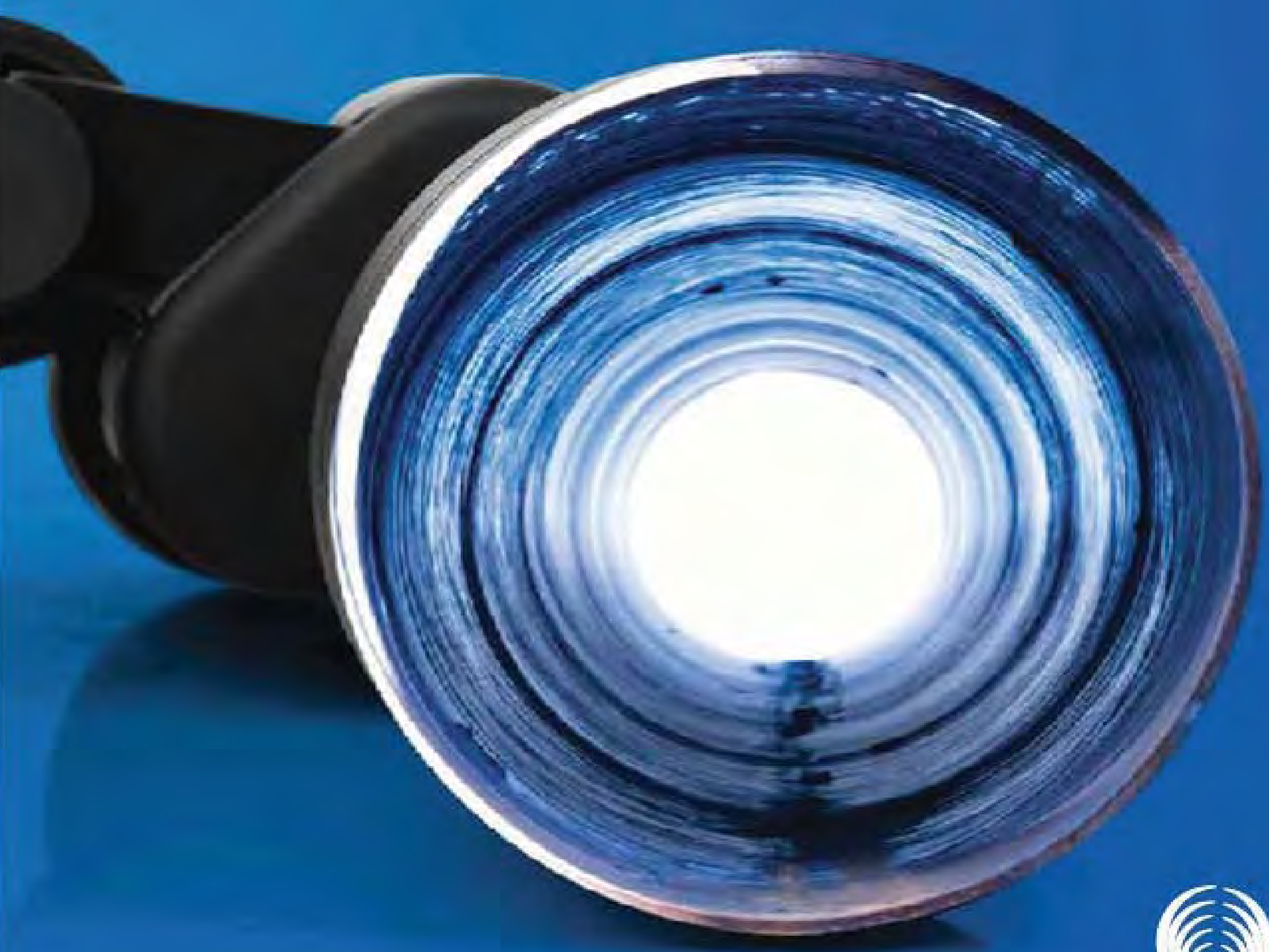
VISIONS FOR THE FUTURE

CONDENSED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2018



Crescent Steel

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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 Dalowal, 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.

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 vibrio screens, and high voltage transformer tanks.

The unit also has the capability to fabricate and erect machinery used in the secondary steel sector and was leveraged for partial fabrication for a Continuous Caster Machine, girders for overhead cranes and a vibrio 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 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).

CS 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, and 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.

SOLUTION DE ENERGY (PRIVATE) LIMITED

Solution de Energy (Private) Limited was incorporated in Pakistan in October 2013 as a fully owned subsidiary of CS 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, a wholly owned subsidiary of Crescent Steel and Allied Products Limited, was incorporated in May 2013 to cater to the growing demand of steel products in line with the vision to organically expand into steel long products business. At present, the Company operates a melt shop (equipped with two induction melting furnaces and a continuous casting machine) with an annual production capacity of 85,000 MT of steel billets in various sizes and a standard length of 6 meters. Billets manufactured by the Company are used by re-rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors. The Company commenced commercial production in June 2016, and has built a strong market reputation and business partnerships.

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)

Nasir Shafi
Non-Executive Director

S.M. Ehtishamullah
Non-Executive Director

Syed Zahid Hussain
Non-Executive Director

Zahid Bashir
Non-Executive Director

COMPANY SECRETARY

Iesha Fazal

AUDIT COMMITTEE

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

Nasir Shafi
Member, Non-Executive Director

S.M. Ehtishamullah
Member, Non-Executive Director

Syed Zahid Hussain
Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ahmad Waqar
Chairman, Non-Executive Director (Independent)

Ahsan M. Saleem
Chief Executive Officer and Managing Director

Nasir Shafi
Member, Non-Executive Director

Syed Zahid Hussain
Member, Non-Executive Director

GOVERNANCE AND NOMINATION COMMITTEE

Zahid Bashir
Chairman, Non-Executive Director

Ahmad Waqar
Member, Non-Executive Director (Independent)

Ahsan M. Saleem
Member, Chief Executive Officer

RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah
Chairman, Non-Executive Director

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

Zahid Bashir
Non-Executive Director

MANAGEMENT TEAM

Ahsan M. Saleem - 1983*

Chief Executive Officer and Managing Director

Muhammad Saad Thaniana - 2007*

Chief Financial Officer and CEO CS Energy (Private) Limited and Solution De Energy (Private) Limited

Abdul Rouf - 2000*

BU Head - Cotton Division

Arif Raza - 1985*

BU Head - Steel Division

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

Azeem Sarwar - 2018*

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

SUBSIDIARIES**

Crescent Hadeed (Private) Limited
CS Capital (Private) Limited
CS 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.
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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, Dalowal,
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
CS Energy (Private) Limited

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

PUBLIC INFORMATION

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company contact.

Ms. Iesha Fazal
Company Secretary
9th Floor, Sidco Avenue Centre, 264
R.A. Lines, Karachi-74200.
Tel: +92 21 3567 4881-85
Email: company.secretary@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

DIRECTORS' REPORT

ECONOMIC OUTLOOK

The Pakistan economy is on course for a slowdown, indicated by policy measures taken by the government including monetary tightening of 375 bps so far during the fiscal year taking policy rates to 10.25% - the highest in six years. The monetary tightening is aligned with the PKR devaluation and the associated inflationary pressures – CPI clocked in at 7.2% in January 2019 against 4.4% in January 2018. Growth projections have been revised by institutions such as the ADB and IMF and ratings were revised downwards by the S&P, all indicating vulnerable economic conditions more specifically the growing twin deficits.

Fiscal consolidation will remain challenging as the economy slows owing the slowdown in growth drivers, and as the stimulus from China-Pakistan Economic Corridor (CPEC) investment fades. Having said that, Pakistan will benefit over the long term from the infrastructure improvements, however, this is likely to be offset by heightened fiscal and external stresses over the next few year.

