



Crescent Steel and
Allied Products Limited



**Condensed Interim Financial
Information
For The Six Months Ended
31 December 2017**



2017

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

Ahsan M. Saleem
*Chief Executive Officer and Managing
Director*

Farrukh V. Junaidy
*Non-Executive Director (Independent)
NIT Nominee*

Nasir Shafi
Non-Executive Director

S.M. Ehtishamullah
Non-Executive Director

Syed Zahid Hussain
Non-Executive Director (Independent)

Zahid Bashir
Non-Executive Director

COMPANY SECRETARY

Mohammad Fahad

AUDIT COMMITTEE

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

Farrukh V. Junaidy
*Member, Non-Executive Director
(Independent)*

Nasir Shafi
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 Officer

Zahid Bashir
Member, Non-Executive Director

MANAGEMENT TEAM

Ahsan M. Saleem – 1983*
*Chief Executive Officer and Managing
Director*

Muhammad Saad Thaniana – 2007*
*Chief Financial Officer and CEO
Shakarganj Energy (Private) Limited
and Solution De Energy (Private)
Limited*

Abdul Rouf – 2000*
BU Head – Cotton Division

Arif Raza – 1985*
BU Head – Steel Division

Ehsan Durrani – 2008*
Human Resource Advisor

Hajerah A. Saleem – 2012*
*BU Head - Investments and
Infrastructure Development Division
and Head of Corporate Affairs and
CEO CS Capital (Private) Limited*

Hasan Altaf Saleem – 2010*
*Resident Director and
COO Crescent Hadeed (Private)
Limited*

Iqbal Abdulla – 2014*
IT Advisor

Iqbal Zafar Siddiqui – 2008*
*Head of Supply Chain and CEO
Crescent Hadeed (Private) Limited*

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

HEAD OF INTERNAL AUDIT

Muhammad Saood - 2017*

AUDITORS

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITORS

BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISOR

Hassan and Hassan, Advocates,
Lahore
A.K. Brohi & Co., Advocates,
Karachi

BANKERS

CONVENTIONAL

Allied Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank
of China
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited

SHARIAH COMPLIANT

Al-Baraka Bank Pakistan Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan
Limited

SUBSIDIARIES*

Crescent Hadeed (Private) Limited
CS Capital (Private) Limited
Shakarganj Energy (Private) Limited
Solution de Energy (Private) Limited

REGISTERED OFFICE

E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811

LIAISON OFFICE LAHORE

E-Floor, IT Tower, 73-E/1, Hali Road, 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: info@crescent.com.pk

PRODUCTION SITES

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: arif.raza@crescent.com.pk

ENGINEERING UNIT

(Shakarganj Engineering)
17 Kilometer Summundri Road, Dalawal, District Faisalabad, Punjab.
Tel : +92 41 2569 825-26
Fax: +92 41 2679 825

CRESCENT HADEED (PRIVATE) LIMITED

59 Kilometer, Jhang Sargodha Road, Bhone, District Jhang
Tel: +92 48 6889 210 – 12
Email: iqbal.siddiqui@crescent.com.pk

COTTON DIVISION

CRESCENT COTTON PRODUCTS

1st Mile, Lahore Road, Jaranwala, District Faisalabad.
Tel: +92 41 4318 061-65
Fax: +92 41 4318 066
Email: abdul.rouf@crescent.com.pk

POWER PLANT

SHAKARGANJ ENERGY (PRIVATE) LIMITED

57 Kilometer, Jhang Sargodha Road, Bhone, District Jhang.
Tel: +92 48 6889 210 – 12

PUBLIC INFORMATION

Financial analysts, stockbrokers, interested investors and financial media desiring information regarding the Company contact

Mr. Mohammad Fahad
Manager Accounts

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

SHARE REGISTRAR ENQUIRIES CONCERNING

lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to Company's Share Registrar.

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

CORPORATE WEBSITE

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



For condensed Interim Report for the six months period ended 31 December 2017, go to <http://www.crescent.com.pk/wp-content/uploads/2017/12/HalfYear-Dec17.pdf> or scan QR code



COMPANY PROFILE

Crescent Steel and Allied Products Limited is a conglomerate listed on the Pakistan Stock Exchange as 'CSAP'. Starting commercial operations with a line pipe manufacturing facility in March 1987, today the company operates businesses in four industry segments – engineering, textiles, capital markets and power – spread over six campuses in Pakistan. The Company operates three divisions and four wholly owned subsidiaries (directly and indirectly).

STEEL DIVISION – SPIRAL PIPE PRODUCTION LINE, PIPE COATINGS AND FABRICATION

The Company's Steel Division operates two Helical Seam Submerged Arc Welded Steel Pipe manufacturing lines and an external coating application line at Nooriabad and, a fabrication facility - Shakarganj Engineering - in Dalawal, Faisalabad.

The Pipe Plant manufactures high quality steel pipes in the diameter range of 8" – 120" (219 mm – 3,048 mm) in wall thickness from 4 mm – 25 mm up to lengths of 40 feet per pipe and material grades up to API 5L X-100. 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 in the Oil and Gas Sector and also continues to retain the ISO 9001 certification.

The Coating Plant is capable of applying various flow efficient and corrosion protection coatings such as Multilayer Polyolefin and Polypropylene 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), tape coatings on pipe diameter above 60" (1,524 mm) and internal epoxy coatings on diameters ranging from 8" – 60" (219 mm – 1,524 mm).

Crescent Steel is a serious and responsible local line pipe manufacturer that continues to serve as a partner in important national energy projects with demonstrated commitment in terms of quality, experience, financial strength and technical expertise. Over the course of the last 30 years the Company has supplied 3,430 Km, 30% of the national transmission network of 11,370 Km and is the sole operational line pipe manufacturer in the high end segment in the country. The fabrication unit is engaged in fabrication and erection

of machinery at par with international standards and designs, especially for sugar and cement industry. The unit has a wide product fabrication capability and specializes in the manufacture and supply of cane shredders, 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.

The unit has recently developed the capability to fabricate and erect machinery used in the secondary steel sector and has supplied partial fabrication for a Continuous Caster Machine, girders for overhead cranes and a vibro feeder to the fully owned subsidiary Crescent Hadeed (Private) Limited.

COTTON DIVISION – COTTON YARN SPINNING UNIT

The Cotton Division comprises of one spinning unit with 19,680 spindles and is located in Jaranwala. The unit operating as "Crescent Cotton Products" (CCP), has a daily production capacity of 385 Bags of high quality cotton/synthetic carded yarn, in counts ranging from 10s to 31s.

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/synthetic 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 10s to 31s and has a notional capacity (based on 20s) of 6.36 million Kgs per annum. The brand is known for high quality and demands 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

The company operates as a fully owned subsidiary of Crescent Steel and Allied Products Limited and its primary business is to generate, accumulate, distribute, sell and supply electricity to Crescent Hadeed (Private) Limited and to Distribution companies, as permitted.

Initially equipped with a 15 MW co-generation, thermal generation power plant at Bhone, Punjab, the Unit commenced commercial operations in December 2014. The Unit also employs a 16.5 MW condensing and extraction turbine to process steam during off-season periods to ensure uninterrupted supply to Crescent Hadeed throughout the year. The Generation Plants use bagasse in the combustion process to produce power and processed steam.

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

CRESCENT HADEED (PRIVATE) LIMITED

Crescent Hadeed (Private) Limited, a wholly owned subsidiary of Crescent Steel and Allied Products Limited, was incorporated in May 2013 alongside Shakarganj Energy (Private) Limited. The principal activity of the Company is to manufacture steel long products. At present the Company operates a melt shop and billet manufacturing facility with an annual production capacity of 85,000 MT of steel billets in various sizes and a standard length of 6 meters. The billets manufactured at our facility are used by re-rolling mills to manufacture rebar and other steel long products for use in the construction and engineering sectors. Successfully concluding the trial-run in May 2016, CHL commenced commercial production from 1 June 2016 and is well positioned to capture the growth in the engineering segment.

DIRECTORS' REVIEW

Dear Shareholders,

I am pleased to present the unaudited unconsolidated and consolidated interim financial information of the Company and the Group respectively for the half year ended 31 December 2017.

Economic Outlook

Even though shifting political winds, the economy has shown resilience and appears poised to turn into strong performance this fiscal on the back of broad-based expansions in the real and external sectors. Improved metrics in the agricultural sector and manufacturing-related investment in the industrial sector propelled growth in the first three months of FY 2018 (July–September). Furthermore, exports from July through December posted double-digit growth over 12 months ago, while remittances recorded a modest expansion. These gains, however, were more than offset through October by strong demand for imports. Over the medium term, increasing government and CPEC-related repayment obligations highlight the need to carefully manage external debt, the balance of payments and their financing requirements, and instituting policies to support economic stability and make Pakistan more competitive; hence maintaining the long term outlook with 5% GDP growth in FY18.

Financial and Operational Performance

Overall financial performance

Unconsolidated results for the period ended December 31, 2017 (HYFY18), were similar to HYFY17 as orders in hand for the Steel division as at the end of June 2017 were executed during

the period under review. The Company's profit after tax (PAT) amounted to Rs. 837.5 million, as compared to after tax profit of Rs. 890.6 million in the corresponding period last year. Earnings per share (EPS) for the current period stood at Rs. 10.79 as compared to Rs. 11.47 in the corresponding period last year.

Company's sales revenue stood at Rs. 6,091.7 million (HYFY17: Rs. 5,580.6 million) which mainly represents turnover from Steel division. Profit on investments from IID division amounted to Rs. 434.7 million (HYFY17: Rs. 329.4 million).

Gross Profit (GP) stood at Rs. 929.4 million (HYFY17: Rs. 1,550.6 million), contributed almost entirely by the Steel division which posted a GP of Rs. 948.3 million (HYFY17: Rs. 1,550.5 million), while Cotton division reported a Gross Loss of Rs. 18.9 million (HYFY17 – GP: Rs. 0.07 million).

The Company posted profit before tax (PBT) of Rs. 1,053.6 million (HYFY17: Rs. 1,171.3 million). The Steel division's PBT for the period stood at Rs. 648.8 million (HYFY17: Rs. 868.3 million) whereas loss before tax (LBT) from Cotton division stood at Rs. 30.0 million (HYFY17 - LBT: Rs. 26.4 million). IID posted PBT of Rs. 329.4 million (HYFY16 - LBT Rs. 14.7 million).

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

- Sales revenue increased to Rs. 6,091.7 million as compared to Rs. 5,580.6 million in HYFY17.
- Gross Profit stood at Rs. 1,381.3 million as compared to a gross profit of Rs. 1,793.9 million in HYFY17.

- Profit from Investment amounted to Rs. 451.9 million as compared to profit of Rs. 243.3 million in HYFY17.
- Other income decreased to Rs. 28.7 million as compared to Rs. 114.7 million in the corresponding period last year.
- Net profit slightly decreased to Rs. 837.5 million as compared to Rs. 890.6 million in HYFY17.
- EBIT decreased to Rs. 1,203.9 million as compared to Rs. 1,268 million in HYFY17.
- EPS stood at Rs. 10.79 for the current period, as compared to EPS of Rs. 11.47 for HYFY17.
- Return on average capital employed (annualized) was 23.86% for the current period as compared to 23% in the corresponding period last year.
- Break-up value per share increased to Rs. 96.3 from Rs. 84.4 as at 30 June 2017

Business Segments

Steel segment

Segment performance

The Steel Division reported profit before tax (PBT) of Rs. 648.8 million (HYFY17: 868.3 million). Capacity utilization remained high throughout the period.

Revenue amounting to Rs. 5,934.4 million was generated during the current period, vis-à-vis Rs. 4,954.5 million during HYFY18. Gross Profit (GP) of Rs. 948.3 million was registered during the period as compared to Rs. 1,550.5 million during HYFY17. The decrease in gross profit was primarily on account of increasing Hot Rolled Coils (HRC) prices.

Investment and Infrastructure Development (IID) segment

Market Review

After being Asia's best performing market last year, Pakistan Stock Exchange posted a negative return of 15% in CY17 (HYFY18: ↓13%), losing 7,335 points, and was ranked as one of the worst performing markets globally. The benchmark index had climbed 11% in the earlier half of the calendar year and remained stressed in the later half on account of outflows by foreign investors, mounting political and economic uncertainty, and fears of imminent Pak Rupee devaluation.

During the period the index hit a low of 37,736 points, 28% down from its peak of 52,876 points. While liquidity remained sharp, the market recovered c.7% to close the year at 40,471 points. This was likely triggered by attractive valuations and some clarity in the political arena.

