounted to Rs. 16.965 million (30 June 2015: Rs. 80.425 million).

- 6.3 During the period, share of loss from associate recognized amounted to Rs. 2.175 million (2014: 0.428 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

6.4 The above figures are based on financial information of these companies as at 30 June 2015.

6.5 The fair value of investments in associates as at 30 September 2015 is Rs. 2,725.711 million (30 June 2015: Rs. 2,394.748 million).

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
7. OTHER LONG TERM INVESTMENTS - Available for sale			
Investments in related parties	7.1	60,717	60,717
Other investments		160,000	160,000
		220,717	220,717

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

Rupees in '000		Unaudited 30 September 2015	Audited 30 June 2015
8. STOCK-IN-TRADE			
<i>Raw materials</i>			
Hot rolled steel coils (HR Coil)		211,810	11,727
Coating materials		22,218	31,546
Others		20,502	19,331
Raw cotton		68,201	32,901
Stock-in-transit		856,242	315,294
		1,178,973	410,799
<i>Work-in-process</i>			
Work-in-process		140,153	13,480
Finished goods		36,929	26,062
Scrap / cotton waste		6,548	2,767
		183,630	42,309
		1,362,603	453,108

9. TRADE DEBTS

<i>Secured</i>			
Considered good		396,065	6,466
<i>Unsecured</i>			
Considered good		16,896	54,173
Considered doubtful		5,684	5,684
Provision for doubtful trade debts		(5,684)	(5,684)
		16,896	54,173
		412,961	60,639

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
10. INVESTMENTS			
Investments in related parties			
Available for sale - The Crescent Textile Mills Limited		91,977	92,634
Held to maturity	10.1	-	-
		91,977	92,634
Other investments			
Available for sale		-	-
Held for trading		556,605	717,631
Short term deposit		11,825	11,825
Investment in commodity		1,857	1,828
		570,287	731,284
		662,264	823,918

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

10.2 Investments having an aggregate market value of Rs. 2,017.891 million (30 June 2015: Rs. 1,589.421 million) have been pledged with financial institutions as security against financing facilities (refer note 14.4) out of which Rs. 1,666.080 million (30 June 2015: Rs. 1,200 million) relates to long term investments.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
11. OTHER RECEIVABLES			
Dividend receivable		14,746	1,027
Receivable against sale of investments		1,270	1,333
Receivable against rent from investment property		613	386
Claim receivable		562	562
Due from related parties	11.1	1,720	-
Sales tax refundable		77,817	2,426
Receivable from staff retirement benefits funds		184,589	177,575
Others		6,785	3,360
		288,102	186,669

11.1 This includes balance due from Shakarganj Limited - Associated Company to Rs. 1.720 million (30 June 2015: Rs. Nil).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
12. LONG TERM LOAN			
<i>Secured</i>			
Allied Bank Limited	12.1	312,000	294,000
Saudi Pak Industrial and Agricultural Investment Company Limited	12.2	250,000	-
		562,000	294,000
Less: Current portion shown under current liabilities		73,500	55,125
		488,500	238,875

12.1 During last year, the Holding Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 315 million, out of which Rs. 312 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments starting from 15th month from disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum prevailing on the last day of previous quarter. During the period, mark-up on such arrangements ranged between 8.33% to 8.44% per annum. The facility is secured against first pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

12.2 During the period, the Holding Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million, which was fully disbursed during the period. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 8 equal semi annually installments starting from 18th month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum prevailing on the day prior to the start of each semi annually installment period. During the period, mark-up on such arrangement is 9.54% (2015: Nil) per annum. The facility is secured against first pari passu hypothecation on land and building and property of the Holding Company.

13. TRADE AND OTHER PAYABLE

This includes balance due to Premier Insurance Limited amounting to Rs. 0.148 million (30 June 2015: Rs. 0.02 million) respectively.