Additionally, while there have been improvements in both reliable energy and general security, these will remain key drivers for sustained growth and foreign direct investment.

With modest growth prospects and limited reserve buffers will continue to challenge the country's external position, even as the government receives financial aid from various partners.

FINANCIAL AND OPERATIONAL PERFORMANCE

OVERALL FINANCIAL PERFORMANCE

Unconsolidated results for the half year ended 31 December 2018 (HYFY19) the Company's after tax loss stood at Rs. 115.7 million as compared to profit of Rs. 837.5 million in the same period last year. Loss per share (LPS) for the current period was Rs. 1.49 as compared to earnings per share (EPS) of Rs. 10.79 in the corresponding period last year. Company's sales revenue stood at Rs. 2,863.6 million (HYFY18: Rs. 6,091.7 million). Steel division and Cotton division generated 71.5 percent and 28.5 percent of the total sales respectively. IID Division reported a LBT of Rs. 80.3 million (HYFY18 PBT: Rs. 434.8 million) during the period as the turbulence being faced by the market continues.

Gross Profit (GP) stood at Rs. 257.1 million (HyY18: Rs. 929.4 million). Steel division posted a GP of Rs. 193.9 million (HYFY18: Rs. 948.3 million), whereas Cotton Division reported a GP of Rs. 63.2 million (HYFY18: Gross loss Rs. 18.9 million). Gross margin for the half year reduced to 9.0 percent as compared to 15.3 percent in corresponding period last year. This was due to idling of plants during the period in the Steel Division.

An impairment charge of Rs. 115 million recognized during the period against investment in a subsidiary company.

The Company posted loss before tax (LBT) of Rs. 121.7 million (HYFY18: Profit before tax Rs. 837.5 million).

During the period, the Company has adopted IFR9 "Financial Instruments" and IFRS 15 "'Revenue from Contracts with Customers". The adoption of aforementioned Standards have no significant impact on the financial position and financial performance of the Company other than effect of adoption IFRS 9 on the carrying amounts of financial assets at 1 July 2018 relating to measurement of unquoted equity investments amounting to Rs. 150.2 million net of tax recorded in opening unappropriated profits.

SUMMARY OF OPERATING RESULTS AS PER UNCONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

- Sales revenue decreased to Rs. 2,863.6 million as compared to Rs. 6,091.7 million in HYFY18.

- Loss from Investment amounted to Rs. 62.0 million as compared to profit of Rs. 451.9 million in HYFY18. No dividends received from equity accounted associates in HYFY19 whereas Rs. 483.8 million was received in the corresponding period.

- Other income increased to Rs. 50.7 million as compared to Rs. 28.7 million in the HYFY18.

- GP decreased to Rs. 257.1 million as compared to a GP of Rs. 929.4 million in HYFY18.

- Loss before interest and tax (LBIT) was Rs. 3.0 million as compared to Earnings before interest and tax (EBIT) Rs. 1,203.9 million in HYFY18.

- EBITDA decreased significantly to Rs. 54.4 million as compared to Rs. 1,256.4 million in HYFY18.

- LPS to Rs. 1.49 for the current period, as compared to EPS of Rs. 10.79 for HYFY18.

- Return on average capital employed (annualized) was -0.1% for the current period as compared to 23.86% in the corresponding period last year.

- Return on average capital employed (annualized) was 3% for the current period as compared to 22.4 % in the corresponding period last year.

- Break-up value per share Rs. 86.1.

BUSINESS SEGMENTS

STEEL SEGMENT

SEGMENT PERFORMANCE

Steel segment revenue for the half year ended 31 December 2018 was lower at Rs. 2,048.8 million vis-à-vis Rs. 5,934.4 million for the corresponding period last year, owing to low order intake during the period, delays in execution of related projects by customers, upward movement in HR coil prices and idling of plants. Squeezed volumes and unavoidable fixed production costs led to marginal gross profit of Rs. 184.5 million for the half year. Consequently, after impairment charge of Rs 115 million, the bottom-line resulted in LBT of Rs. 84.5 million as compared to PBT of Rs. 648.8 million for the corresponding period last year.

COTTON SEGMENT

SEGMENT PERFORMANCE

Cotton Division recorded sales revenue of Rs. 814.9 million (HYFY18: Rs. 157.3 million). Timely measures were taken to ensure efficient utilization of assets, enhance yield and enable cost saving. Division posted a PBT of Rs. 43.2 million for HYFY19 as compared to Net Loss of Rs. 30 million for the corresponding period last year.

IID SEGMENT

MARKET REVIEW

KSE 100 Index remained under pressure through HYFY19 shedding 4,844 points (11.6%). On a QoQ basis, index decreased by 3,932 points or 9.6%. The performance was largely affected by lack of policy direction on key economic issues, monetary tightening (the SBP increased rates by 350 bps during HYFY19) increasing inflation trend and persistent foreign outflows on the back of falling rupee which shed 14.3% during the first half of FY19 against the greenback.

Activity at the local bourse remained restrained with average daily traded volume of 177.9 million shares during HYFY19. Foreigners remained net sellers during the HYFY19 and reduced their exposure by USD 403.7 million i.e. 4.4% of total cap, with selling across the board except for the Fertilizer sector. Local institutions led by Insurance Companies (USD 172.5 million) and individual investor (USD 151.5 million) absorbed most of the foreign selling.

SEGMENT PERFORMANCE

During the period ended 31 December 2018, the division's HFT segment now Fair Value Through Profit or Loss (FVTPL) segment recorded a negative ROI of 15.6% on weighted average investments of Rs. 434.0 million - during the same period, the benchmark KSE-100 index decreased by 11.6%. On an overall basis, the portfolio ROI on marketable securities stood at -2.8% on weighted average cost of investments Rs. 4,672.8 million.

The portfolio's accumulated LBT for the period ended 31 December 2018 stood at Rs. 80.3 million against HYFY18 (PBT) of Rs. 434.8 million. No dividends received from Equity accounted associates in HYFY19 whereas Rs. 483.8 million was received in the corresponding period. The LBT includes realized and unrealized losses of Rs. 77.7 million on FVTPL investments while finance costs and other operating expenses constitute 12.3% and 10.4% of LBT, respectively.

FINANCIAL POSITION

BALANCE SHEET

Balance sheet footing stood at Rs. 9,642.5 million as of 31 December 2018, compared to Rs. 10,079.0 million as on 30 June 2018.

Current ratio was maintained at 1.6:1 during the period. Gearing ratio (including short term borrowings) increased significantly to 25.4% as compared to 21.3% on 30 June 2018.

OVERALL FINANCIAL PERFORMANCE –

CONSOLIDATED

On consolidated basis, operating loss before finance cost amounted to Rs. 217.2 million (HYFY18: Profit Rs. 476.5 million). Net share of profit from equity accounted associates amounted to Rs. 319.8 million (HYFY18: Loss Rs. 53.4 million).

Consequently, consolidated loss after tax and LPS of the Group for HYFY19 amounted to Rs. 63.1 million and Rs. (0.81) per share as compared to Profit after tax of Rs. 65.5 million and EPS of Rs. 0.84 per share respectively in the corresponding period last year.

During HYFY19 Crescent Hadeed (Private) Limited (CHL) reported net loss of Rs. 201.3 million (HYFY18: loss Rs. 86.3 million), mainly from erosion of margins due to lower demand resulting from lower activities in economy, high cost of imported scrap that did not translate into corresponding change in billet prices. Moreover, scrap sourcing / blending challenges resulted in idling of plant for approximately half of the period; hence fixed costs could not be fully absorbed.