Trading activity for Calendar year (CY)17 remained dull as daily average volumes recorded at 236 million shares, down 16%YoY (HYFY18: 158 million shares, down 59%YoY). Index volumes hit a high of 606 million shares in May 2017 and a low of 50 million shares in December 2017. Foreigners remained net sellers of USD 488 million in CY17 (6MFY18 outflow: USD 155 million). Major sectors that experienced outflow includes Cement (34%), Commercial Banks (20%) and Power Generation and Distribution (10%). On the local front, the foreign sell-off was majorly absorbed by Mutual Funds (USD216mn), Insurance Companies (USD191mn) and Companies (USD136mn).

Segment performance

During the half year ended 31 December 2017, the division's HFT segment recorded negative

ROI of 7.57% on weighted average investments of Rs. 497.8 million – during the same period, the benchmark KSE-100 index decreased by 13.09%. On an overall basis, the portfolio ROI on marketable securities stood at - 8.52% on weighted average investments of Rs. 6,036.3 million.

The portfolio's accumulated profit before tax (PBT) for the half year ended 31 December 2017 stood at Rs. 434.7 million against HYFY17 PBT of Rs. 329.9 million. The PBT constitutes unrealised loss of Rs. 56.4 million and a dividend of Rs. 483.8 million on equity accounted investments in Altern Energy Limited (AEL)

Closing position of investment portfolio was Rs. 5,102.6 million as compared to Rs. 5,909.9 million as at 30 June 2017.

Overall financial performance – Consolidated

On consolidated basis, operating profit before finance cost amounted to Rs. 423.1 million (HYFY17: Rs. 1,116.6 million). Consolidated profit after tax and EPS of the Group for HYFY18 amounted to Rs. 65.5 million and Rs. 0.84 per share as compared to profit after tax of Rs. 716.8 million and EPS of Rs. 9.23 per share respectively, in the corresponding period last year.

During the period, CS Capital (Private) Limited recorded net loss of Rs. 18.164 million (HYFY17: net profit Rs. 78.874 million), due to unrealized losses on HFT investments.

During the period, Shakarganj Energy (Private) Limited (SEL) reported loss of Rs. 129.5 million (HYFY17: loss Rs. 62.9 million).

Crescent Hadeed (Private) Limited (CHL) manufactured 21,771 tons of billets, while it sold out 20,364 tons. During HYFY18 CHL reported loss of Rs. 85.6 million

(HYFY17: loss Rs. 79.2 million). However, for the month of December 2017, the company recorded profit of Rs 4.4 million.

Compared to the Company's net profit, the Group showed a significantly lower net profit. This is mainly due to net share of loss amounting to Rs. 53.378 million (HYFY17: Share of profit Rs. 122.905 million) from investment in equity accounted investees and elimination of dividend from AEL amounting to Rs. 511.740 million (HYFY17: Rs. 149.045 million). Further, losses from wholly owned subsidiaries also contributed towards lower bottom line of the group.

The value of investment portfolio of the Group as of December 31, 2017 was Rs. 4,286.1 million as compared to Rs. 4,713.6 million as of June 30, 2017.

Financial Position

Balance sheet

Balance sheet footing stood of the Company at Rs. 11,247 million as of December 31, 2017, compared to Rs. 12,810 million as of June 30, 2017. Break-up value per share increased to Rs. 96.3 from Rs. 87.8 as at June 30, 2017.

Current ratio as at December 31, 2017 increased to 1.72:1 from 1.44:1 as at 30 June 2017. Gearing ratio decreased to 25.9% as at December 31, 2017 from 31% as at June 30, 2017.

On a Group basis, the consolidated balance sheet footing stood at Rs. 12,871 million, compared to Rs. 14,810 million as of June 30, 2017. Total shareholders' fund decreased to Rs. 8,437.5 million from Rs. 8,601.4 million as of June 30, 2017. Break-up value per share decreased to Rs. 108.7 from Rs. 110.8 as at 30 June 2017.

Future Outlook

Some projects (RLNG III) were delayed due to project approval by Economic Coordination Committee. These have now been approved and we expect tendering soon. This would mean idling for about a quarter after which we expect activity to pick up and carry on well into the next fiscal year.

Political risks leading to execution risks, will continue to pose challenges. HRC prices are showing an upward trend, which will make it tough to maintain margins at historical levels. However, our focus will be to concentrate on capacity utilization to the fullest and capture additional business on the basis of marginal costing.

Outlook on the capital market remain neutral as liquidity is strong and market remains discounted at a forward PE of 9.0x. Political and economic uncertainty will continue to keep markets under pressure with positive medium to long term outlook.

Achievements and Awards

Our Annual Report and Corporate Sustainably Report are being constantly recognized by ICAP & ICMAP and South Asian Federation of Accountants (SAFA) for delivering best presented reports, providing financial transparency and timely stakeholder engagement.

I am pleased to announce that we were ranked First in the Diversified Holdings category and Joint Second Runner Up in the Integrated Reporting category by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2016.

We also secured Third position amongst Top 25 Companies announced by Pakistan Stock

Exchange (PSX) for the year 2016.

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



Ahsan M. Saleem
Chief Executive Officer



Zahid Bashir
Director
29 January 2018

Crescent Steel and Allied Products Limited

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

on Review of Condensed Interim Unconsolidated Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Crescent Steel and Allied Products Limited ("the Company") as at 31 December 2017 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

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

Conclusion

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

The figures of the condensed interim unconsolidated financial information for the quarter ended 31 December 2017, have not been reviewed and we do not express a conclusion on them.

Date: 29 January 2018

Karachi



KPMG Taseer Hadi & Co.

Chartered Accountants

Mohammed Nadeem

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Balance Sheet

As at 31 December 2017

	Note	Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	983,499	940,606
Intangible assets		426	977
Investment properties		13,754	15,314
Long term investments	6	4,506,682	4,204,446
Long term deposits	7	200,289	188,650
		<u>5,704,650</u>	<u>5,349,993</u>
Current assets			
Stores, spares and loose tools		182,874	163,185
Stock-in-trade	8	891,106	2,686,682
Trade debts	9	952,510	663,671
Loans and advances	10	336,187	378,023
Trade deposits and short term prepayments		16,066	14,675
Investments	11	450,749	514,984
Mark-up accrued	12	14,695	1,480
Other receivables	13	1,575,992	1,745,625
Taxation - net		940,838	632,799
Cash and bank balances		181,517	28,471
		<u>5,542,534</u>	<u>6,829,595</u>
Total assets		<u><u>11,247,184</u></u>	<u><u>12,179,588</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,030,385	1,033,823
Revenue reserves		5,672,436	5,009,569
		<u>7,479,146</u>	<u>6,819,717</u>
Non-current liabilities			
Long term loans	14	243,768	322,481
Liabilities against assets subject to finance lease		69,586	63,606
Deferred income		7,817	7,471
Deferred taxation		221,664	232,847
		<u>542,835</u>	<u>626,405</u>
Current liabilities			
Trade and other payables	15	711,744	2,001,890
Mark-up accrued		28,214	27,892
Short term borrowings	16	2,286,878	2,517,336
Current portion of long term loans	14	154,408	140,500
Current portion of liabilities against assets subject to finance lease		39,234	41,700
Current portion of deferred income		4,725	4,148
		<u>3,225,203</u>	<u>4,733,466</u>
Contingencies and commitments	17		
Total equity and liabilities		<u><u>11,247,184</u></u>	<u><u>12,179,588</u></u>

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the quarter and six months ended 31 December 2017

	Note	Quarter ended		Six months ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees in '000) -----					
Sales - net	18	2,788,132	3,060,081	6,091,718	5,580,643
Cost of sales		2,329,789	2,010,032	5,162,338	4,030,055
Gross profit		458,343	1,050,049	929,380	1,550,588
Income from investments - net	19	229,228	69,141	451,965	243,311
		687,571	1,119,190	1,381,345	1,793,899
Distribution and selling expenses		3,597	10,434	8,976	15,498
Administrative expenses		65,886	94,032	122,647	142,228
Other operating expenses	20	34,571	392,492	74,541	482,876
		104,054	496,958	206,164	640,602
		583,517	622,232	1,175,181	1,153,297
Other income	21	15,190	107,730	28,706	114,734
Operating profit before finance costs		598,707	729,962	1,203,887	1,268,031
Finance costs	22	71,056	38,198	150,320	96,754
Profit before taxation		527,651	691,764	1,053,567	1,171,277
Taxation					
- current	23	112,492	234,620	226,460	325,764
- prior		750	1,808	750	1,808
- deferred		(959)	(60,325)	(11,183)	(46,928)
		112,283	176,103	216,027	280,644
Profit for the period		415,368	515,661	837,540	890,633
Basic and diluted earnings per share	24	5.35	6.64	10.79	11.47

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the quarter and six months ended 31 December 2017

	Quarter ended		Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (Rupees in '000) -----			
Profit for the period	415,368	515,661	837,540	890,633
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Unrealized (diminution) / appreciation during the period on remeasurement of investments classified as 'available for sale'	(4,357)	2,216	(3,438)	3,628
Total comprehensive income for the period	411,011	517,877	834,102	894,261

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the six months ended 31 December 2017

	Note	Six months ended	
		31 December 2017	31 December 2016
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	25	1,328,667	2,085,328
Taxes paid		(554,953)	(345,387)
Finance costs paid		(142,370)	(99,479)
Contribution to gratuity and pension funds		-	(9,719)
Contribution to Workers' Profit Participation Fund		(111)	-
Long term deposits - net		(6,651)	(233)
Net cash generated from operating activities		624,582	1,630,510
Cash flows from investing activities			
Capital expenditure		(87,985)	(92,526)
Proceeds from disposal of operating fixed assets		8,871	3,878
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		14,995	12,000
Investments - net		(298,584)	(73,011)
Dividend income received		507,405	151,790
Interest income received		492	418
Net cash generated from investing activities		145,194	2,549
Cash flows from financing activities			
Repayments of long term loans - net		(64,805)	(39,000)
Payments against finance lease obligations		(24,191)	(32,914)
Repayments of short term loans obtained - net		(175,142)	(1,265,937)
Dividends paid		(297,276)	(280,373)
Net cash (used in) financing activities		(561,414)	(1,618,224)
Net increase in cash and cash equivalents		208,362	14,835
Cash and cash equivalents at beginning of the period		(219,311)	(116,935)
Cash and cash equivalents at end of the period	26	(10,949)	(102,100)

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Director





Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
 For the six months ended 31 December 2017

	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 2016	776,325	1,020,908	4,786	2,642,000	1,363,706	5,807,725
Transfer to general reserve				1,000,000	(1,000,000)	-
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	890,633	890,633
Other comprehensive income						
Unrealized appreciation during the period on <i>Total other comprehensive income for the period</i>	-	-	3,628	-	-	3,628
Total comprehensive income for the period	-	-	3,628	-	890,633	894,261
Transaction with owners						
Dividend:						
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	(155,265)	(155,265)
Balance as at 31 December 2016	776,325	1,020,908	8,414	3,642,000	1,099,074	6,546,721
Balance as at 30 June 2017	776,325	1,020,908	12,915	3,642,000	1,367,569	6,819,717
Transfer to general reserve	-	-	-	-	-	-
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	837,540	837,540
Other comprehensive income						
<i>Total other comprehensive income for the period</i>	-	-	(3,438)	-	-	(3,438)
Total comprehensive income for the period	-	-	(3,438)	-	837,540	834,102
Transaction with owners						
Dividend:						
- Final @ 22.5% (i.e. Rs. 2.25 per share) for the year ended 30 June 2017	-	-	-	-	(174,673)	(174,673)
Balance as at 31 December 2017	776,325	1,020,908	9,477	3,642,000	2,030,436	7,479,146

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial information.


 Chief Executive


 Director


 Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months ended 31 December 2017

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 Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-Floor, IT Tower, 73-E/1, Hali Road, 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 27.

2. BASIS OF PREPARATION

2.1 This condensed interim unconsolidated financial information of the Company for the six months ended 31 December 2017 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 repealed Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the repealed Companies Ordinance, 1984 have been followed.

2.2 This condensed interim unconsolidated financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last unconsolidated financial statements.

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 consolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended 30 June 2017.

4. USE OF 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 2017.

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Operating fixed assets	5.1	885,674	830,910
Capital work-in-progress	5.2	97,825	109,696
		<u>983,499</u>	<u>940,606</u>

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

	Unaudited Six months ended 31 December 2017		Unaudited Six months ended 31 December 2016	
	Additions / transfers	Disposals	Additions / Transfers	Disposals
----- (Rupees in '000) -----				
Buildings on freehold land	19,654	-	22,241	-
Plant and machinery - owned	55,963	12,044	11,626	9,142
Plant and machinery - leased	24,353	10,020	12,000	-
Furniture and fittings	1,139	5	4,428	-
Electrical / office equipments and installation	3,189	61	3,371	-
Computers	1,847	-	3,103	1,053
Motor vehicles - owned	21,322	2,805	1,152	6,685
Motor vehicles - leased	-	-	1,024	-
	<u>127,467</u>	<u>24,935</u>	<u>58,945</u>	<u>16,880</u>

5.2 Transfer from Capital work-in-progress (net of additions) during the period amounted to Rs. 11.871 million (2016: Additions- net of transfer Rs. 45.582 million).