Rupees in '000	Note	Unaudited 30 September 2015	Audited 30 June 2015
14. SHORT TERM BORROWINGS			
<i>Secured from banking companies</i>			
Running finances under mark-up arrangements	14.1	354,625	301,822
Short term loans	14.2	621,958	-
		976,583	301,822

14.1 Short term running finance available from various commercial banks under mark-up arrangements amounted to Rs. 650 million (30 June 2015: Rs. 650 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million) and Rs. 50 million (30 June 2015: Rs. 50 million) are interchangeable with letter of credit and with Finance Against Import Material (FIM) facility respectively. During the period, the mark-up on such arrangements ranged between 8.40% to 8.74% (2014: 11.67% to 12.27%) per annum.

14.2 Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 2,050 million (30 June 2015: Rs. 1,300 million) out of which Rs. 1,100 million (30 June

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

2015: Rs. 400 million), Rs. 50 million (30 June 2015: Rs. 50 million) and Rs. 200 million (30 June 2015: Nil) are interchangeable with letter of credit, short term running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.76% to 8.96% (2014: Nil) per annum.

- 14.3 The facilities for opening letter of credit amounted to Rs. 2,418 million (30 June 2015: Rs. 1,600 million) out of which Rs. 250 million (30 June 2015: Rs. 250 million), Rs. 1,100 million (30 June 2015: Rs. 400 million) and Rs. 200 million (30 June 2015: Nil) are interchangeable with short term running finance, short term loans, and letter of guarantees facility respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at 30 September 2015 amounted to Rs. 979.75 million (30 June 2015: Rs. 772.250 million) out of which Rs. 200 million (30 June 2015: Nil) are interchangeable with short term loan and letter of credit facility respectively. Amounts unutilized for letters of credit and guarantees as at 30 September 2015 were Rs. 233 million and Rs. 3.325 million (30 June 2015: Rs. 639.790 million and Rs. 53.176 million) respectively.
- 14.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 10.2) and cotton / cotton yarn; and lien over import / export document.

15. CONTINGENCIES AND COMMITMENTS

- 15.1 There is no significant change in the status of contingencies set out in note 13 to the Group's annual consolidated financial statements for the year ended 30 June 2015, except as set out below.
- 15.2 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 976.379 million (30 June 2015: Rs. 719.074 million).
- 15.3 Commitments in respect of capital expenditure contracted for as at 30 September 2015 amounted to Rs. 75.185 million (30 June 2015: Rs. 96.922 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project. This also includes commitments contracted by the subsidiary companies aggregating to Rs. 67.723 million (30 June 2015: Rs. 83.821 million) in respect of capital expenditure to acquire plant and machinery and infrastructure development.
- 15.4 Commitments under letters of credit as at 30 September 2015 amounted to Rs. 489 million (30 June 2015: Rs. 653.225 million).

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
16. SALES - NET		
Local sales		
Bare pipes (own product excluding coating revenue)	846,221	106,649
Coating of pipes	212,208	46,156
Cotton yarn / raw cotton	-	336,258
Others (including pipes laboratory testing)	39,230	11,683
Scrap / waste	2,344	6,974
	1,100,003	507,720
Export sales		
Cotton yarn / raw cotton	-	20,454
	1,100,003	528,174
Sales tax	(160,116)	(30,295)
	939,887	497,879

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
17. (LOSS) / INCOME FROM INVESTMENTS		
Dividend income	15,852	18,423
Unrealized gain / (loss) on commodity	29	(57)
(Loss) / gain on sale of investments - net	(15,973)	1,371
Unrealized loss on held for trading investments	(66,475)	(14,357)
Rent from investment property	2,233	3,790
	(64,334)	9,170

17.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.643 million (2014: Rs. 2.369 million). Further, Rs. 0.743 million (2014: Rs. 0.166 million) were incurred against non rented out area.