During HYFY19 CS Energy (Private) Limited (CSEL) reported loss of Rs. 94.9 million (HYFY19: loss Rs. 129.4 million). Loss incurred was mainly due to fixed production overheads as a result of underutilization of plant capacity due to CHL being shut down.

FUTURE OUTLOOK

We have recently secured orders for pipe coating. We have also participated in various tenders issued by gas utility companies of which results are expected soon. However, we do expect idling periods between orders.

Going forward, the capital market is expected to slightly positive / range bound due to visit of Saudi Crown Price and IMF delegations. However, uncertainty around Rupee depreciation and economic policies continue to hurt investor confidence. Additionally, recent measures, (i) hike in policy rate (ii) curtailment in PSDP and (iii) revenue generation measures taken in the mini budget are expected to suppress growth. However, any decisive development on financing of shortfall in the external account would spur confidence in the market.

Current KSE-100 valuations with P/E at 6.7x and D/Y at 7.6% and forward P/E at 7.8x appear attractive against regional average P/E of 13.3x providing a steep discount compared to its regional peers, India (16.7x), Malaysia (16.0x), Philippines (15.6x) and Indonesia (14.5x).

I would like to thank all stakeholders for their patronage and look for their continued support. For and behalf of Board of Directors.

Ahsan M. Saleem
Chief Executive Officer

Zahid Bashir
Director

11 February 2019

ڈائریکٹرزرپورٹ

معاشی منظرنامہ

اس وقت پاکستان کی معیشت سست روی کی جانب گامزن ہے جس کے اشاریے حکومت کی جانب سے سخت مالیاتی پالیسی میں ملتے ہیں، 375 بیسس پوائنٹ کے اضافے کے بعد پالیسی ریٹس %10.25 ہے جو کہ گزشتہ چھ سالوں کے دوران بلندترین سطح ہے۔مالیاتی پالیسی میں پیدا کی جانے والی سختی کا تعلق پاکستانی روپے کی قدر میں آنے والی کمی اور اس سے منسلک افراط زر سے ہے۔جنوری 2019 میں سی پی آئی %7.2 پر رکھا گیا تھا جبکہ جنوری 2018 میں یہ شرح %4.4 تھی۔ایشین ڈیویلپمنٹ بینک اور آئی ایم ایف جیسے اداروں کی جانب سے شرح نموکی پیشن گوئیوں پر نظر ثانی کی گئی ہے اور ایس اینڈ پی کی جانب سے ریٹنگ بھی گرائی گئی ہے۔یہ تمام صورتحال ایک پریشان کن معیشت کی جانب اشارہ کررہی ہے جس میں خسارے کی رفتار دوہرے عدد پر پہنچی ہے۔

شرح نموکی رفتار میں سست روی اور پاک چین معاشی راہداری میں سرمایہ کاری میں کمی کے اشاریوں کے پیش نظر مالیاتی توازن کا حصول ابھی بڑا مسئلہ رہے گا۔ علاوہ ازیں، اگر طویل المدتی تناظر میں دیکھا جائے تو بنیادی ڈھانچے میں پیدا ہونے والی بہتری کے بعد پاکستان کو اس کے ثمرات حاصل ہونگے ، تاہم، ان ثمرات کا اثر سخت مالیاتی پالیسی اور بیرونی دباؤ کی وجہ سے اگلے چند سالوں تک پوری طرح ظاہر نہ ہو پائے گا۔

اس کے علاوہ، چونکہ توانائی کی فراہمی میں تسلسل اور امن عامہ کی صورتحال میں بہتری پیدا ہوئی ہے تو اب یہ عناصر مستقل شرح نمو کو سہارا دینے اور بیرونی سرمایہ کاری ملک میں لانے میں اہم کردار ادا کریں گے۔

بیرون طور پر ملک کو کمزور شرح نمو اور زرمبادلہ کے ذخائر میں کمی کی وجہ سے خطرات کا سامنا رہے گا۔حکومت کو مختلف دوست ممالک کی جانب سے مالیاتی امداد حاصل ہونے کی صورت میں بھی یہ خطرات منڈلاتے رہیں گے۔

مالیاتی وکاروباری کارکردگی

مجموعی مالیاتی کارکردگی

کمپنی کی جانب سے بعد از ٹیکس غیر یکجا نتائج برائے ششماہی اختتامیہ دسمبر 2018 (ششماہی 2019) میں 115.7 ملین روپے کا نقصان درج کیا گیا ہے جبکہ گزشتہ مالی سال کی ششماہی کے دوران 837.5 ملین روپے کا منافع درج کیا گیا تھا۔زیر نظر ششماہی کے دوران نقصان فی حصص 1.49 روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کی ششماہی کے دوران فی حصص 10.79 روپے کی آمدن درج کی گئی تھی۔زیر نظر دورانیے کے دوران کمپنی کی فروخت کا حجم 2,863.6 ملین روپے درج کیا گیا ہے (ششماہی 2018 میں فروخت کا حجم 6,091.7 ملین روپے تھا)۔اسٹیل اور کاٹن ڈویژنز کی جانب سے آمدن میں بالترتیب %71.5 اور %28.5 حصہ ملایا گیا۔آئی آئی ڈی ڈویژن کی جانب سے 80.3 ملین روپے کا نقصان قبل از ٹیکس درج کیا گیا ہے (ششماہی 2018 کے دوران منافع قبل از ٹیکس 434.8 ملین روپے تھا) زیر نظر دورانیے کے دوران مارکیٹ میں پائی جانے والی ہیجانی کیفیت ابھی تک جاری ہے۔

خام منافع 257.1 ملین روپے درج کیا گیا ہے (ششماہی 2018 میں خام منافع 929.4 ملین روپے تھا) ۔اسٹیل ڈویژن کی جانب سے 193.9 ملین روپے کا خام منافع درج کیا گیا ہے (ششماہی 2018 میں خام منافع 948.3 ملین روپے تھا) ۔جبکہ کاٹن ڈویژن کی جانب سے 63.2 ملین روپے کا خام منافع درج کیا گیا ہے (ششماہی 2018 میں خام نقصان 18.9 ملین روپے تھا) ۔ زیرنظر ششماہی کے دوران خام منافع کی شرح گھٹ کر 9.0% رہ گئی جو کہ گزشتہ سال کی ششماہی میں 15.3% درج کی گئی تھی ۔اس کمی کی بنیادی وجہ اسٹیل ڈویژن میں پلانٹس کی عارضی بندش تھی ۔

ایک ذیلی کمپنی میں کی جانے والی سرمایہ کاری کے مقابلے میں اس دوران قدر میں آنے والی کمی کے ضمن میں 115 ملین روپے کا نقصان بھی درج کیا گیا ہے ۔

کمپنی کی جانب سے 121.7 ملین روپے کا نقصان قبل از ٹیکس درج کیا گیا ہے (ششماہی 2018 میں 837.5 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا تھا) ۔

زیرنظر ششماہی کے دوران، کمپنی کی جانب سے آئی ایف آر ایس 9 "Financial Instruments" اور آئی ایف آر ایس 15 "Revenue from Contarcts with Customers" پر عمل کیا گیا ہے ۔ مزکورہ بالا معیارات پر عمل پیرا ہونے کی وجہ سے کمپنی کی مالیاتی پوزیشن اور مالیاتی کارکردگی پر کوئی خاطر خواہ فرق نہیں پڑا ماسوائے اس کے کہ آئی ایف آر ایس 9 کی وجہ سے مالیاتی اثاثوں کی موجودہ مالیت بتاریخ 1 جولائی 2018 بابت غیر کوٹڈ شدہ ایکیویٹی انویسٹمنٹ بقدر 150.2 ملین روپے بعد از ٹیکس کے فرق کو افتتاحی میزانئے میں غیر منقسم شدہ منافع کے بطور درج کیا گیا ہے ۔