6. LONG TERM INVESTMENTS

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Subsidiary companies			
- at cost	6.1	2,882,000	2,882,000
- share deposit money			
CS Capital (Private) Limited		53,000	-
Crescent Hadeed (Private) Limited		108,142	72,697
Associated companies - at cost	6.2	1,284,594	1,070,803
Other long term investments - Available for sale	6.3	178,946	178,946
		<u>4,506,682</u>	<u>4,204,446</u>

6.1 Subsidiary companies - at cost

Unaudited 31 December 2017 (Number of shares)	Audited 30 June 2017	Unquoted		Unaudited 31 December 2017 ----- (Rupees in '000) -----	Audited 30 June 2017
126,000,000	126,000,000	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	1,260,000	1,260,000
47,200,000	47,200,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.2	472,000	472,000
115,000,000	11,500,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	1,150,000	1,150,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
				2,882,000	2,882,000

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.

6.2 Associates - at cost

Unaudited 31 December 2017 (Number of shares)	Audited 30 June 2017	Quoted		Unaudited 31 December 2017 ----- (Rupees in '000) -----	Audited 30 June 2017
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.2.1	593,488	593,488
27,409,075	24,119,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	691,106	477,315
				1,284,594	1,070,803

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. During the period, the Company has further subscribed right shares issues made by the investee Company aggregating to 3.289 million ordinary shares for Rs. 213.791 million .

6.2.3 The fair value of investments in associates as at 31 December 2017 is Rs. 4,651.851 million (30 June 2017: Rs. 5,394.961 million).

6.3 Other long term investments - Available for sale

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Investments in related parties	6.3.1	58,946	58,946
Other investment	6.3.2	120,000	120,000
		178,946	178,946

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

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

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 173.005 million (30 June 2017: Rs. 166.034 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Raw materials			
Hot rolled steel coils (HR Coil)		206,275	468,650
Coating materials		46,673	71,783
Others		70,501	69,347
Raw cotton		259,673	66
Stock-in-transit		-	1,587,601
		583,122	2,197,447
Work-in-process		29,884	85,524
Finished goods		235,019	394,107
Scrap / cotton waste		43,081	9,604
		307,984	489,235
		891,106	2,686,682

8.1 Stock in trade as at 31 December 2017 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Rs. 28.829 million (30 June 2017: Rs. 119.930 million) has been recognised in cost of goods sold.

9. TRADE DEBTS

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Secured			
Considered good		722,580	611,744
Unsecured			
Considered good	9.1	229,930	51,927
Considered doubtful		20,566	21,640
Provision for doubtful trade debts		(20,566)	(21,640)
		229,930	51,927
		952,510	663,671

9.1 This includes following amount due from related parties:

Crescent Hadeed (Private) Limited		160,689	-
Shakarganj Energy (Private) Limited		12,526	12,526
		173,215	12,526

10. LOANS AND ADVANCES

10.1 This includes loan due from following wholly owned subsidiaries:

Crescent Hadeed (Private) Limited	10.1.1	172,000	250,000
Shakarganj Energy (Private) Limited	10.1.2	112,000	115,000
		284,000	365,000

10.1.1 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company Crescent Hadeed (Private) Limited on 13 June 2017 for an amount of Rs. 250 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement ranged between 8.13% to 8.17% per annum (2016: Nil).

10.1.2 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company Shakarganj Energy (Private) Limited on 22 April 2017 for an amount of Rs. 125 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement was 8.12% to 8.19% (2016: Nil).

11. INVESTMENTS

		Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
Available for sale	11.1	13,503	16,941
Held for trading		437,246	498,043
		450,749	514,984

11.1 This includes investment in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully impaired as their break-up value of shares was Rs. Nil per share (30 June 2017: Rs. Nil).

11.2 Investments having an aggregate market value of Rs. 2,993.087 million (30 June 2017: Rs. 3,370.335 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 2,586 million (30 June 2017: Rs. 2,908.547 million) relates to long term investments.

12. MARK-UP ACCRUED

This represents mark-up receivable from the Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited amounting to Rs. 9,166.871 million (30 June 2017: Rs. 0.278 million) and Rs. 5,527.863 million (30 June 2017: Rs. 1.202 million) respectively (refer note 10).

13. OTHER RECEIVABLES

	Unaudited 31 December 2017	Audited 30 June 2017
	----- (Rupees in '000) -----	
Dividend receivables	2,164	1,278
Receivable against rent from investment property	305	442
Claim receivable	601	1,863
Due from related parties	73,688	75,739
Retention money receivable	380,691	380,691
Sales tax refundable	81,289	248,573
Margin on letter of guarantee / letter of guarantee	15,359	18,219
Receivable from staff retirement benefits funds	1,014,310	1,014,310
Others	7,585	4,510
	<u>1,575,992</u>	<u>1,745,625</u>

13.1 Due from related parties

Shakarganj Limited	1,646	1,562
CS Capital (Private) Limited	584	211
Shakarganj Energy (Private) Limited	29,434	22,431
Crescent Hadeed (Private) Limited	30,480	39,993
Solution de Energy (Private) Limited	11,504	11,502
CSAP - Pension Fund	40	40
	<u>73,688</u>	<u>75,739</u>

14. LONG TERM LOANS

Secured - Under non-shariah arrangement

Allied Bank Limited	210,676	244,231
Saudi Pak Industrial and Agricultural Investment Company Limited	187,500	218,750
	<u>398,176</u>	<u>462,981</u>
Less: Current portion shown under current liabilities	154,408	140,500
	<u>243,768</u>	<u>322,481</u>

14.1 The Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2017, Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period, mark-up on such arrangements was 7.63% to 7.67% (2016: 7.53% to 7.60%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

- 14.2** The Company has a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of one year, repayable in 8 equal semi annual installments starting from 18th month from date of disbursement. During the period, the Company has made repayment of Rs. 31.250 million. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.61% to 8.64% (2016: 8.48% to 8.86%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Company.

15. TRADE AND OTHER PAYABLES

	Unaudited 31 December 2017	Audited 30 June 2017
	----- (Rupees in '000) -----	
Trade creditors	64,450	36,328
Bills payable	5,198	1,287,514
Commission payable	1,410	802
Customer's security deposits	1,550	1,550
Accrued liabilities	346,914	282,489
Advances from customers	8,106	46,280
Provisions	184,451	165,162
Due to related parties	<i>15.1</i> 490	-
Payable to provident fund	1,862	369
Retention money	2,327	4,699
Sales Tax payable	10,973	300
Withholding tax payable	2,850	2,689
Workers' Profit Participation Fund	37,495	2,772
Workers' Welfare Fund	14,701	20,849
Dividend payable	-	116,449
Unclaimed dividend	15,474	21,628
Others	13,493	12,010
	<u>711,744</u>	<u>2,001,890</u>

- 15.1** This represents amount due to Premier Insurance Limited - a related party.

16. SHORT TERM BORROWINGS

Secured from banking companies

Running finances under mark-up arrangements	<i>16.1</i> 192,466	247,782
Short term loans	<i>16.2</i> 1,406,010	2,269,554

Secured from non-banking companies

Short term finance under mark-up arrangements	<i>16.5</i> 688,402	-
	<u>2,286,878</u>	<u>2,517,336</u>

- 16.1** Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 850 million (30 June 2017: Rs. 850 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 50 million (30 June 2017: Rs 50 million) and Rs. 100 million (30 June 2017: Rs. 100 million) are interchangeable with letter of credit, finance against import material (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.64% to 8.55% (2016: 6.96% to 8.55%) per annum.

- 16.2** This includes an amount of Rs. 610 million (30 June 2017: Rs. 402.5 million) outstanding under shariah compliant financing arrangement. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 4,503 million (30 June 2017: Rs. 4,380 million) out of which Rs. 3,306 million (30 June 2017: Rs. 3,500 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 310 million (30 June 2017: Rs. 310 million) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.83% to 8.25% (2016: 7.76% to 8.51%) per annum.
- 16.3** The facilities for opening letter of credit amounted to Rs. 4,960 million (30 June 2017: Rs. 4,800 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 3,360 million (30 June 2017: Rs. 3,500 million) and Rs.410 million (30 June 2017: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 December 2017 amounted to Rs. 2,119 million (30 June 2017: Rs. 2,857 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2017 were Rs. 4,895 million and Rs. 81. million (30 June 2017: Rs. 761 million and Rs. 650 million) respectively.
- 16.4** The above facilities are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document (refer note 11.2). Further, above facilities (refer note 16.1, 16.2 and 16.3) are also secured against mortgage of land and building, hypothecation of plant and machinery and pledge of shares owned by Subsidiary Companies.
- 16.5** During the period, Company has issued commercial papers at discounted value to non-banking finance companies. The term of the loan is one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up is payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no significant change in the status of contingencies as set out in note 14 to the Company's annual unconsolidated financial statements for the year ended 30 June 2017.

17.2 Commitments

- 17.2.1** As at 31 December 2017, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 320.690 million (30 June 2017: Rs. 366.503 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2017: Rs. 22.906 million).
- 17.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Company against various contracts aggregated to Rs. 2,118 million (30 June 2017: Rs. 1,934 million).
- 17.2.3** Commitments in respect of capital expenditure contracted for as at 31 December 2017 amounted to Rs. 63.196 million (30 June 2017: Rs. 78.707 million) including Rs. 7.462 million (30 June 2017: Rs. 7.462 million) representing office premises located in Islamabad payable on completion of project.
- 17.2.4** Commitments under letters of credit (L/C) as at 31 December 2017 amounted to Rs. 14.813 million (30 June 2017: Rs. 700.540 million).

18. SALES - NET

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees in '000) -----				
Local sales				
Bare pipes	2,498,211	2,281,994	5,485,011	4,350,293
Pipe coating	476,986	625,156	716,492	896,783
Pre coated pipes	-	176,032	475,610	380,153
Cotton yarn / raw cotton	143,946	286,209	143,946	592,256
Others	69,740	50,573	116,180	58,382
Scrap / waste	48,826	72,423	150,320	110,181
Sales returns	-	-	-	(1,199)
	3,237,709	3,492,387	7,087,559	6,386,849
Export sales				
Fabric	-	25,568	13,120	25,568
	3,237,709	3,517,955	7,100,679	6,412,417
Sales tax	(449,577)	(457,874)	(1,008,961)	(831,774)
	2,788,132	3,060,081	6,091,718	5,580,643

19. INCOME FROM INVESTMENTS - NET

Dividend income	19.1	254,442	6,079	508,291	151,495
(Loss) / gain on sale of investments - net	19.2	(2,571)	2,251	(725)	7,163
Unrealized (loss) / gain on held for trading investments - net	19.3	(23,052)	59,522	(56,420)	82,074
Rent from investment properties	19.6	409	1,289	819	2,579
		229,228	69,141	451,965	243,311

19.1 This includes Rs. 495.320 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes Rs. 1.184 million earned on investments in Shariah Compliant Investee Companies.

19.3 This includes Rs. 36.795 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealized gain amounting to Rs. 3.438 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant Investee Company was recognized in the other comprehensive income during the period.

19.5 Income from investment was categorised as Shariah / Non-Shariah Compliant Investee Companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.

19.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.661 million (2016: Rs. 2.026 million). Further, Rs. 0.334 million (2016: Rs. 0.513 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (Rupees in '000) -----			
Exchange loss	1,201	263	12,606	2,557
Provision for:				
Workers' Profit Participation Fund	17,276	28,956	34,834	46,793
Workers' Welfare Fund	7,179	16,204	13,556	21,458
Other receivables	-	885	-	885
Liquidated damages	-	207,918	-	207,918
Slow moving stores, spares and loose tools	8,915	-	8,915	-
Liquidated damages	-	138,266	4,630	203,265
	34,571	392,492	74,541	482,876

21. OTHER INCOME

Mark-up on short term loan to subsidiary companies	21.1	6,250	-	13,214	-
Reversal of provision for diminution in the value of investments		-	100,561	-	100,561
Others		8,940	7,169	15,492	14,173
		15,190	107,730	28,706	114,734

21.1 This represents mark-up income earned on short term loan provided to Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited amounting to Rs. 8,888.87 million (2016: Rs. Nil) and Rs. 4,325.86 million (2016: Rs. Nil) respectively.

22. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	12,321	4,381	19,252	5,478
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,100	2,986	5,021	6,030
- long term loans	8,840	9,696	17,345	20,030
- running finances / short term loans including commercial papers	47,014	19,138	103,294	58,958
Discounting of lease deposit	(136)	399	2,708	399
Bank charges	917	1,598	2,700	5,859
	71,056	38,198	150,320	96,754

23. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2018 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim unconsolidated financial information.