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
18. FINANCE COSTS		
Incurring on		
- finance lease obligations	2,990	3,418
- long term loan	10,371	1,059
- running finances / short term loans	14,945	7,337
Bank charges	2,454	632
	30,760	12,446

19. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Profit / (loss) for the period	183,337	(86,470)
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(Number of shares)

Average number of ordinary shares in issue during the period	62,105,992	62,105,992
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(Rupees)

Basic and diluted earnings / (loss) per share	2.95	(1.39)
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2015	30 September 2014
20. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit / (loss) before taxation for the period		252,984	(90,482)
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		36,768	25,657
Amortization of intangible assets		1,884	1,677
(Reversal) / charge for the period on staff retirement benefit funds		(3,193)	3,386
Charge for compensated absences		70	3
Dividend income		(15,852)	(18,423)
Unrealized loss on held for trading investments - net		66,475	14,357
Loss / (gain) on sale of investments - net		15,973	(983)
Unrealized (gain) / loss on commodity - Silver		(29)	57
Provision for Workers' Welfare Fund		4,857	-
Provision for Workers' Profit Participation Fund		13,672	-
Return on deposits, loan and investments		(1,714)	(751)
Gain on disposal of operating fixed assets		(121)	(2,688)
Deferred income		(535)	(510)
Liabilities written back		(3,786)	-
Finance costs		30,761	11,859
Share of (profit) / loss from equity accounted investees - net of taxation		(102,165)	63,957
Working capital changes	20.1	(1,118,385)	111
		(822,336)	7,227

20.1 Working capital changes

Decrease / (increase) in current assets			
Stores, spares and loose tools		7,058	(4,026)
Stock-in-trade		(909,323)	(15,920)
Trade debts		(348,422)	(66,563)
Advances		(47,043)	(115,975)
Trade deposits and short term prepayments		(3,080)	(1,684)
Other receivables		(80,762)	(439)
		(1,381,572)	(204,607)
Increase in current liabilities			
Trade and other payables		263,187	204,718
		(1,118,385)	111

21. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements		(354,625)	(361,426)
Cash and bank balances		45,194	85,968
		(309,431)	(275,458)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

22. SEGMENT REPORTING

22.1 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 of operations of the subsidiary company.

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

22.2 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 first quarter ended					
30 September 2015					
Sales - net	939,887	-	-	-	939,887
Cost of sales	604,788	24,748	-	9,416	638,952
Gross profit / (loss)	335,099	(24,748)	-	(9,416)	300,935
Loss from investments	-	-	(58,565)	(5,769)	(64,334)
	335,099	(24,748)	(58,565)	(15,185)	236,601
Distribution and selling expenses	2,540	437	-	-	2,977
Administrative expenses	29,624	5,350	4,217	850	40,041
Other operating expenses	18,777	11	35	-	18,823
	50,941	5,798	4,252	850	61,841
	284,158	(30,546)	(62,817)	(16,035)	174,760
Other income	772	4,980	6	1,061	6,819
Operating profit / (loss) before finance costs	284,930	(25,566)	(62,811)	(14,974)	181,579
Finance costs	23,125	5,656	1,969	10	30,760
Share of profit in equity accounted investees - net of taxation	-	-	100,404	1,761	102,165
Profit / (loss) before taxation	261,805	(31,222)	35,624	(13,223)	252,984
Taxation					69,647
Profit for the period					183,337

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For the first quarter ended 30 September 2015

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the first quarter ended					
30 September 2014					
Sales - net	140,926	356,953	-	-	497,879
Cost of sales	109,417	373,117	-	-	482,534
Gross profit / (loss)	31,509	(16,164)	-	-	15,345
Income from investments	-	-	9,170	-	9,170
	31,509	(16,164)	9,170	-	24,515
Distribution and selling expenses	2,293	3,161	-	-	5,454
Administrative expenses	28,552	6,410	5,501	2,358	42,821
Other operating expenses	-	-	19	-	19
	30,845	9,571	5,520	2,358	48,294
	664	(25,735)	3,650	(2,358)	(23,779)
Other income	2,127	6,036	552	985	9,700
Operating profit / (loss) before finance costs	2,791	(19,699)	4,202	(1,373)	(14,079)
Finance costs	5,408	4,178	2,846	14	12,446
Share of loss in equity accounted investees - net of taxation	-	-	(60,451)	(3,506)	(63,957)
Loss before taxation	(2,617)	(23,877)	(59,095)	(4,893)	(90,482)
Taxation					(4,012)
Loss for the period					(86,470)

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

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

22.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the preceding year ended 30 June 2015. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial charges between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

22.3 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 16 to this condensed interim consolidated financial information.