کمپنی کی غیر یکجا مالیاتی دستاویزات کی بابت کاروباری کارکردگی کا خلاصہ

☆ آمدن از فروخت کم ہو کر 2,863 ملین روپے ہو چکی ہے جو کہ مالی سال 2018 کی ششماہی کے دوران 6,091.7 ملین روپے درج کی گئی تھی ۔

☆ سرمایہ کاری پر ہونے والا نقصان 62.0 ملین روپے رہا جبکہ مالی سال 2018 کی ششماہی کے دوران 451.9 ملین کا منافع درج کیا گیا تھا ۔ ششماہی 2019 کے دوران ایکیوٹی اکاؤنٹڈ ایسوسی ایٹس سے کوئی بھی ڈیویڈنڈ موصول نہیں ہوا جبکہ گزشتہ مالی سال کی ششماہی کے دوران 483.8 ملین روپے کا ڈیویڈنڈ موصول ہوا تھا ۔

☆ دیگر آمدن بڑھ کر 50.7 ملین روپے ہو گئی جبکہ گزشتہ مالی سال کی ششماہی کے دوران یہ آمدن 28.7 ملین روپے درج کی گئی تھی ۔

☆ خام منافع کم ہو کر 257.1 ملین روپے کی سطح پر آ گیا جو کہ مالی سال 2018 کی ششماہی کے دوران 929.4 ملین روپے درج کیا گیا تھا ۔

☆ نقصان قبل از ادائیگی سود و انکم ٹیکس 3.0 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی ششماہی کے دوران 1,203.9 ملینز روپے درج کی گئی تھی ۔

☆ آمدن قبل از ادائیگی سود، انکم ٹیکس اور فرسودگی واضح کمی کے بعد 54.4 ملین روپے درج کی گئی ہے جو کہ مالی سال 2018 کی ششماہی کے دوران 1,256.4 ملین روپے درج کی گئی تھی ۔

☆ زیرنظر ششماہی کے دوران نقصان فی حصص 1.49 روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی ششماہی کے دوران آمدن فی حصص 10.79 روپے درج کی گئی تھی ۔

☆ اوسط سرمایہ کاری (سالانہ) پر حاصل ہونے والا نفع 0.1%- درج کیا گیا ہے جو کہ مالی سال 2018 کی ششماہی کے دوران 23.86% درج کیا گیا تھا ۔

☆اوسط سرمایہ کاری پر منافع 3% درج کیا گیا ہے جبکہ گزشتہ مالی سال کی شش ماہی کے دوران یہ منافع 22.4% درج کیا گیا تھا۔

☆فی حصص منقسم قدر 86.1 روپے درج کی گئی ہے۔

کاروباری شعبے

اسٹیل کا شعبہ

شعبے کی کارکردگی

رواں مالی سال کی شش ماہی اختتامیہ 31 دسمبر 2018 کے دوران اسٹیل کے شعبے کی آمدن کم ہونے کے بعد 2,048.8 ملین روپے درج کی گئی ہے جو کہ مالی سال 2018 کی شش ماہی کے دوران 5,934.4 ملین روپے درج کی گئی تھی۔اس کمی کی وجوہات میں ملنے والے آرڈرز کی کمی، صارفین کی جانب سے متعلقہ پروجیکٹس میں تاخیر، ایچ آر کوئل کی قیمت میں اضافہ اور پلانٹس کی عارضی بندش وغیرہ شامل ہیں۔ پیداواری حجم میں کمی اور ناگزیر نوعیت کے مستقل اخراجات کی وجہ سے زیرنظر شش ماہی کے دوران خام منافع کم ہونے کے بعد 184.5 ملین روپے درج کیا گیا ہے۔نتیجتاً 115 ملین روپے کا فرق منہا کرنے کے بعد نقصان قبل از ٹیکس 84.5 ملین روپے درج کیا گیا جب کہ مالی سال 2018 کی شش ماہی کے دوران اس مد میں 648.8 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا تھا۔

کاٹن کا شعبہ

شعبے کی کارکردگی

کاٹن کے ڈویژن کی جانب سے زیرنظر شش ماہی کے دوران 814.9 ملین روپے کی آمدن از فروخت درج کی گئی ہے (جو کہ مالی سال 2018 کی شش ماہی کے دوران 157.3 ملین روپے درج کی گئی تھی)۔ٹاٹوں کو مستعد انداز کے ساتھ زیر استعمال لانے، پیداوار کو بڑھانے اور پیداواری لاگت کو کم از کم سطح پر رکھنے کیلئے بروقت اقدامات اٹھائے گئے ہیں۔اس شعبے کی جانب سے 43.2 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا ہے جبکہ مالی سال 2018 کی شش ماہی کے دوران 30 ملین روپے کا نقصان درج کیا گیا تھا

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آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج 100 انڈیکس رواں مالی سال 2019 کی شش ماہی کے دوران دباؤ میں رہا اور انڈیکس میں 4,844 پوائنٹس (11.6%) کی کمی واقع ہوئی۔کوارٹر آن کوارٹر بیسس پر انڈیکس میں 3,932 پوائنٹس یعنی 9.6% کی گراوٹ درج کی گئی ہے۔ انڈیکس کی منفی کارکردگی کی وجوہات میں اہم معاشی پالیسیوں کے سلسلے میں سمت کا فقدان، ترسیل زر میں سختی (2019 کی شش ماہی کے دوران اسٹیٹ بینک آف پاکستان نے شرح سود میں 350 بیسس پوائنٹس کا اضافہ کیا)، افراط زر کا رجحان اور روپے کی قدر میں کمی کی وجہ سے مستقل بنیادوں پر زر کا بیرونی انخلاء شامل تھیں، زیرنظر عرصے کے دوران ڈالر کے مقابلے میں روپے کی قدر میں 14.3% کی کمی واقع ہوئی ہے۔

مقامی اسٹاک ایکسچینج میں مندی کا رجحان دیکھا گیا ہے اور زیر نظر شش ماہی کے دوران اوسطاً روزانہ کی بنیاد پر 177.9 ملین حصص کا کاروباری حجم درج کیا گیا ہے۔ غیر ملکیوں میں محض فروخت کا رجحان دیکھا گیا ہے اور اس طرح انکی جانب سے زیر نظر شش ماہی کے دوران امریکی ڈالر کی نسبت کو 403.7 ملین ڈالر تک کم کیا گیا جو کہ کل کیپٹل کا 4.4% بنتا ہے جس میں ماسوائے فرٹیلائزر کے تمام شعبوں میں فروخت درج کی گئی ہے۔ غیر ملکیوں کی جانب سے فروخت کے اس عمل کو مقامی طور پر انشورنس کمپنیوں (172.5 ملین امریکی ڈالر) اور انفرادی سرمایہ کاروں (151.5 ملین ڈالر) کی جانب سے جذب کیا گیا ہے۔

شعبے کی کارکردگی

زیر نظر شش ماہی اختتامیہ 31 دسمبر 2018 کے دوران ڈویژن کے ایچ ایف ٹی شعبے اب فیئر ویلیو تھرو پرافٹ آر لاس (ایف وی ٹی پی ایل) کی جانب سے سرمایہ کاری پر 15.6% کا نقصان درج کیا گیا ہے جو کہ 434.0 ملین روپے کی متوازن اوسط سرمایہ کاری پر ہے۔ اسی عرصے کے دوران کے ایس ای 100 انڈیکس بھی 11.6% کے حساب سے کمی کا شکار رہا ہے۔ مجموعی طور پر سرمایہ کاری کی منفعت پر منفی 2.8% کا نقصان درج کیا گیا ہے جس کیلئے اوسط متوازن سرمایہ کاری 4,672.8 ملین روپے تھی۔