24. BASIC AND DILUTED EARNINGS PER SHARE

Profit for the period	415,368	515,661	837,540	890,633
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	77,632,491	77,632,491	77,632,491	77,632,491
	----- (Rupees) -----			
Basic and diluted earnings per share	5.35	6.64	10.79	11.47

25. CASH GENERATED FROM / (USED IN) OPERATIONS

	Unaudited	
	Six months ended	
	31 December 2017	31 December 2016
	----- (Rupees in '000) -----	
Profit before taxation	1,053,567	1,171,277
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment properties	51,910	49,039
Amortization of intangible assets	551	1,444
Dividend income	(508,291)	(151,495)
Unrealized loss / (gain) on held for trading investments - net	56,420	(82,074)
Loss / (gain) on sale of investments - net	725	(7,163)
Provision / (reversal) of provision for stores, spares and loose tools - net	8,915	(965)
(Reversal) / charge of provision for doubtful trade debts - net	(1,073)	-
Provision for Workers' Welfare Fund	13,556	21,458
Provision for Workers' Profit Participation Fund	34,834	46,793
Provision for liquidated damages	-	-
Reversal of diminution in the value of investments - net	-	(100,561)
Return on deposits and loan to wholly owned subsidiary companies	(13,707)	(418)
Gain on disposal of operating fixed assets	(1,619)	(1,170)
Deferred income	(2,229)	(2,373)
Discounting of long term deposit	2,708	-
Unwinding of discount on long term deposit	(7,696)	(7,450)
Liabilities written back	(17)	-
Finance costs	147,612	96,754
Working capital changes	492,501	1,052,232
	1,328,667	2,085,328

25.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(28,604)	(72,482)
Stock-in-trade	1,795,576	1,368,817
Trade debts	(287,766)	(620,214)
Advances	41,836	(2,726)
Trade deposits and short term prepayments	(2,959)	(3,155)
Other receivables	170,519	(58,658)
	1,688,602	611,582

(Decrease) / increase in current liabilities

Trade and other payables	(1,196,101)	440,650
	492,501	1,052,232

26. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(192,466)	(111,544)
Cash and bank balances	181,517	9,444
	(10,949)	(102,100)

27. SEGMENT REPORTING

27.1 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 properties (held for rentals as well as long term appreciation).

Information regarding the Company's reportable segments presented below.

27.2 Segment revenues and results

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

**For the six months ended
31 December 2017**

	-----Unaudited-----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
Sales - net	5,934,404	157,314	-	6,091,718
Cost of sales	4,986,076	176,262	-	5,162,338
Gross profit / (loss)	948,328	(18,948)	-	929,380
Income from investments	-	-	451,965	451,965
	948,328	(18,948)	451,965	1,381,345
Distribution and selling expenses	5,405	3,571	-	8,976
Administrative expenses	104,969	8,784	8,894	122,647
Other operating expenses	73,929	601	11	74,541
	184,303	12,956	8,905	206,164
	764,025	(31,904)	443,060	1,175,181
Other income	26,250	2,456	-	28,706
Operating profit / (loss) before finance costs	790,275	(29,448)	443,060	1,203,887
Finance costs	141,430	572	8,318	150,320
Profit / (loss) before taxation	648,845	(30,020)	434,742	1,053,567
Taxation				216,027
Profit for the period				837,540

For the six months ended 31 December 2016

Sales - net	4,954,482	626,161	-	5,580,643
Cost of sales	3,403,966	626,089	-	4,030,055
Gross profit	1,550,516	72	-	1,550,588
Income from investments	-	-	243,311	243,311
	1,550,516	72	243,311	1,793,899
Distribution and selling expenses	6,598	8,900	-	15,498
Administrative expenses	116,939	14,837	10,452	142,228
Other operating expenses	481,951	-	925	482,876
	605,488	23,737	11,377	640,602
	945,028	(23,665)	231,934	1,153,297
Other income	12,177	1,996	100,561	114,734
Operating profit / (loss) before finance costs	957,205	(21,669)	332,495	1,268,031
Finance costs	88,940	4,744	3,070	96,754
Profit / (loss) before taxation	868,265	(26,413)	329,425	1,171,277
Taxation				280,644
Profit for the period				890,633

27.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2016: Rs. Nil).

27.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2017. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance 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.

27.3 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 18 to this condensed interim unconsolidated financial information.

27.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 5,685.144 million (2016: Rs. 4,707.059 million) of total Steel segment revenue of Rs. 5,934.404 million (2016: Rs. 4,954.482 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 42.227 (2016: Rs. 413.041 million) of total Cotton segment revenue of Rs. 157.314 million (2016: Rs. 626.161 million).

27.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Pakistan	2,788,132	3,034,513	6,078,598	5,555,075
South and North America	-	25,568	13,120	25,568
	<u>2,788,132</u>	<u>3,060,081</u>	<u>6,091,718</u>	<u>5,580,643</u>

27.5.2 All non-current assets of the Company as at 31 December 2017 and 30 June 2017 were located and operating in Pakistan.

27.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
As at 31 December 2017 - (Unaudited)				
Segment assets for reportable segments	5,032,103	725,842	3,747,294	9,505,239
Unallocated corporate assets				1,741,945
Total assets as per unconsolidated balance sheet				<u>11,247,184</u>
Segment liabilities for reportable segments	560,232	160,440	1,908	722,580
Unallocated corporate liabilities and deferred income				3,045,458
Total liabilities as per unconsolidated balance sheet				<u>3,768,038</u>
As at 30 June 2017 - (Audited)				
Segment assets for reportable segments	6,894,855	402,775	3,545,012	10,842,642
Unallocated corporate assets				1,336,946
Total assets as per unconsolidated balance sheet				<u>12,179,588</u>
Segment liabilities for reportable segments	1,781,677	79,067	2,206	1,862,950
Unallocated corporate liabilities and deferred income				3,496,921
Total liabilities as per unconsolidated balance sheet				<u>5,359,871</u>

27.6.1 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.

27.7 Other segment information

	----- (Unaudited) -----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
For the six months ended 31 December 2017				
Capital expenditure	74,758	10,659	405	85,822
Depreciation and amortization	34,433	16,040	1,988	52,461
Non-cash items other than depreciation and amortization - net	173,054	(99)	(442,817)	(269,862)
For the six months ended 31 December 2016				
Capital expenditure	81,915	3,633	360	85,908
Depreciation and amortization	26,878	21,149	2,456	50,483
Non-cash items other than depreciation and amortization - net	356,090	3,852	(338,412)	21,530

28. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries 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. All transactions with related parties are under agreed terms / contractual arrangements.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Six months ended	
			31 December 2017	31 December 2016
----- (Rupees in '000) -----				
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	20,650	14,892
		Sale of finished goods	137,341	79,321
		Share deposit money	35,446	18,350
		Short term loan provided	380,000	-
		Short term loan repayment	458,000	-
		Mark-up income	8,888	-
		CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses

Name of entity	Nature of relationship	Nature of transaction	Six months ended	
			31 December 2017	31 December 2016
			----- (Rupees in '000) -----	
Shakarganj Energy (Private) Limited	Subsidiary company	Share deposit money	-	57,000
		Transfer of Pressure reducing desuper heating system	3,248	-
		Short term loan provided	30,000	-
		Short term loan repayment	33,000	-
		Mark-up income	4,326	-
		Reimbursable expenses	3,754	228
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	2	1,817
Altern Energy Limited	Associated company	Dividend received	483,803	140,908
Shakarganj Limited	Associated company	Dividend Paid	675	4,488
		Sales of finished goods	120	-
		Services received	661	561
		Reimbursable expenses	743	720
		Right shares subscribed	213,791	-
Central Depository Company of Pakistan Limited *	Related party	Services received	1,385	391
		Dividend received	5,032	550
The Citizens' Foundation *	Related party	Donation given	5,987	30,301
CSAP Foundation *	Related party	Donation given	1,000	760
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	3	3
Crescent Cotton Mills Limited *	Related party	Dividend paid	-	63
Premier Insurance Limited *	Related party	Insurance premium	5,778	12,264
		Dividend paid	549	507
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	-	245
		Dividend paid	280	262
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	-	2,851
		Dividend paid	5,517	5,149
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	-	7,472
		Dividend paid	12,113	11,306
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	2,879	3,980
		Dividend paid	3,126	2,916
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	10,000
		Dividend paid	136	22

Name of entity	Nature of relationship	Nature of transaction	Six months ended	
			31 December 2017	31 December 2016
			----- (Rupees in '000) -----	
Key management personnel	Related parties	Remuneration and benefits	<u>52,718</u>	<u>51,440</u>
		Dividend paid	<u>908</u>	<u>332</u>
Directors and their spouse	Related parties	Dividend paid	<u>191</u>	<u>2,382</u>
		Meeting fee	<u>2,240</u>	<u>1,760</u>

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

- 28.1** 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.
- 28.2** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 28.3** 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 the key management personnel during the period other than their terms of employment / entitlements.

29. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statement of the Company as at and the year ended 30 June 2017.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 December 2017 (Un-audited)							
	Carrying amount			Total	Fair value			Total
	Investments	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	<u>450,749</u>	<u>-</u>	<u>-</u>	<u>450,749</u>	<u>450,749</u>	<u>-</u>	<u>-</u>	
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	<u>178,946</u>	<u>-</u>	<u>-</u>	<u>178,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	
- associates	<u>1,284,594</u>	<u>-</u>	<u>-</u>	<u>1,284,594</u>	<u>4,651,851</u>	<u>-</u>	<u>-</u>	
Deposits	<u>-</u>	<u>205,976</u>	<u>-</u>	<u>205,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Trade debts	<u>-</u>	<u>952,510</u>	<u>-</u>	<u>952,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Loan to subsidiaries	<u>-</u>	<u>284,000</u>	<u>-</u>	<u>284,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Mark-up accrued	<u>-</u>	<u>14,695</u>	<u>-</u>	<u>14,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Other receivables	<u>-</u>	<u>480,393</u>	<u>-</u>	<u>480,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Bank balances	<u>-</u>	<u>181,293</u>	<u>-</u>	<u>181,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>1,463,540</u>	<u>2,118,867</u>	<u>-</u>	<u>3,582,407</u>	<u>4,651,851</u>	<u>-</u>	<u>-</u>	

31 December 2017 (Un-audited)

	Carrying amount			Fair value				
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
Financial liabilities not measured at fair value								
Long term loans	-	-	398,176	398,176	-	-	-	-
Liabilities against assets subject to finance lease	-	-	108,820	108,820	-	-	-	-
Trade and other payables	-	-	453,170	453,170	-	-	-	-
Mark-up accrued	-	-	28,214	28,214	-	-	-	-
Short term borrowings	-	-	2,286,878	2,286,878	-	-	-	-
	-	-	3,275,258	3,275,258	-	-	-	-

30 June 2017 (Audited)

	Carrying amount			Fair value				
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								

**On-balance sheet
Financial instruments**

**Financial assets
measured at fair value**

Investments								
- listed equity securities	514,984	-	-	514,984	514,984	-	-	514,984

**Financial assets not
measured at fair value**

Investments								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
- associates	1,070,803	-	-	1,070,803	-	-	-	-
Deposits	-	193,790	-	193,790	-	-	-	-
Trade debts	-	663,671	-	663,671	-	-	-	-
Loan to subsidiaries	-	365,000	-	365,000	-	-	-	-
Mark-up accrued	-	1,480	-	1,480	-	-	-	-
Other receivables	-	482,742	-	482,742	-	-	-	-
Bank balances	-	28,157	-	28,157	-	-	-	-
	1,249,749	1,734,840	-	2,984,589	-	-	-	-

**Financial liabilities not
measured at fair value**

Long term loans	-	-	462,981	462,981	-	-	-	-
Liabilities against assets subject to finance lease	-	-	105,306	105,306	-	-	-	-
Trade and other payables	-	-	1,763,838	1,763,838	-	-	-	-
Mark-up accrued	-	-	27,892	27,892	-	-	-	-
Short term borrowings	-	-	2,517,336	2,517,336	-	-	-	-
	-	-	4,877,353	4,877,353	-	-	-	-


The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.


The quoted investments and investments in subsidiaries and associates are stated at cost.

Investment property fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial information.

30. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 29 January 2018.