22.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 918.226 million (2014: Rs. 109.616 million) of total Steel segment revenue of Rs. 939.887 million (2014: Rs. 140.926 million). Revenue from major customers of Cotton segment represent an aggregate amount of Rs. Nil (2014: Rs. 111.919 million) of total Cotton segment revenue of Rs. Nil (2014: Rs. 356.953 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

22.5 Geographical information

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

Rupees in '000	Unaudited First quarter ended	
	30 September 2015	30 September 2014
Pakistan	939,887	477,425
Far East	-	20,454
	939,887	497,879

22.5.2 All non-current assets of the Group as at 30 September 2015 and 30 June 2015 were located and operating in Pakistan.

22.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<i>As at 30 September 2015 (Unaudited)</i>					
Segment assets for reportable segments	3,136,304	479,638	1,024,486	819,616	5,460,044
Investment in equity accounted investees	-	-	2,269,463	220,898	2,490,361
Unallocated corporate assets					335,794
Total assets as per balance sheet					8,286,199
Segment liabilities for reportable segments	854,500	129,761	67,357	23,098	1,074,716
Unallocated corporate liabilities					1,638,725
Total liabilities as per balance sheet					2,713,441
<i>As at 30 June 2015 (Audited)</i>					
Segment assets for reportable segments	1,732,551	488,312	1,106,190	786,512	4,113,565
Investment in equity accounted investees	-	-	2,169,198	254,052	2,423,250
Unallocated corporate assets					299,876
Total assets as per balance sheet					6,836,691
Segment liabilities for reportable segments	508,236	163,564	3,228	23,034	698,062
Unallocated corporate liabilities					748,412
Total liabilities as per balance sheet					1,446,474

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

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

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

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

22.7 Other segment information

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the first quarter ended					
30 September 2015					
Capital expenditure	65,428	7,070	-	102,353	174,851
Depreciation and amortization	11,225	16,771	1,814	8,842	38,652
Non-cash items other than depreciation and amortization - net	38,384	846	(37,747)	2,957	4,440
For the first quarter ended					
30 September 2014					
Capital expenditure	99,649	21,627	84	1,992	123,352
Depreciation and amortization	9,720	15,848	1,766	-	27,334
Non-cash items other than depreciation and amortization - net	5,784	3,529	58,416	2,535	70,264

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

23. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			30 September 2015	30 September 2014
Shakarganj Limited	Associated company	Sales of finished goods	-	486
		Services received	663	619
		Reimbursable expenses	383	392
Central Depository Company of Pakistan Limited	Related party	Services received	293	-
		Dividend received	5,809	-
Crescent Jute Products Limited *	Related party	Services received	-	37
		Reimbursable expenses	-	211
CSAP Foundation *	Related party	Donation given	1,038	569
Premier Insurance Company *	Related party	Insurance premium	1,867	2,460
The Citizens' Foundation *	Related party	Donation given	-	42
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	195	414
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,129	969

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			30 September 2015	30 September 2014
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	2,835	2,442
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	1,559	1,331
Key management personnel	Related parties	Remuneration and benefits	15,982	16,644

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

- 23.1 Sale of finished goods and raw materials, rendering of services and insurance premium are based on commercial terms and at market prices which are approved by the Board of Directors.
- 23.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 23.3 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended 30 September 2015

24. FINANCIAL RISK MANAGEMENT

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

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 29 October 2015.


Chief Executive


Director


Chief Financial Officer