زیر نظر شش ماہی اختتامیہ 31 دسمبر 2018 سے متعلق مجموعی نقصان قبل از ٹیکس 80.3 ملین روپے درج کیا گیا ہے جب کہ مالی سال 2018 کی شش ماہی کے دوران 434.8 ملین روپے کا منافع تھا۔ ایکیوٹی اکاؤنٹڈ ایسوسی ایٹس کی جانب سے 2019 کی شش ماہی کے دوران کوئی ڈیویڈنڈ حاصل نہیں ہوا جبکہ گزشتہ مالی سال کی شش ماہی کے دوران 483.8 ملین روپے حاصل ہوئے تھے۔ اس نقصان میں ایف وی ٹی پی ایل سرمایہ کاری میں شامل تخمین اور غیر تخمین شدہ نقصانات بقدر 77.7 ملین روپے بھی شامل ہیں جبکہ اس میں 12.3% تمویلی لاگت اور 10.4% نقصان قبل از ٹیکس بھی بالترتیب شامل ہیں۔

مالیاتی پوزیشن

بیلنس شیٹ

بیلنس شیٹ کا مجموعی کل بتاریخ 31 دسمبر 2018 کو 9,642.5 ملین روپے درج کیا گیا ہے جو کہ 30 جون 2018 کو 10,079 ملین روپے درج کیا گیا تھا۔

رواں اثاثوں کا تناسب 1.6:1 کے حساب سے قائم رہا جبکہ قرضوں کے تناسب (بشمول قلیل المدتی قرض) میں 25.4% کا زبردست اضافہ درج کیا گیا ہے 30 جون 2018 کو 21.3% درج کیا گیا تھا۔

مجموعی مالیاتی کارکردگی

مربوط

مربوط بنیادوں پر کاروباری نقصان قبل از تمویلی لاگت 217.2 ملین روپے درج کیا گیا ہے (جو کہ مالی سال 2018 کی شش ماہی کے دوران منافع 476.5 ملین روپے درج کیا گیا تھا)۔ ایکیوٹی سے حاصل ہونے والے صافی منافع کا حصہ 319.8 ملین روپے درج کیا گیا ہے (جو کہ مالی سال 2018 کی شش ماہی کے دوران نقصان 53.4 ملین روپے درج کیا گیا تھا)۔

نتیجتاً گروپ کا مجموعی نقصان بعد از ٹیکس اور نقصان فی حصص برائے زیر نظر شش ماہی بالترتیب 63.1 ملین روپے اور (0.81) روپے درج کئے گئے جو کہ مالی سال 2018 کی شش ماہی کے دوران بالترتیب منافع 65.5 ملین روپے اور فی حصص منافع 0.84 روپے درج کئے گئے تھے۔

زیر نظر شش ماہی اختتامیہ 31 دسمبر 2018 کے دوران کریسنٹ حدید (پرائیویٹ) لمیٹڈ (سی ایچ ایل) کی جانب سے 210.3 ملین روپے کا صافی نقصان درج کیا گیا ہے (جو کہ مالی سال 2018 کی شش ماہی کے دوران 86.3 ملین روپے درج کیا گیا تھا) جس کی بنیادی وجوہات میں معیشت میں سست روی کی بناء پر ملنے والے کم آرڈر، کباڑ کی قیمت میں ہونے والا اضافہ جو کہ بلٹس کی قیمت میں ہونے والی متناسب تبدیلی سے زیادہ کا رہا وغیرہ شامل تھیں۔ مزید برآں، کباڑ اور خام مال کی ترسیل اور امتزاج جیسے مسائل کی وجہ سے پلانٹ کے بند پڑے رہنے کی بناء پر اس عرصے کے دوران کئے گئے **مستقل** اخراجات بھی مکمل طور پر زیر استعمال نہ آسکے۔

زیر نظر شش ماہی اختتامیہ 2019 سے متعلق سی ایس انرجی (پرائیویٹ) لمیٹڈ (سی ایس ای ایل) کی جانب سے 94.9 ملین روپے کا نقصان درج کیا گیا ہے (جو کہ گزشتہ مالی سال شش ماہی کے اختتام پر 129.4 ملین روپے درج کیا گیا تھا)۔ نقصان کی اصل وجہ یہ تھی کہ سی ایچ ایل کے پلانٹ کی مکمل استعداد کو بروئے کار لانے کی وجہ سے **مستقل** پیداواری اخراجات مکمل طور پر جذب نہ ہوسکے۔

مستقبل پر نظر

حال ہی میں ہمیں پائپ کوٹنگ کے آرڈر ملے ہیں۔ اس کے علاوہ گیس یوٹیلٹی کمپنیوں کی جانب سے دیئے گئے ٹینڈروں میں بھی ہم شرکت کر چکے ہیں جن کے نتائج جلد ہی متوقع ہیں۔ تاہم آرڈر ملنے کے درمیانی عرصے میں پلانٹس عارضی طور پر بند رہنے کی توقع ہے۔

سعودی ولی عہد اور آئی ایم ایف وفد کے دورے کے تناظر میں یہ بات کہی جاسکتی ہے کہ کیپٹل مارکیٹ قدرے مثبت کارکردگی ظاہر کرے گی۔ تاہم امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور معاشی پالیسیوں کے پیش نظر سرمایہ کاروں کا اعتماد اب تک بحال نہیں ہوسکا۔ مزید برآں، حالیہ اقدامات جیسا کہ (1) پالیسی ریٹس میں اضافہ (2) پی ایس ڈی پی میں کٹوتی اور (3) ضمنی بجٹ میں آمدن بڑھانے کیلئے اٹھائے جانے والے اقدامات کی وجہ سے نشوونما پر منفی اثرات مرتب ہوسکتے ہیں۔ تاہم تمویل کی کمی کے ضمن میں کوئی بھی فیصلہ کن اقدام مارکیٹ کے اعتماد میں خاطر خواہ اضافہ کرسکتا ہے۔

اس وقت کے ایس ای 100 انڈیکس پر P/E 6.7x اور D/Y 76% اور فارورڈ P/E 7.8x خطے کے اوسط P/E 13.3x کے مقابلے میں پرکشش نظر آرہے ہیں جو خطے میں بھارت (16.77x)، ملائیشیا (16.0x)، فلپائن (15.6x) اور انڈونیشیا (14.5x) کے مقابلے واضح ڈسکاؤنٹ فراہم کررہا ہے۔

میں اس موقع پر تمام شراکت داروں کا تہہ دل سے شکریہ ادا کرنا چاہتا ہوں کہ ان کی سرپرستی اور حمایت ہمیشہ ہمارے شامل حال رہی۔

برائے و از بورڈ

احسان ایم سلیم
چیف ایگزیکیٹو آفیسر

زاہد بشیر
ڈائریکٹر

11 فروری 2019

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Crescent Steel and Allied Products Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Crescent Steel and Allied Products Limited** as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

KPMG

KPMG Taseer Hadi & Co.