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Balance Sheet


As at 31 December 2017

	Note	Unaudited 31 December 2017	Audited 30 June 2017
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,586,921	2,565,370
Intangible assets		128,061	129,226
Investment properties		51,274	54,071
Investment in equity accounted investees	6	2,993,368	3,291,606
Other long term investments		220,717	220,717
Long term deposits	7	206,174	194,535
		<u>6,186,515</u>	<u>6,455,525</u>
Current assets			
Stores, spares and loose tools		217,793	191,208
Stock-in-trade	8	1,260,946	3,384,752
Trade debts	9	973,256	890,794
Advances	10	114,797	21,187
Trade deposits and short term prepayments		48,048	56,860
Investments	11	1,072,003	1,201,262
Mark-up accrued		55	132
Other receivables	12	1,671,566	1,774,364
Taxation - net		1,126,518	748,526
Cash and bank balances		199,456	85,629
		<u>6,684,438</u>	<u>8,354,714</u>
Total assets		<u><u>12,870,953</u></u>	<u><u>14,810,239</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,188,051	1,242,763
Revenue reserves		6,473,136	6,582,279
		<u>8,437,512</u>	<u>8,601,367</u>
Non-current liabilities			
Long term loans	13	243,768	322,481
Liabilities against assets subject to finance lease		69,586	63,606
Deferred income		7,817	7,471
Deferred taxation		370,821	410,253
		<u>691,992</u>	<u>803,811</u>
Current liabilities			
Trade and other payables	14	935,775	2,282,916
Mark-up accrued		32,318	31,631
Short term borrowings	15	2,574,989	2,904,166
Current portion of long term loans	13	154,408	140,500
Current portion of liabilities against assets subject to finance lease		39,234	41,700
Current portion of deferred income		4,725	4,148
		<u>3,741,449</u>	<u>5,405,061</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>12,870,953</u></u>	<u><u>14,810,239</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the quarter and six months ended 31 December 2017

	Note	Quarter ended		Six months ended	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees in '000) -----					
Sales - net	17	3,038,189	3,494,658	7,121,570	6,155,163
Cost of sales		2,655,789	2,456,092	6,374,185	4,727,383
Gross profit		382,400	1,038,566	747,385	1,427,780
(Loss) / income from investments	18	(31,238)	134,883	(66,732)	201,011
		351,162	1,173,449	680,653	1,628,791
Distribution and selling expenses		4,048	10,748	9,761	16,071
Administrative expenses		72,670	98,164	136,675	151,581
Other operating expenses	19	35,433	392,713	76,886	483,395
		112,151	501,625	223,322	651,047
		239,011	671,824	457,331	977,744
Other income		11,288	8,053	19,149	15,908
Operating profit before finance costs		250,299	679,877	476,480	993,652
Finance costs	20	76,988	40,506	165,070	104,024
Share of (loss) / profit in equity accounted investees - net of taxation		(96,096)	69,218	(53,378)	122,905
Profit before taxation		77,215	708,589	258,032	1,012,533
Taxation - current	21	117,215	238,189	231,126	331,351
- prior		807	1,808	807	1,808
- deferred		(16,752)	(46,563)	(39,431)	(37,199)
		101,270	193,434	192,502	295,960
(Loss) / profit for the period		(24,055)	515,155	65,530	716,573
----- (Rupees) -----					
Basic and diluted (loss) / earnings per share	22	(0.31)	6.64	0.84	9.23

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the quarter and six months ended 31 December 2017

	Quarter ended		Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (Rupees in '000) -----			
(Loss) / profit for the period	(24,055)	515,155	65,530	716,573
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Unrealized (diminution) / appreciation during the period 'available for sale'	(61,458)	31,270	(48,503)	51,181
Proportionate share of other comprehensive (loss) / income of equity accounted investees	(5,186)	1,264	(6,209)	(17,577)
Other comprehensive income for the period	(66,644)	32,534	(54,712)	33,604
Total comprehensive income for the period	(90,699)	547,689	10,818	750,177

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the six months ended 31 December 2017

	Note	Six months ended	
		31 December 2017	31 December 2016
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	23	1,475,768	2,228,269
Taxes paid		(629,630)	(371,894)
Finance costs paid		(156,756)	(107,486)
Contribution to gratuity and pension funds		-	(9,719)
Contribution to Workers' Profit Participation Fund		(111)	-
Long term deposits - net		(6,651)	(233)
Net cash generated from operating activities		682,620	1,738,937
Cash flows from investing activities			
Capital expenditure		(127,327)	(107,646)
Acquisition of intangible assets		-	(17,675)
Proceeds from disposal of operating fixed assets		8,871	3,878
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		14,995	12,000
Investments - net		(302,967)	986
Dividend income received		552,264	177,560
Interest income received		820	710
Net cash generated from investing activities		146,656	69,813
Cash flows from financing activities			
Repayment of long term loan - net		(64,805)	(39,000)
Payments against finance lease obligations		(24,191)	(32,914)
Repayments against short term loans obtained - net		(269,502)	(1,319,571)
Dividends paid		(297,276)	(280,373)
Net cash (used in) financing activities		(655,774)	(1,671,858)
Net increase in cash and cash equivalents		173,502	136,892
Cash and cash equivalents at beginning of the period		(312,997)	(233,308)
Cash and cash equivalents at end of the period	24	(139,495)	(96,416)

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
 For the six months ended 31 December 2017

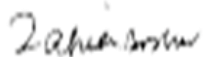
	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Others *	General reserve	Unappropriated profit	
------(Rupees in '000)-----							
Balance as at 30 June 2016	776,325	1,020,908	22,120	96,108	2,642,000	2,761,730	7,319,191
Transfer to general reserves	-	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	716,573	716,573
<i>Other comprehensive income</i>							
<i>Total other comprehensive income for the period</i>	-	-	51,181	(17,577)	-	-	33,604
Total comprehensive income for the period	-	-	51,181	(17,577)	-	716,573	750,177
Transaction with owners							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	-	(155,265)	(155,265)
Balance as at 31 December 2016	776,325	1,020,908	73,301	78,531	3,642,000	2,323,038	7,914,103
Balance as at 30 June 2017	776,325	1,020,908	136,800	85,055	3,642,000	2,940,279	8,601,367
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	65,530	65,530
<i>Other comprehensive income</i>							
<i>Total other comprehensive income for the period</i>	-	-	(48,503)	(6,209)	-	-	(54,712)
Total comprehensive income for the period	-	-	(48,503)	(6,209)	-	65,530	10,818
Transactions with Owners							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2017	-	-	-	-	-	(174,673)	(174,673)
Balance as at 31 December 2017	776,325	1,020,908	88,297	78,846	3,642,000	2,831,136	8,437,512

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

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the six months ended 31 December 2017

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 repealed Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, SIDCO Avenue Centre, 264 R.A. Lines, Karachi.
- 1.3** Shakarganj Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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 repealed Companies Ordinance, 1984 (Companies Act, 2017). The principal activity of the Subsidiary Company is to manufacture steel billets.
- 1.6** Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7** Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1** This condensed interim consolidated financial information of the Group for the six months ended 31 December 2017 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives of the repealed Companies Ordinance, 1984 have been followed.
- 2.2** This condensed interim consolidated financial information of the Group does not include all of the information required for annual consolidated 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 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last consolidated financial statements.
- 2.3** This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's

functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

- 2.4** This condensed interim consolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 30 June 2017.

4. USE OF 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 2017.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Six months ended 31 December 2017		Six months ended 31 December 2016	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
----- (Rupees in '000) -----				
Buildings on freehold land	19,654	-	22,957	-
Plant and machinery - owned	85,721	12,044	12,356	9,142
Plant and machinery - leased	24,353	10,020	12,000	-
Furniture and fittings	1,179	5	4,428	-
Electrical / office equipment and installation	5,970	61	3,595	-
Computers	2,050	-	3,126	1,053
Motor vehicles - owned	21,322	2,805	1,152	6,685
Motor vehicles - leased	-	-	1,024	-
	<u>160,249</u>	<u>24,935</u>	<u>60,638</u>	<u>16,880</u>

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 December 2017 (Number of shares)	Audited 30 June 2017		Unaudited 31 December 2017 (Rupees in '000)	Audited 30 June 2017
		Quoted		
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1 2,644,532	2,973,681
35,011,347	30,809,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1 348,836	317,925
		Unquoted		
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1 -	-
			<u>2,993,368</u>	<u>3,291,606</u>

6.1 Movement of investment in equity accounted investees is as follows:

Description	31 December 2017			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	----- Rupees in '000 -----			
Opening balance as at 30 June 2017	2,973,681	317,925	-	3,291,606
Share of profit / (loss) 6.2	183,022	(236,400)	-	(53,378)
Share of equity 6.2	(431)	(5,778)	-	(6,209)
Dividend received	(511,740)	-	-	(511,740)
Right shares subscribed	-	273,089	-	273,089
Closing balance as at 31 December 2017	2,644,532	348,836	-	2,993,368

Description	30 June 2017			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	----- Rupees in '000 -----			
Opening balance as at 30 June 2016	2,772,227	96,515	13,653	2,882,395
Share of profit / (loss)	350,461	232,501	(13,653)	569,309
Share of equity	38	(11,091)	-	(11,053)
Dividend received	(149,045)	-	-	(149,045)
Closing balance as at 30 June 2017	2,973,681	317,925	-	3,291,606

6.2 These figures are based on financial statements / information of these companies as at 30 September 2017

6.3 Percentage of holding of equity in associates is as follows

		Unaudited 31 December 2017	Audited 30 June 2017
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

6.3.1 The Holding Company and the Subsidiary Companies hold 16.64% and 0.96% respectively i.e. aggregate holding of 17.60% in the investee company. There is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

6.3.2 The Holding Company and the Subsidiary Company hold 21.93% and 6.08% respectively i.e. aggregate holding of 28.01% in the investee company. There is 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.

6.4 The fair value of investments in associates as at 31 December 2017 is Rs. 5,370.731 million (30 June 2017: Rs. 6,230.699 million).

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 173.005 million (30 June 2017: Rs. 166.034 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited 31 December 2017	Audited 30 June 2017
	(Rupees in '000)	
Raw materials		
Hot rolled steel coils (HR Coil)	206,275	468,650
Coating materials	46,673	71,783
Remelting scrap	190,083	207,953
Others	125,903	96,625
Raw cotton	259,673	66
Bagasse	14,710	197,963
Stock-in-transit	2,609	1,832,515
	<u>845,926</u>	<u>2,875,555</u>
Work-in-process	29,884	85,524
Finished goods	342,055	414,069
Scrap / cotton waste	43,081	9,604
	<u>415,020</u>	<u>509,197</u>
	<u><u>1,260,946</u></u>	<u><u>3,384,752</u></u>

- 8.1 Stock in trade as at 31 December 2017 includes item valued at net realisable value (NRV). Charge in respect of stock write down to NRV amounting to Rs. 28.829 million (30 June 2017: Rs. 120.433 million) has been recognised in cost of goods sold.

9. TRADE DEBTS

	Unaudited 31 December 2017	Audited 30 June 2017
	(Rupees in '000)	
Secured		
Considered good	722,580	611,744
Unsecured		
Considered good	250,676	279,050
Considered doubtful	23,113	24,187
Provision for doubtful trade debts	(23,113)	(24,187)
	<u>250,676</u>	<u>279,050</u>
	<u><u>973,256</u></u>	<u><u>890,794</u></u>

- 9.1 This includes an amount of Rs. 150.051 million (30 June 2017: Rs. 148.841 million) due from Shakarganj Limited - a related party.

10. ADVANCES

This includes amounting to Rs. 110.888 million (30 June 2017: Rs. 17.910 million) advances given to suppliers for goods and services.

11. INVESTMENTS

Unaudited
31 December
2017

Audited
30 June 2017

(Rupees in '000)

Available for sale	<i>11.1</i>	190,494	238,996
Held for trading		859,509	950,766
Investment in term deposit receipts - Conventional		22,000	11,500
		<u>1,072,003</u>	<u>1,201,262</u>

11.1 This includes investment in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully impaired as their break-up value of shares was Rs. Nil per share (30 June 2017: Rs. Nil per share).

11.2 Investments having an aggregate market value of Rs. 3,530.451 million (30 June 2017: Rs. 4,025.469 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which Rs. 2,715 million (30 June 2017: Rs. 3,057.767 million) relates to long term investments.

12. OTHER RECEIVABLES

Unaudited
31 December
2017

Audited
30 June 2017

(Rupees in '000)

Dividend receivable		4,220	3,257
Provision there against		(885)	(885)
Dividend receivable		<u>3,335</u>	<u>2,372</u>
Receivable against sale of investments		<u>17,770</u>	<u>17,770</u>
Provision there against		<u>(17,770)</u>	<u>(17,770)</u>
Receivable against sale of investments		-	-
Receivable against rent from investment property		305	442
Claim receivable		601	1,863
Due from related parties	<i>12.1</i>	1,686	40
Retention money receivable		380,691	380,691
Sales tax refundable		244,649	348,872
Margin on letter of credit and guarantee		18,404	21,264
Receivable from staff retirement benefits funds		1,014,310	1,014,310
Others		7,585	4,510
		<u>1,671,566</u>	<u>1,774,364</u>

12.1 This represents balances due from Shakarganj Limited and CSAP Pension Fund amounting to Rs. 1.646 million (30 June 2017: Rs. Nil) and Rs. 0.04 million (30 June 2017: Rs. 0.04 million)

13. LONG TERM LOANS - Under non-shariah arrangement

Unaudited	Audited
31 December	30 June 2017
2017	
----- (Rupees in '000) -----	
Secured	
Allied Bank Limited	244,231
Saudi Pak Industrial and Agricultural Investment Company Limited	218,750
	<u>462,981</u>
Less: Current portion shown under current liabilities	140,500
	<u>322,481</u>
	<u><u>243,768</u></u>

- 13.1** The Holding Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Holding Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2017, the Holding Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period, mark-up on such arrangements was 7.63% to 7.67% (2016: 7.53% to 7.60%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

- 13.2** The Holding Company has a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of one year, repayable in 8 equal semi annual installments starting from 18th month from date of disbursement. During the period, the Holding Company has made repayment of Rs. 31.250 million. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.61% to 8.64% (2016: 8.48% to 8.86%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Holding Company.