Other matter

The figures for the quarter ended 31 December 2018 and 31 December 2017 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: 11 February 2019

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)

As at 31 December 2018

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		--------------(Rupees in '000)--------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**997,460**	1,039,047
Intangible assets		**27**	151
Investment properties		**12,400**	13,076
Long term investments	6	**4,626,353**	4,538,346
Long term deposits	7	**227,110**	217,233
Deferred taxation		**23,858**	30,081
		5,887,208	5,837,934
Current assets			
Stores, spares and loose tools		**150,388**	168,973
Stock-in-trade	8	**982,053**	1,542,650
Trade debts	9	**234,322**	106,886
Loans and advances	10	**538,589**	274,713
Trade deposits and short term prepayments		**16,600**	25,579
Investments	11	**335,065**	448,371
Mark-up accrued	12	**45,264**	26,506
Other receivables	13	**460,783**	553,446
Taxation - net		**980,240**	960,505
Cash and bank balances		**12,010**	133,452
		3,755,314	4,241,081
Total assets		**9,642,522**	10,079,015
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		**776,325**	776,325
Capital reserves		**1,029,729**	1,028,282
Revenue reserves		**4,876,079**	4,919,160
		6,682,133	6,723,767
Non-current liabilities			
Long term loans	14	**222,599**	226,746
Liabilities against assets subject to finance lease		**106,663**	127,419
Deferred income		**5,495**	8,107
		334,757	362,272
Current liabilities			
Trade and other payables	15	**604,328**	1,349,139
Unclaimed dividend		**27,112**	21,520
Mark-up accrued		**37,179**	16,144
Short term borrowings	16	**1,794,846**	1,458,195
Current portion of long term loans	14	**113,219**	96,544
Current portion of liabilities against assets subject to finance lease		**43,581**	46,010
Current portion of deferred income		**5,367**	5,424
		2,625,632	2,992,976
Contingencies and commitments	17		
Total equity and liabilities		**9,642,522**	10,079,015

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive **Director** **Chief Financial Officer**

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the quarter and six months ended 31 December 2018

	Note	Quarter ended		Six months ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		(Rupees in '000)			
Sales	18	**1,343,507**	3,237,709	**3,194,818**	7,100,679
Less: sales tax		**125,133**	449,577	**331,206**	1,008,961
		1,218,374	2,788,132	**2,863,612**	6,091,718
Cost of sales		**1,078,609**	2,329,789	**2,606,508**	5,162,338
Gross profit		**139,765**	458,343	**257,104**	929,380
(Loss) / income from investments - net	19	**(48,000)**	229,228	**(62,016)**	451,965
Impairment loss on subsidiary company	6.1.3	**(115,000)**	-	**(115,000)**	-
		(23,235)	687,571	**80,088**	1,381,345
Distribution and selling expenses		**3,418**	3,597	**6,678**	8,976
Administrative expenses		**57,063**	65,886	**112,314**	122,647
Other operating expenses	20	**10,327**	34,571	**14,770**	74,541
		70,808	104,054	**133,762**	206,164
		(94,043)	583,517	**(53,674)**	1,175,181
Other income		**24,797**	15,190	**50,715**	28,706
Operating profit before finance costs		**(69,246)**	598,707	**(2,959)**	1,203,887
Finance costs	21	**56,267**	71,056	**118,694**	150,320
(Loss) / profit before taxation		**(125,513)**	527,651	**(121,653)**	1,053,567
Taxation					
- current	22	**5,149**	112,492	**25,681**	226,460
- prior		**2,050**	750	**2,050**	750
- deferred		**(12,819)**	(959)	**(33,711)**	(11,183)
		(5,620)	112,283	**(5,980)**	216,027
(Loss) / profit for the period		**(119,893)**	415,368	**(115,673)**	837,540
Other Comprehensive Income for the period					
Items that are reclassified subsequently to profit or loss					
Unrealized diminution on remeasurement of equity investments classified as 'available for sale'		**-**	(4,357)	**-**	(3,438)
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVTOCI)		**769**	-	**1,447**	-
Total comprehensive (loss) / income for the period		**(119,124)**	411,011	**(114,226)**	834,102
		(Rupees)			
(Loss) / earnings per share - Basic and diluted	23	**(1.54)**	5.35	**(1.49)**	10.79

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive	Director	Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2018

	Note	Six months ended 31 December 2018	Six months ended 31 December 2017
		(Rupees in '000)	
Cash flows from operating activities			
Cash (used in) / generated from operations	24	**(333,268)**	1,328,667
Taxes paid		**(15,025)**	(554,953)
Finance costs paid		**(90,424)**	(142,370)
Contribution to gratuity and pension funds		**(11,757)**	-
Contribution to Workers' Profit Participation Fund		**(27,190)**	(111)
Long term deposits - net		**-**	(6,651)
Net cash (used in) / generated from operating activities		**(477,664)**	624,582
Cash flows from investing activities			
Capital expenditure		**(16,864)**	(87,985)
Proceeds from disposal of operating fixed assets		**11,282**	8,871
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		**-**	14,995
Investments - net		**99,286**	(298,584)
Dividend income received		**15,448**	507,405
Interest income received		**351**	492
Net cash generated from investing activities		**109,503**	145,194
Cash flows from financing activities			
Proceeds / (repayments) of long term loans - net		**12,528**	(64,805)
Payments against finance lease obligations		**(30,420)**	(24,191)
Proceeds / (repayments) of short term loans obtained - net		**183,713**	(175,142)
Dividends paid		**(72,040)**	(297,276)
Net cash from / (used in) financing activities		**93,781**	(561,414)
Net (decrease) / increase in cash and cash equivalents		**(274,380)**	208,362
Cash and cash equivalents at beginning of the period		**(172,096)**	(219,311)
Cash and cash equivalents at end of the period	25	**(446,476)**	(10,949)

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

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 2018

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves			Total
		Share premium	Fair Value reserve	General reserve	Unappropriated profit	
	(Rupees in '000)					
Balance as at 30 June 2017	**776,325**	**1,020,908**	**12,915**	**3,642,000**	**1,367,569**	**6,819,717**
Total comprehensive income for the period						
Profit after taxation for the six months ended 31 December 2017	-	-	-	-	837,540	837,540
Other comprehensive income for the six months ended 31 December 2017	-	-	(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**
Balance as at 30 June 2018 as previously reported	**776,325**	**1,020,908**	**7,374**	**3,642,000**	**1,277,160**	**6,723,767**
Adjustment on initial application of IFRS 9 - net of tax (refer note 3.5)	-	-	-	-	150,224	150,224
Balance as at 30 June 2018 - as restated	**776,325**	**1,020,908**	**7,374**	**3,642,000**	**1,427,384**	**6,873,991**
Total comprehensive income for the period						
Loss after taxation for the six months ended 31 December 2018	-	-	-	-	(115,673)	(115,673)
Other comprehensive income for the six months months ended 31 December 2018	-	-	1,447	-	-	1,447
Total comprehensive income for the period	-	-	1,447	-	(115,673)	(114,226)
Transaction with owners						
Dividend:						
- Final @ 10% (i.e. Re. 1.00 per share) for the year ended 30 June 2018	-	-	-	-	(77,632)	(77,632)
Balance as at 31 December 2018	**776,325**	**1,020,908**	**8,821**	**3,642,000**	**1,234,079**	**6,682,133**

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive	Director	Chief Financial Officer

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 26.

2. BASIS OF PREPARATION

2.1 These condensed interim unconsolidated financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act , 2017 have been followed.

2.2 These condensed interim unconsolidated financial statements of the Company do not include all of the information required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2018. 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 annual unconsolidated financial statements.

2.3 These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual audited unconsolidated financial statements as at and for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as referred to in note 3.5 and 3.6 to these condensed interim unconsolidated financial statements.

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

3.2.1 The Company has initially adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ from 1 July 2018. The impact of the adoption of these standards and the new accounting policies are disclosed in note 3.4 below.

3.2.2 A number of other pronouncements are effective from 1 July 2018 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended 30 June 2018, but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore have not been detailed.

3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and therefore have not been disclosed in these condensed interim unconsolidated financial statements.