14. TRADE AND OTHER PAYABLES

Unaudited Audited
31 December 30 June 2017
2017
----- (Rupees in '000) -----

Trade creditors		181,080	137,621
Bills payable		5,198	1,365,239
Commission payable		1,410	802
Customer's security deposits		2,150	2,150
Accrued liabilities		371,332	307,065
Advances from customers		8,106	46,280
Provisions		195,039	172,616
Due to related parties	<i>14.1</i>	490	1,726
Payable against purchase of investments		75	
Payable to provident fund		1,862	369
Retention money		2,327	4,699
Sales tax payable		53,503	28,488
Withholding tax payable		4,851	13,725
Advance income tax		25,508	26,746
Workers' Profit Participation Fund		37,495	2,772
Workers' Welfare Fund		14,701	20,849
Dividend payable		-	116,449
Unclaimed dividend		15,474	21,628
Others		15,174	13,692
		<u>935,775</u>	<u>2,282,916</u>

14.1 This represents amount due to Premier Insurance Limited - a related party,

15. SHORT TERM BORROWINGS**Secured from banking companies**

Running finances under mark-up arrangements	<i>15.1</i>	338,951	398,626
Short term loans	<i>15.2</i>	1,547,636	2,505,540

Secured from non-banking companies

Short term finance under mark-up arrangements	<i>15.5</i>	688,402	-
		<u>2,574,989</u>	<u>2,904,166</u>

15.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 850 million (30 June 2017: Rs. 1,050 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 100 million (30 June 2017: Rs. 100 million) are interchangeable with letter of credit, finance against import margin (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.64% to 8.55% (2016: 7.70% to 8.55%) per annum.

15.2 This includes an amount of Rs. 711 million (30 June 2017: Rs. 622.8 million) outstanding under shariah compliant financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 5,003 million (30 June 2017: Rs. 4,380 million) out of which Rs. 3,860 million (30 June 2017: Rs. 3,500 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 310 million (30 June 2017: Rs. 310 million) are interchangeable with letters of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.83% to 8.25% (2016: 7.78% to 8.51%) per annum.

- 15.3** The facilities for opening letters of credit amounted to Rs. 5,510 million (30 June 2017: Rs. 5,350 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 3,360 million (30 June 2017: Rs. 3,500 million) and Rs. 410 million (30 June 2017: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 December 2017 amounted to Rs. 2,173 million (30 June 2017: Rs. 2,897 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2017 were Rs. 5,266 million and Rs. 81 million (30 June 2017: Rs. 930 million and Rs. 652 million) respectively.
- 15.4** The above facilities (refer note 15.1 to 15.3) are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.2) and cotton / cotton yarn; and lien over import / export document.
- 15.5** During the period, the Holding Company has issued commercial papers at discounted value to non-banking finance companies. The term of the loan is one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up is payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of contingencies set out in note 14 to the Group's annual consolidated financial statements for the year ended 30 June 2017.

16.2 Commitments

- 16.2.1** As at 31 December 2017, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 320.690 million (30 June 2017: Rs. 366.503 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2017: Rs. 22.906 million).
- 16.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 2,195 million (30 June 2017: Rs. 1,972 million).
- 16.2.3** Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2017 amounted to Rs. 75.914 million (30 June 2017: Rs. 79.631 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.
- 16.2.4** Commitments under letters of credit as at 31 December 2017 amounted to Rs. 410.496 million (30 June 2017: Rs. 767.334 million).

17. SALES - net	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	----- (Rupees in '000) -----			
Local sales				
Bare pipes	2,498,211	2,281,994	5,485,011	4,350,293
Steel billets	340,782	362,666	1,357,491	560,449
Pipe coating	476,986	625,156	716,492	896,783
Pre coated pipes	-	176,032	475,610	380,153
Cotton yarn / raw cotton	143,946	286,209	143,946	592,256
Electricity sales	597	81,523	4,169	82,044
Steam Sales	-	122,595	-	122,595
Others	69,740	48,569	109,470	56,078
Scrap / waste	59	11,150	297	19,585
Sales returns	-	-	-	(1,199)
	3,530,321	3,995,894	8,292,486	7,059,037
Export sales				
Fabric	-	25,568	13,120	25,568
	3,530,321	4,021,462	8,305,606	7,084,605
Sales tax	(492,132)	(526,804)	(1,184,036)	(929,442)
	3,038,189	3,494,658	7,121,570	6,155,163

18. (LOSS) / INCOME FROM INVESTMENTS

Dividend income	18.1	26,129	20,268	41,486	28,626
Unrealized gain on commodity		-	29	-	286
(Loss) / gain on sale of investments - net	18.2	(5,934)	6,550	(4,030)	17,193
Unrealized (loss) / gain on held for trading investments	18.3	(52,692)	105,847	(106,607)	150,527
Rent from investment property	18.6	1,259	2,189	2,419	4,379
		(31,238)	134,883	(66,732)	201,011

18.1 This includes Rs. 24.130 million earned on investments in Shariah Compliant Investee Companies.

18.2 This includes Rs. 0.965 million earned on investments in Shariah Compliant Investee Companies.

18.3 This includes Rs. 76.106 million on investment in Shariah Compliant Investee Companies.

18.4 Unrealized loss amounting to Rs. 48.503 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant Investee Company was recognized in the other comprehensive income during the period.

18.5 Income from investment was categorised as Shariah / Non-Shariah compliant investee companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.

- 18.6** Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.031 million (2016: Rs. 3.385 million). Further, Rs. 0.334 million (2016: Rs. 0.513 million) were incurred against non rented out area.

19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees in '000) -----				
Exchange loss	2,063	469	14,951	3,047
Provision for:				
Workers' Profit Participation Fund	17,276	28,956	34,834	46,793
Workers' Welfare Fund	7,179	16,219	13,556	21,487
Other receivables	-	885	-	885
Liquidated damages	(4,630)	207,918	-	207,918
Slow moving stores, spares and loose tools	8,915	-	8,915	-
Liquidated damages	4,630	138,266	4,630	203,265
	35,433	392,713	76,886	483,395

20. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	17,189	4,381	27,764	5,478
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,100	2,986	5,021	6,030
- long term loan	8,840	9,696	17,345	20,030
- running finances / short term loans	48,337	21,797	109,561	65,972
Discounting of lease deposit	(136)	399	2,708	399
Bank charges	658	1,247	2,671	6,115
	76,988	40,506	165,070	104,024

21. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2018 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim consolidated financial information.

22. BASIC AND DILUTED EARNINGS PER SHARE

(Loss) / profit for the period	(24,055)	515,155	65,530	716,573
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares in issue during the period	77,632,491	77,632,491	77,632,491	77,632,491
	(Rupees)		(Rupees)	
Basic and diluted (loss) / earnings per share	(0.31)	6.64	0.84	9.23

23. CASH GENERATED FROM OPERATIONS

	Unaudited	
	Six months ended	
	31 December 2017	31 December 2016
	----- (Rupees in '000) -----	
Profit before taxation for the period	258,032	1,012,533
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment properties	113,080	101,233
Amortization of intangible assets	1,917	2,810
Dividend income	(41,487)	(28,626)
Unrealized loss / (gain) on held for trading investments - net	106,607	(150,527)
Gain on sale of investments - net	4,030	(17,193)
Unrealized gain on commodity - Silver	-	(286)
Reversal of provision for stores, spares and loose tools - net	8,915	(965)
Charge of provision for doubtful trade debts - net	(1,073)	-
Provision for Workers' Welfare Fund	13,556	21,487
Provision for Workers' Profit Participation Fund	34,834	46,793
Reversal of provision for liquidated damages	-	207,918
Return on deposits	(744)	(794)
Gain on disposal of operating fixed assets	(1,619)	(1,170)
Deferred income	(2,229)	(2,373)
Discounting on long term deposit	2,708	(8,371)
Unwinding of discount on long term deposit	(7,696)	-
Liabilities written back	(17)	-
Finance costs	162,362	104,024
Share of profit from equity accounted investees - net of taxation	53,378	(122,905)
Working capital changes	23.1 771,214	1,064,681
	<u>1,475,768</u>	<u>2,228,269</u>

23.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(35,499)	(75,533)
Stock-in-trade	2,123,805	1,345,339
Trade debts	(81,447)	(870,929)
Advances	(74,601)	(15,333)
Trade deposits and short term prepayments	7,243	(1,054)
Other receivables	96,986	(75,301)
	<u>2,036,487</u>	<u>307,189</u>

(Decrease) / increase in current liabilities

Trade and other payables	(1,265,273)	757,492
	<u>771,214</u>	<u>1,064,681</u>

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(338,951)	(222,564)
Cash and bank balances	199,456	126,148
	<u>(139,495)</u>	<u>(96,416)</u>

25. SEGMENT REPORTING

25.1 Reportable segments

The Group's reportable segments are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.
- Cotton segment - It comprises of manufacturing of yarn.
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (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 presented below.

25.2 Segment revenues and results

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

For the six months ended 31 December 2017	----- Unaudited -----					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
	----- (Rupees in '000) -----					
Sales - net	7,094,653	157,314	-	181,002	(311,399)	7,121,570
Cost of sales	6,208,204	176,262	-	304,797	(315,078)	6,374,185
Gross profit / (loss)	886,449	(18,948)	-	(123,795)	3,679	747,385
Income from investments	-	-	443,502	1,506	(511,740)	(66,732)
	886,449	(18,948)	443,502	(122,289)	(508,061)	680,653
Distribution and selling expenses	6,190	3,571	-	-	-	9,761
Administrative expenses	113,578	8,784	11,305	3,008	-	136,675
Other operating expenses	76,274	601	11	-	-	76,886
	196,042	12,956	11,316	3,008	-	223,322
	690,407	(31,904)	432,186	(125,297)	(508,061)	457,331
Other income	29,656	2,456	-	252	(13,215)	19,149
Operating profit / (loss) before finance costs	720,063	(29,448)	432,186	(125,045)	(521,276)	476,480
Finance costs	158,801	572	14,549	4,363	(13,215)	165,070
Share of profit in equity accounted investees - net of taxation	-	-	(53,916)	538	-	(53,378)
Profit / (loss) before taxation	561,262	(30,020)	363,721	(128,870)	(508,061)	258,032
Taxation						192,502
Profit for the period						65,530

For the six months ended
31 December 2016

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
----- (Rupees in '000) -----						
Sales - net	5,433,499	626,161	-	269,004	(173,501)	6,155,163
Cost of sales	3,953,019	626,089	-	332,683	(184,408)	4,727,383
Gross profit / (loss)	1,480,480	72	-	(63,679)	10,907	1,427,780
Income from investments	-	-	349,617	439	(149,045)	201,011
	1,480,480	72	349,617	(63,240)	(138,138)	1,628,791
Distribution and selling expenses	7,171	8,900	-	-	-	16,071
Administrative expenses	121,999	14,837	12,910	1,426	409	151,581
Other operating expenses	491,796	-	954	-	(9,355)	483,395
	620,966	23,737	13,864	1,426	(8,946)	651,047
	859,514	(23,665)	335,753	(64,666)	(129,192)	977,744
Other income	113,209	1,996	-	1,264	(100,561)	15,908
Operating profit / (loss) before finance costs	972,723	(21,669)	335,753	(63,402)	(229,753)	993,652
Finance costs	92,333	4,744	6,907	40	-	104,024
Share of profit in equity accounted investees - net of taxation	-	-	122,329	576	-	122,905
Profit / (loss) before taxation	880,390	(26,413)	451,175	(62,866)	(229,753)	1,012,533
Taxation						295,960
Profit for the period						716,573

25.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2016: Nil).

25.2.2 Transfer prices between reportable segments are on an agreed basis in a manner similar to transactions between third parties.

25.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended 30 June 2017. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance 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.

25.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 17 to these condensed interim consolidated financial information.