3.4 CHANGES IN ACCOUNTING POLICIES

Explained below is the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' on the Company’s condensed interim unconsolidated financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

3.5 IFRS 9 'FINANCIAL INSTRUMENTS'

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below. Management has taken advantage of transition method in IFRS 9 which provide exemption from restating prior periods in respect of IFRS 9's classification and measurement (including impairment) requirements. IFRS 9 was applied retrospectively, however, as allowed under transition method the Company has chosen not to restate comparatives information on adoption of IFRS 9 and, therefore reclassifications and the adjustments arising from IFRS 9 have been processed at the date of initial application (i.e. 1 July 2018) and presented in opening retained earnings and reserves as at 1 July 2018.

3.5.1 Impact on the financial statements

As a result of the changes in the Company's accounting policies, prior year financial statements had to be restated. As explained above, IFRS 9 was adopted without restating comparative information.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 July 2018 relates to measurement of unquoted equity investments. Under IAS 39, equity investments are generally classified as available for sale (AFS) financial assets and measured at fair value. However, an exception was available for AFS financial assets that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, could be measured at cost. This cost exception is not included in IFRS 9 and fair value through profit or loss (FVTPL) accounting applies unless the fair value through other comprehensive income (FVTOCI) election is made. Since IFRS 9 eliminates this exception, the Company is required to measure such instruments at fair value at the date of initial application of the Standard. Any difference between the previous carrying amount of the instrument and its fair value is recognized in opening retained earnings and for purposes of reporting in the comparative period, these remain reported at cost.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

	30 June 2018 - as originally presented	Adjustments	1 July 2018 - Restated
	(Rupees in '000)		
Non - current assets			
Equity securities - Other long term investments			
-Investment in Central Depository Company of Pakistan Limited	58,946	103,205	162,153
-Investment in Shakarganj Food Products Limited	151,662	86,952	238,614
Non - current liabilities			
Deferred taxation	-	39,935	39,935
Equity - Revenue reserves (retained earnings)	1,277,160	150,224	1,427,384

The total impact on the Company's retained earnings and other reserves, net of tax as at 1 July 2018 is as follows:

	2018
Closing retained earnings 30 June - IAS 39	1,277,160
Fair value of unquoted equity investments classified at fair value through profit or loss - net of tax*	150,224
Opening retained earnings 1 July - IFRS 9	1,427,384

*This represents adjustment to retained earnings and reserves from adoption of IFRS 9 on 1 July 2018 arising on valuation 'of unquoted equity security which was carried at cost and classified as available for sale in prior year under IAS 39.

There is no impact on the statement of profit or loss account and other comprehensive income, statement of cash flows and the basic and diluted EPS on adoption of IFRS 9.

3.5.2 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) initially measures at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition.

Under IFRS 9, on initial recognition, financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVTOCI) - debt investment;
- fair value through other comprehensive income (FVTOCI) - equity investment; or
- fair value through profit or loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest 'on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition or transition to IFRS 9, an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Where management elected FVTOCI classification for equity investments, there is no subsequent reclassification of fair value gains and losses to profit or loss following de-recognition of the investment. Dividends are recognized as income in profit or loss (unless the dividend clearly represents a recovery of part of the cost of the investment) when the Company's right to receive payments is established. This category only includes equity instruments, which the Company intends to hold for the foreseeable future as strategic investment. All other equity investments are mandatorily measured and classified at FVTPL. Equity instruments at FVTOCI are not subject to an impairment assessment under IFRS 9. Their requirement differs from the treatment of AFS equity instruments under IAS 39 where gains and losses recognised in OCI are reclassified on derecognition or

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company reclassifies debts investments when and only when its business model for managing those assets changes. The financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. The financial assets classified at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Net gains and losses (unrealised and realised),including any interest or dividend income, are recognised in profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 July 2018 relates to fair valuation of unquoted equity investments as stated above. Under IAS 39 the Company's unquoted equity investments were classified as AFS Financial assets and carried at cost.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 1 July 2018:

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Equity securities - Other long term investments				
- Investment in Crescent Bahuman Limited **	Available for sale	Fair Value through Profit or loss	-	-
- Investment in Central Depository Company of Pakistan Limited **	Available for sale	Fair Value through Profit or loss	**58,948**	**162,153**
- Investment in Crescent Industrial Chemicals Limited **	Available for sale	Fair Value through Profit or loss	-	-
- Investment in Shakarganj Food Products Limited **	Available for sale	Fair Value through Profit or loss	**151,662**	**238,614**
- Investment in Crescent Textile Mills Limited *	Available for sale	Fair Value through Other Comprehensive Income	**11,400**	**11,400**
Equity securities - short term				
- Investment in Jubilee Spinning and Weaving Mills Limited **	Available for sale	Fair Value through Profit or loss	-	-
- Investment in Innovative Investment Bank Limited **	Available for sale	Fair Value through Profit or loss	-	-
Other equity securities - short term investments	Held for trading	Fair Value through Profit or loss	**436,971**	**436,971**
Trade and other receivables	Loans and receivables	Amortised cost	**575,864**	**575,864**
Bank balances	Loans and receivables	Amortised cost	**133,452**	**133,452**

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

*These equity securities represent investments that the Company intends to hold for the long term strategic purposes. As permitted by IFRS 9, the Company has designated these investments at the date of initial application as measured at FVTOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

**These equity securities on initial application of IFRS 9 were reclassified from available for sale to fair value through profit or loss since management has not elected to classify it at FVTOCI.

The impact of these changes on the Company's equity as of 1 July 2018 is as follows:

	Effect on AFS Reserves	Effect on FVTOCI Reserves	Effect on Retained Earnings
		Rs in '000	
Opening balance – IAS 39	7,374	-	1,277,160
Reclassify non-trading equities from available-for-sale to FVTOCI	(7,374)	7,374	-
Reclassify investments from available-for-sale mandatorily measured at FVTPL - Fair valuation	-	-	150,224
Opening balance - IFRS 9	**-**	**7,374**	**1,427,384**

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and other receivables including loans to related parties.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payment are 90 days past due.

There is no significant impact from the new expected credit loss (ECL) impairment model under IFRS 9 on allowances and provisions for trade receivables and other short and long term receivables (i.e. loans).

3.6 IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the comparative information presented in these condensed interim unconsolidated financial statements has not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

The Company manufactures and contracts with customers for the sale of bare pipes, coated pipes and cotton products which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised at that point in time. Delivery occurs when the products have been shipped or delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product. The customer has accepted the product as per the sales contract or lapse of acceptance provision specified in the contract or the Company has objective evidence that all criteria for acceptance have been satisfied. Contract for the sale of bare and coated pipes contains penalty clause on account of delay supply (liquidity damage). Under IFRS 15 these amounts are referred to as 'variable consideration'. The consideration which the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of liquidity damages (penalties) and excludes amounts collected on behalf of third parties. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Company receives short term advances from its customers and classified in trade and other payables. The opening balance of advances from customers amounting to Rs. 24.632 million has been recognised as revenue for the six months period ended 31 December 2018.

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

4. USE OF ESTIMATES AND JUDGEMENTS

4.1 The preparation of condensed interim unconsolidated financial statements 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 these condensed interim unconsolidated financial statements are the same as those that were applied to the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2018 except for new significant judgements and key source of estimation and uncertainty related to the application of IFRS 9 and IFRS 15 which are described in Note 3.5 and Note 3.6 respectively to these condensed interim unconsolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	**Unaudited 31 December 2018**	Audited 30 June 2018
		(Rupees in '000)	
Operating fixed assets	*5.1*	**892,296**	927,045
Capital work-in-progress	*5.2*	**105,164**	112,002
		997,460	1,039,047

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

	Unaudited Six months ended 31 December 2018		Unaudited Six months ended 31 December 2017	
	Additions / transfers	**Disposals**	Additions / transfers	Disposals
	(Rupees in '000)			
Buildings on freehold land	**-**	**-**	19,654	-
Buildings on leasehold land	**6,304**	**-**	-	-
Plant and machinery - owned	**6,140**	**-**	55,963	12,044
Plant and machinery - leased	**-**	**-**	24,353	10,020
Furniture and fittings	**576**	**9**	1,139	5
Electrical / office equipments and installation	**1,537**	**667**	3,189	61
Computers	**144**	**749**	1,847	-
Motor vehicles - owned	**8,687**	**14,717**	21,322	2,805
	23,388	**16,142**	127,467	24,935

5.2 Net transfers from capital work-in-progress during the six months period amounted to Rs. 6.838 million (Net transfers in 2017: Rs.11.871 million).