25.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 6,547.346 million (2016: Rs. 5,036.176 million) of total Steel segment revenue of Rs. 7,094.653 million (2016: Rs. 5,433.499 million). Revenue from major customer of Cotton segment represent an aggregate amount of Rs. 42.227 million (2016: Rs. 413.041 million) of total Cotton segment revenue of Rs. 157.314 (2016: Rs. 626.161 million). Revenue from major customers of Energy segment represent an aggregate amount of Rs. 177.439 million (2016: Rs. 269.004 million) of total Energy segment revenue of Rs. 181.002 million (2016: Rs. 269.004 million).

25.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees in '000) -----				
Pakistan	3,038,189	3,469,090	7,108,450	6,129,595
South and North America	-	25,568	13,120	25,568
	3,038,189	3,494,658	7,121,570	6,155,163

25.5.2 All non-current assets of the Group as at 31 December 2017 and 30 June 2017 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Energy segment	Total
----- (Rupees in '000) -----					
As at 31 December 2017 - Unaudited					
Segment assets for reportable segments	5,287,680	720,112	1,356,117	1,109,779	8,473,688
Investment in equity accounted investees	-	-	2,742,860	250,508	2,993,368
Unallocated corporate assets					1,403,897
Total assets as per consolidated balance sheet					<u>12,870,953</u>
Segment liabilities for reportable segments	797,844	160,440	152,353	128,200	1,238,837
Unallocated corporate liabilities and deferred income					3,194,604
Total liabilities as per consolidated balance sheet					<u>4,433,441</u>
As at 30 June 2017 - Audited					
Segment assets for reportable segments	7,408,016	399,943	1,497,559	1,278,504	10,584,022
Investment in equity accounted investees	-	-	3,033,910	257,696	3,291,606
Unallocated corporate assets					934,611
Total assets as per consolidated balance sheet					<u>14,810,239</u>
Segment liabilities for reportable segments	2,174,424	79,066	156,672	124,383	2,534,545
Unallocated corporate liabilities and deferred income					3,674,327
Total liabilities as per consolidated balance sheet					<u>6,208,872</u>

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

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

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

25.7 Other segment information

	Steel segment	Cotton segment	IID segment	Energy segment	Total
----- Unaudited -----					
----- (Rupees in '000) -----					
For the six months ended					
31 December 2017					
Capital expenditure	78,480	10,659	405	35,620	125,164
Depreciation and amortization	62,221	16,040	3,225	33,511	114,997
Non-cash items other than depreciation and amortization	194,750	(99)	137,625	(751)	331,525
For the six months ended					
31 December 2016					
Capital expenditure	89,265	3,633	360	7,770	101,028
Depreciation and amortization	51,585	21,149	3,693	27,301	103,728
Non-cash items other than depreciation and amortization	359,437	3,852	(312,214)	(1,472)	49,603

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associates, directors, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transactions with parties are under agreed terms / contractual arrangements. 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	
			Six months ended	
			31 December 2017	31 December 2016
----- (Rupees in '000) -----				
Altern Energy Limited	Associated company	Dividend received	<u>511,740</u>	<u>149,045</u>
Shakarganj Limited	Associated company	Dividend paid	<u>675</u>	<u>4,848</u>
		Sale of finished goods	<u>3,683</u>	<u>204,639</u>
		Services received	<u>661</u>	<u>821</u>
		Reimbursable expenses	<u>743</u>	<u>720</u>
		Right shares subscribed	<u>273,089</u>	<u>-</u>
Central Depository Company of Pakistan Limited *	Related party	Services received	<u>1,445</u>	<u>451</u>
		Dividend received	<u>5,032</u>	<u>550</u>
The Citizens' Foundation *	Related party	Donation given	<u>5,987</u>	<u>30,301</u>
CSAP Foundation *	Related party	Donation given	<u>1,000</u>	<u>760</u>
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	<u>3</u>	<u>3</u>
Premier Insurance Limited *	Related party	Insurance premium	<u>5,778</u>	<u>12,264</u>
		Dividend paid	<u>549</u>	<u>507</u>
Crescent Cotton Mills Limited *	Related party	Dividend paid	<u>-</u>	<u>63</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>10,000</u>
		Dividend paid	<u>136</u>	<u>22</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>245</u>
		Dividend paid	<u>280</u>	<u>262</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>2,851</u>
		Dividend paid	<u>5,517</u>	<u>5,149</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>7,472</u>
		Dividend paid	<u>12,113</u>	<u>11,306</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>2,879</u>	<u>3,980</u>
		Dividend paid	<u>3,126</u>	<u>2,916</u>
Key management personnel	Related parties	Remuneration and benefits	<u>52,718</u>	<u>51,440</u>
		Dividend paid	<u>908</u>	<u>332</u>
Directors and their spouse	Related parties	Dividend paid	<u>191</u>	<u>2,382</u>
		Meeting fee	<u>2,240</u>	<u>1,760</u>

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

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

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

26.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group. There were no transactions with the key management personnel during the period other than their terms of employment / entitlements.

27. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual consolidated financial statement of the Group as at and the year ended 30 June 2017.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2017 (Unaudited)							
Investments	Carrying amount			Fair value			
	Loan and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investment							
- listed equity securities	1,050,003	-	1,050,003	1,050,003	-	-	1,050,003
Financial assets not measured at fair value							
Investments							
- unlisted equity securities	220,717	-	220,717	-	-	-	-
- equity	2,993,368	-	2,993,368	-	-	-	-
- term deposit receipt	22,000	-	22,000	-	-	-	-
Deposits		243,150	243,150				
Trade debts	-	973,256	973,256	-	-	-	-
Other receivables	-	412,607	412,607	-	-	-	-
Bank balances	-	198,710	198,710	-	-	-	-
	3,236,085	1,827,723	5,063,808	-	-	-	-
Financial liabilities not measured at fair value							
Long term loans	-	-	398,176	398,176	-	-	-
Liabilities against assets subject to finance lease	-	-	108,820	108,820	-	-	-
Trade and other payable	-	-	596,572	596,572	-	-	-
Mark-up accrued	-	-	32,318	32,318	-	-	-
Short term borrowings	-	-	2,574,989	2,574,989	-	-	-
	-	-	3,710,875	3,710,875	-	-	-

30 June 2017 (Audited)

	Carrying amount			Fair value				
	Investments	Loan and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	1,189,762	-	-	1,189,762	1,189,762	-	-	1,189,762
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- equity	3,291,606	-	-	3,291,606	-	-	-	-
- term deposit receipt	11,500	-	-	11,500	-	-	-	-
Deposits		240,920		240,920				
Trade debts	-	890,794	-	890,794	-	-	-	-
Other receivables	-	411,182	-	411,182	-	-	-	-
Bank balances	-	84,867	-	84,867	-	-	-	-
	3,523,823	1,627,763	-	5,151,586	-	-	-	-
Financial liabilities not measured at fair value								
Long term loan	-	-	462,981	462,981	-	-	-	-
Liabilities against assets subject to finance lease	-	-	105,306	105,306	-	-	-	-
Trade and other payable	-	-	1,971,440	1,971,440	-	-	-	-
Mark-up accrued	-	-	31,631	31,631	-	-	-	-
Short term borrowings	-	-	2,904,166	2,904,166	-	-	-	-
	-	-	5,475,524	5,475,524	-	-	-	-

The Group has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

Investment property fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial information.

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 29 January 2018.



Chief Executive



Director



Chief Financial Officer

کیپٹل مارکیٹ پر سوچ غیر جانبدار ہے کیوں کہ لیکچو ڈیٹی کی فراوانی ہے اور مارکیٹ 9.0x کے فارورڈ پی ای پر discounted برقرار ہے۔ سیاسی اور معاشی بے یقینی کا دباؤ مارکیٹس پر برقرار رہے گا اور یہ کہ درمیانی مدت سے طویل مدت کا دورانیہ مثبت رہے گا۔

کامیابیاں اور ایوارڈز

ہماری سالانہ رپورٹ اور کارپوریٹ پائیداری کی رپورٹ کا ICAP اور ICMAP اور ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) کی جانب سے بہترین رپورٹس، پیش کرنے، مالیاتی شفافیت فراہم کرنے اور بروقت اسٹیک ہولڈرز کو ساتھ رکھنے پر اعتراف کیا جا رہا ہے۔

میں یہ اعلان کرتے ہوئے مسرت محسوس کرتا ہوں کہ ہمیں بیسٹ پریزنٹیڈ انیوئل رپورٹ ایوارڈز برائے 2016 کے تحت SAFA کی جانب سے انٹلریٹڈ رپورٹنگ کیٹیگری میں جو انٹ سیکنڈ رزراپ جبکہ ڈیورسینفا انڈ ہولڈنگ کیٹیگری میں فرسٹ رینک دیا گیا۔

سال 2016 کے لئے پاکستان اسٹاک ایکسچینج کی جانب سے اعلان کردہ 25 بہترین کمپنیوں کے مابین ہم نے تیسری پوزیشن حاصل کی۔

میں تمام اسٹیک ہولڈرز کا ان کے تعاون پر شکریہ ادا کرنا چاہوں گا اور ان کے مسلسل تعاون اور معاونت کا منتظر رہوں گا۔

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

زاہد بشیر
ڈائریکٹر

29 جنوری 2018

مالیاتی پوزیشن

کمپنی کی بیلنس شیٹ فونٹک 30، جون 2017 کے 12,810 ملین روپے کے مقابلے میں 31 دسمبر 2017 کو 11,247 ملین روپے رہی۔ 30 جون 2017 پر فی شیئر بریک اپ ویلیو 87.8 روپے سے بڑھ کر 96.3 روپے ہو گئی۔

کرنٹ ریٹو 30 جون 2017 کو 1.44:1 سے بڑھ کر 31 دسمبر 2017 کو 1.72:1 ہو گیا۔ گیسٹنگ ریٹو جو 30 جون 2017 کو 31 فیصد تھا، کم ہو کر 31 دسمبر 2017 کو 25.9 فیصد ہو گیا۔

گروپ کی بنیاد پر مربوط بیلنس شیٹ 12,871 ملین روپے رہی۔ جب کہ 30 جون 2017 کو 14,810 ملین روپے تھی۔ 30 جون 2017 کو مجموعی شیئر ہولڈر فنڈ 8,601.4 ملین روپے سے کم ہو کر 8,437.5 ملین روپے رہ گئے۔ 30 جون 2017 کو فی شیئر بریک اپ ویلیو 110.8 روپے سے کم ہو کر 108.7 روپے رہ گئی۔

مستقبل کا منظر نامہ

بعض پروجیکٹس (آر ایل این جی III) میں اکنامک کوآرڈینیشن کمیٹی کی جانب سے منظوری کی وجہ سے تاخیر ہوئی تھی۔ اب ان کی منظوری کے بعد جلد ہی ٹینڈرنگ کی امید ہے۔ یعنی ایک سہ ماہی کی فراغت کے بعد ہمیں آگے بڑھنے کی بخوبی امید ہے جو اگلے مالی سال میں جاری رہے گا۔

سیاسی خطرات، کام پر عمل درآمد کے خدشات پیدا کر رہے ہیں جو مسلسل چیلنج بنے رہیں گے۔ ایچ آر سی کی قیمتیں بڑھنے کا رجحان ظاہر ہو رہا ہے جو تاریخی سطحوں جیسی مارجنز کو برقرار رکھنا مشکل بنا دے گا۔ چنانچہ ہماری توجہ پیداواری گنجائش کے مکمل استعمال پر اور مارجنل کاسٹنگ کی بنیاد پر اضافی کاروبار حاصل کرنے پر ہوگی۔

ملین روپے)۔ HYFY 18 کے لئے گروپ کا مربوط نفع ٹیکس کے بعد 65.5 ملین روپے ہے اور ای پی ایس 0.84 روپے ہے۔ جیسا کہ پچھلے سال کی اسی مدت میں ٹیکس کے بعد نفع 716.8 ملین روپے اور ای پی ایس 9.23 روپے تھی۔

مدت کے دوران سی ایس کیسٹل (پرائیویٹ) لمیٹڈ کا نقصان 18.164 ملین روپے ریکارڈ کیا گیا ہے۔ (HYFY 17، نفع 78.874 ملین روپے) HFT انوسٹمنٹس پر غیر حقیقی نقصانات کی وجہ سے ہے۔

مدت کے دوران شکر گنج انرجی (پرائیویٹ) لمیٹڈ نے 129.5 ملین روپے کا نقصان رپورٹ کیا۔ (HYFY 17: نقصان 6.29 ملین روپے)

کریڈٹ حدید (پرائیویٹ) لمیٹڈ نے 21,771 ٹن کے بلیٹس (billets) تیار کئے، جب کہ 20,364 ٹن فروخت ہوئے۔ HYFY 18 کے دوران سی ایچ ایل نے 85.6 ملین روپے نقصان رپورٹ کیا۔ (HYFY 17: نقصان 79.2 ملین روپے) البتہ، دسمبر 2017 کے مہینے میں کمپنی نے 4.4 ملین روپے کا منافع ریکارڈ کیا۔ کمپنی کے غیر مربوط منافع کے مقابلہ میں، گروپ نے بڑی حد تک کم منافع دکھایا۔ اس کی بڑی وجہ ایکویٹی میں شمار ہونے والے انویسٹمنٹس سے 53.378 ملین روپے کا نقصان (122.905 ملین روپے منافع کا حصہ HYFY 17: اور ای ای ایل سے 511.740 ملین روپے) (HYFY 17: 149.045 ملین روپے) کے منافع منقسمہ کا خاتمہ تھا۔ مزید برآں، مکمل ملکیتی ماتحت اداروں کے نقصانات نے بھی گروپ کی کم آمدنی میں کردار ادا کیا۔

گروپ کی انویسٹمنٹ پورٹ فولیو کی مالیت، 30 جون، 2017 کو 4,713.6 ملین روپے کے مقابلے میں 31 دسمبر، 2017 کو 4,286.1 ملین روپے تھی۔

ملین امریکی ڈالر فروخت کیے (HYFY 18 آؤٹ فلو۔ یو ایس ڈالر 155 ملین) اہم شعبہ جات سیمینٹ (34 فیصد) کمرشل بینکس (20 فیصد) اور پاور جنریشن اور ڈسٹری بیوشن (10 فیصد) میں آؤٹ فلو کا مشاہدہ ہوا جو کہ مقامی سطح پر اہم طور پر میوچل فنڈز (یو ایس ڈی 216 ملین)، انشورنس کمپنیاں (یو ایس ڈی 191 ملین) اور کمپنیوں نے (یو ایس ڈی 136 ملین) جذب کیا۔۔

شعبہ کی کارکردگی

31 دسمبر 2017 کو ختم ہونے والی ششماہی کے دوران HFT سیگمنٹ کے ڈویژن نے 497.8 ملین روپے کی اوسطاً سرمایہ کاریوں پر 7.57 فیصد کا منفی آر او آئی ریکارڈ کیا۔ اسی مدت کے دوران KSE-100 انڈیکس بیچ مارک 13.09 فیصد کم ہوا۔ مجموعی اعتبار سے مارکیٹ اسپل سیکورٹیز پر ROI پورٹ فولیو 6,036.3 ملین روپے کی اوسطاً سرمایہ کاریوں پر منفی 8.52 فیصد رہا۔

31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے ٹیکس سے پہلے جمع شدہ نفع کا پورٹ فولیو 17 HYFY کے 329.9 ملین روپے کے خلاف 434.7 ملین روپے پر رہا۔ پی بی ٹی 56.4 ملین روپے اور انٹرین انرجی لمیٹڈ (اے ای ایل) میں سرمایہ کاریوں پر 483.8 ملین روپے کا ڈیویڈنڈ غیر حقیقی (unrealised) نقصان پر مشتمل ہے۔

سرمایہ کاری کا پورٹ فولیو 5,102.6 ملین روپے پر اختتام پذیر ہوا جب کہ یہ 30 جون 2017 کو 5,909.9 ملین روپے پر تھا۔

مجموعی مالیاتی کارکردگی - مربوط

مربوط بنیادوں پر آپریٹنگ نفع سے پہلے مالیاتی اخراجات 423.1 ملین روپے تھے (HYFY 17: 1,116.6

موجودہ مدت کے دوران 5,934.4 ملین روپے کا ریونیو جزیٹ کیا گیا تھا۔ اسی طرح HYFY 18 کے دوران 4,954.5 ملین روپے رہا۔ اس مدت کے دوران مجموعی پروفٹ (نفع) (جی پی) 948.3 ملین روپے درج ہوا تھا۔ جب کہ HYFY 17 کے دوران 1,550.5 ملین روپے تھا۔ مجموعی نفع میں کمی بنیادی طور پر ہاٹ رولڈ کوائٹل (ایچ آر سی) کی قیمتوں میں اضافہ کی وجہ سے ہوئی۔

انوشمنٹ اور انفراسٹرکچر ڈیولپمنٹ (IID) سیگمنٹ (شعبہ)

اسٹاک مارکیٹ کا جائزہ

پچھلے سال ایشیاء کی بہترین مارکیٹ بننے کے بعد، پاکستان اسٹاک ایکسچینج نے کیلنڈر سال 2017 میں 15 فیصد کا منفی ریٹرن پوسٹ کر کے (HYFY 18 منفی 13.18 فیصد) میں 7,335 پوائنٹ کا نقصان دکھایا اور یہ عالمی مارکیٹس کی خراب ترین کارکردگی میں سے ایک تھی۔ کیلنڈر سال 2017 کے پہلی ششماہی میں بیچ مارک انڈیکس 11 فیصد بڑھا اور غیر ملکی سرمایہ کاروں کی جانب سے سرمایہ نکالنے، سیاسی اور معاشی بے یقینی اور پاکستانی روپے کی قدر گرنے کے خطرہ کی وجہ سے اگلی ششماہی مسلسل دباؤ کا شکار رہی۔

اس مدت کے دوران انڈیکس 37,736 پوائنٹس تک گر گیا، جو اس کے 52,876 پوائنٹس کے عروج سے 28 فیصد کم تھا۔ لیکویڈٹی کی فراوانی رہی، مارکیٹ سال کے اختتام پر 40,471 پوائنٹس پر بند ہونے سے پہلے تقریباً 7% پر بحال ہو گئی۔ اس کی وجہ پر کشش ویلیو ایشنز اور کچھ سیاسی مطلع کا صاف ہونا تھا۔

کیلنڈر سال 2017 میں تجارتی سرگرمی سست رہی جیسا کہ یومیہ اوسطاً حجم 236 ملین شیئرز (حصص) پر ریکارڈ کیا گیا، 16 فیصد سالانہ بنیاد پر کم رہا۔ HYFY 18: 158 ملین شیئرز، 59 فیصد سالانہ رہا، مئی 2017 میں انڈیکس 606 ملین شیئرز کی بلندی پر پہنچا اور دسمبر 2017 میں 50 ملین شیئرز کی کم سطح پر رہا۔ کیلنڈر سال 17 میں غیر ملکیوں نے 488

رہا۔

☆ HYFY 17 میں 243.3 ملین روپے کے نفع کے مقابلہ سرمایہ کاری سے نفع 451.9 ملین روپے ہوا۔

☆ پچھلے سال کی اسی ششماہی میں 114.7 ملین روپے کے مقابلہ میں دیگر آمدنی کم ہو کر 28.7 ملین روپے

رہی۔

☆ HYFY 17 میں 890.6 ملین روپے کے مقابلے میں خالص نفع معمولی کمی سے 837.5 ملین روپے رہ

گیا۔

☆ HYFY 17 میں 1,268 ملین روپے کے مقابلے میں ای بی آئی ٹی کم ہو کر 1,203.9 ملین روپے رہ

گیا۔

☆ HYFY 17 کے لئے ای پی ایس 11.47 روپے کے مقابلہ میں حالیہ مدت کے لئے ای پی ایس 10.79

روپے رہی۔

☆ پچھلے سال کی اسی ششماہی میں 23 فیصد کے مقابلے میں موجودہ مدت کے لئے سرمایہ پر اوسطاً ریٹرن

23.85 فیصد سالانہ تھا۔

☆ 30 جون 2017 پر فی شیئر بریک اپ قیمت 84.40 روپے سے بڑھ کر 96.3 روپے ہو گئی۔

برنس سیکمنٹس (کاروباری شعبے)

اسٹیل کا شعبہ

شعبہ کی کارکردگی

اسٹیل ڈویژن نے 648.8 ملین روپے کا قبل از ٹیکس منافع (پی بی ٹی) کمایا (HYFY 17: 868.3 ملین روپے)

اس پوری مدت کے دوران پیداواری گنجائش کا استعمال زیادہ رہا۔

مدت کے دوران مکمل کیا گیا۔ کمپنی کا ٹیکس کے بعد نفع (پی اے ٹی) 837.5 ملین روپے تھا جبکہ پچھلے سال کی اس مدت کے دوران ٹیکس کے بعد نفع 890.6 ملین روپے تھا۔ حالیہ مدت کے لئے فی شیئر آمدنی (ای پی ایس) 10.79 روپے رہی جب کہ پچھلے سال اسی مدت کے مقابلے میں 11.47 روپے تھی۔

کمپنی کی سیلز سے آمدنی 6,091.7 ملین روپے رہی (HYFY 17: 5,580.6 ملین روپے) جو خاص طور پر اسٹیل ڈویژن سے حاصل ہوئی۔ IID ڈویژن سے سرمایہ کاری پر نفع 434.7 ملین روپے رہا۔ (HYFY 17: 329.4 ملین روپے)

گر اس پروفٹ (مجموعی نفع) 929.4 ملین روپے رہا (HYFY 17: 1,550.6 ملین روپے) جو تقریباً سارا اسٹیل ڈویژن کی جانب سے کمایا گیا۔ جس کا مجموعی نفع 948.3 ملین روپے رہا (HYFY 17: 1,550.5 ملین روپے) جب کہ کاٹن ڈویژن نے 18.9 ملین روپے کا مجموعی نقصان اٹھایا (HYFY 17: مجموعی منافع 0.07 ملین روپے)۔

کمپنی کا ٹیکس سے قبل منافع (پی بی ٹی) 1,053.6 ملین روپے درج کیا گیا۔ (HYFY 17: 1,173.3 ملین روپے)۔ اس مدت کے لئے اسٹیل ڈویژن کا پی بی ٹی 648.8 ملین روپے رہا۔ (HYFY 17: 868.3 ملین روپے)۔ جب کہ کاٹن ڈویژن سے ٹیکس سے پہلے نقصان 30.0 ملین روپے رہا (HYFY 17: ایل بی ٹی) ٹیکس سے پہلے نقصان (26.4 ملین روپے)۔ IID ڈویژن سے ٹیکس سے پہلے نفع (پی بی ٹی) 329.4 ملین روپے درج کیا گیا۔ (HYFY 17: ایل بی ٹی 14.7 ملین روپے)۔

کمپنی کی غیر مربوط مالیاتی معلومات کے مطابق عملیاتی نتائج کا خلاصہ

☆ HYFY 17 میں 5,580.6 ملین روپے کے سیلز ریونیو کے مقابلے میں سیلز ریونیو بڑھ کر 6,091.7 ملین روپے ہو گیا۔

☆ HYFY 17 میں 1,793.9 ملین روپے کے مجموعی نفع کے مقابلے میں مجموعی نفع 1,381.3 ملین روپے

ڈائریکٹرز کا جائزہ

محترم شیئر ہولڈرز (تخص داران)

مجھے، 31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے کمپنی اور اس کے متعلقہ گروپ کی غیر آڈٹ شدہ غیر مربوط اور مربوط عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

سیاسی حالات میں تغیرات کے باوجود معیشت نے لچک دکھائی اور رواں مالی سال 2018 میں حقیقی اور خارجی سیکٹرز میں وسیع البیاد توسیع کی مدد سے اپنی مضبوط کارکردگی پر واپس آتے ہوئے نظر آتی ہے۔ زرعی شعبہ اور صنعتی شعبے میں پیداوار سے متعلق سرمایہ کاری میں بہتری نے رواں مالی سال 2018 کے پہلے تین مہینوں (جولائی تا ستمبر) میں ترقی میں خوب اضافہ کیا۔ مزید یہ کہ جولائی سے دسمبر تک برآمدات میں اضافہ پچھلے 12 مہینوں کے مقابلے میں دو اعداد میں آگیا جب کہ ترسیل زر میں معمولی اضافہ ریکارڈ کیا گیا۔ تاہم اکتوبر میں درآمدات کی کثرت نے ان فوائد میں کمی واقع کر دی۔ درمیانی مدت پر حکومتی اور CPEC سے متعلق واپس ادائیگی کی ذمہ داریوں نے غیر ملکی قرضے، ادائیگیوں کے توازن اور ان کے فنانشنگ تقاضوں کے معاملے میں احتیاط سے کام لینے اور معاشی استحکام میں مدد دینے کے لیے پالیسیاں طے کرنے اور پاکستان کو زیادہ مسابقتی ملک بنانے کی ضرورت کو اجاگر کیا، اور اس طرح رواں مالی سال 2018 میں مجموعی قومی پیداوار کے طویل المدت منظر نامہ کو 5 فیصد جی ڈی پی (GDP) پر برقرار رکھا۔

مالیاتی اور عملیاتی کارکردگی

مجموعی طور پر مالیاتی کارکردگی

31 دسمبر 2017 (HYFY 18) کو ختم ہونے والی ششماہی کے لئے غیر مربوط نتائج (31 دسمبر 2016) کے نتائج سے ملتے جلتے تھے، کیوں کہ جون 2017 کے اختتام پر اسٹیل ڈویژن کے لئے جو آرڈرز ہاتھ میں تھے انھیں زیر غور



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