6. LONG TERM INVESTMENTS

		Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Subsidiary companies			
- at cost	*6.1*	**2,820,000**	2,882,000
- share deposit money			
CS Capital (Private) Limited		**-**	53,000
Crescent Hadeed (Private) Limited		**108,142**	108,142
Associated companies - at cost	*6.2*	**1,284,596**	1,284,596
Other long term investments - available for sale		**-**	210,608
Other long term investments	*6.3*	**413,615**	-
		4,626,353	4,538,346

6.1 Subsidiary companies - at cost

Unaudited 31 December 2018	Audited 30 June 2018			**Unaudited 31 December 2018**	Audited 30 June 2018
(Number of shares)		**Unquoted**		**(Rupees in '000)**	
126,000,000	126,000,000	CS Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	*6.1.1*	**1,260,000**	1,260,000
52,500,000	47,200,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	*6.1.2*	**525,000**	472,000
115,000,000	115,000,000	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*	**-**	-
				2,935,000	2,882,000
		less : Provision for impairment	*6.1.3*	**115,000**	-
				2,820,000	2,882,000

6.1.1 This represents the Company's investment in 100% ordinary shares of CS Energy (Private) Limited. The Company has acquired CS 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. Due to decline in construction and development activities around the world as well as ongoing economic uncertainty and price volatility of raw materials have lead to decrease in demand of steel billets. As a result management has performed an impairment test as at 31 December 2018 for its investment in underlying subsidiary. Management has used net realisable value of net assets of underlying subsidiary company to determine its recoverable amount. As a result, an impairment charge of Rs. 115 million has been recognised in profit or loss account.

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 2018	Audited 30 June 2018			**Unaudited 31 December 2018**	Audited 30 June 2018
(Number of shares)				**(Rupees in '000)**	
		Quoted			
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	*6.2.1*	**593,488**	593,488
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	*6.2.2*	**691,108**	691,108
				1,284,596	1,284,596

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

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

6.2.3 The fair value of investments in associates as at 31 December 2018 is Rs. 4,158.966 million (30 June 2018: Rs. 4,227.382 million).

6.3 Other long term investments

		Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Fair value through other comprehensive income (FVTOCI)	*6.3.1*	**12,848**	-
Fair value through profit or loss (FVTPL)	*6.3.2 & 6.3.3*	**400,767**	-
		413,615	-

6.3.1 This includes investment in Crescent Textile Mills Limited which are not held for trading and the Company has irrevocably designated at initial application of IFRS 9 to recognise in this category. This is strategic investment and management considers this classification to be more relevant. Uptil 30 June 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

6.3.2 This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million respectively, which had been fully charged to profit or loss in earlier periods.

6.3.3 This also includes investment in Shakarganj Foods Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 238.614 million and Rs. 162.153 million respectively. On initial application of IFRS 9, these have been classified as FVTPL and measured at fair value. Uptil 30 June 2018, these investments were carried at cost as per IAS 39 and classified as available for sale.

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs.190.778 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited 31 December	Audited 30 June 2018
	(Rupees in '000)	
Raw materials		
Hot rolled steel coils (HR Coil)	**212,961**	190,673
Coating materials	**104,009**	74,068
Others	**42,252**	90,527
Raw cotton	**388,809**	205,217
Stock-in-transit	**-**	776,402
	748,031	1,336,887
Work-in-process	**16,579**	19,713
Finished goods	**214,701**	180,239
Scrap / cotton waste	**2,742**	5,811
	234,022	205,763
	982,053	1,542,650

8.1 Stock in trade as at 31 December 2018 includes items valued at net realisable value (NRV). Net reversal of charge in respect of stock written down to NRV was amounting to Rs. 28.06 million (30 June 2018: Rs. 27.052 million) has been recognised in cost of goods sold.

9. TRADE DEBTS - Unsecured

Considered good	*9.1*	**234,322**	106,886
Considered doubtful		**17,582**	16,626
		251,904	123,512
Provision for doubtful trade debts		**(17,582)**	(16,626)
		234,322	106,886

9.1 This includes following amount due from related parties:

Crescent Hadeed (Private) Limited		**72,467**	63,595
CS Energy (Private) Limited		**897**	26
		73,364	63,621

10. LOANS AND ADVANCES		**Unaudited 31 December**	Audited 30 June 2018
		(Rupees in '000)	

10.1 This includes loan due from following wholly owned subsidiaries:

Crescent Hadeed (Private) Limited	*10.1.1*	**331,800**	247,900
CS Energy (Private) Limited	*10.1.2*	**125,000**	2,000
		456,800	249,900

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. During the period, maximum limit was further enhanced by Rs. 100 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 11.42% per annum (31 December 2017: 8.13% to 8.17%).

10.1.2 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company CS 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 8.67% to 11.11% (31 December 2017: 8.12% to 8.19%).

11. INVESTMENTS

Available for sale		**-**	11,400
Held for trading		**-**	436,971
Fair Value through Profit or Loss (FVTPL)	*11.1*	**335,065**	-
		335,065	448,371

11.1 This represents investment in ordinary shares of listed companies and certificates of mutual funds. Under IAS 39 these were classified as held for trading whereas under IFRS 9 these have been classified and held as FVTPL. This also includes investment in Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2018: Rs. Nil). Under IAS 39, these were classified as available for sale and reclassified to FVTPL on initial application of IFRS 9 as management has not designated it as FVTOCI.

11.2 Investments having an aggregate market value of Rs. 2,264.799 million (30 June 2018: Rs. 2,411.337 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 2,010.025 million (30 June 2018: Rs 2,034.12 million) relates to long term investments.

12. **MARK-UP ACCRUED**

This represents mark-up receivable from the Crescent Hadeed (Private) Limited and CS Energy (Private) Limited amounting to Rs. 32.174 million (30 June 2018: Rs. 18.132 million) and Rs. 13.090 million (30 June 2018: Rs. 8.374 million) respectively (refer note 10).

13. **OTHER RECEIVABLES**

		Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Dividend receivable		**-**	1,061
Receivable against rent from investment property		**417**	442
Due from related parties	*13.1*	**77,947**	60,506
Retention money receivable		**-**	113,162
Sales tax refundable		**109,382**	106,100
Margin on letter of guarantee		**15,359**	15,359
Receivable from staff retirement benefits funds		**254,774**	254,774
Others		**2,904**	2,042
		460,783	553,446

13.1 Due from related parties

Shakarganj Limited	**4,639**	1,645
CS Capital (Private) Limited	**688**	998
CS Energy (Private) Limited	**31,675**	28,451
Crescent Hadeed (Private) Limited	**29,336**	17,855
Solution de Energy (Private) Limited	**11,556**	11,504
Crescent Steel and Allied Products Limited- Pension Fund	**53**	53
	77,947	60,506

14. **LONG TERM LOANS**

Secured - Under non-shariah arrangement			
Allied Bank Limited	*14.1*	**335,818**	323,290
Less: Current portion shown under current liabilities		**113,219**	96,544
		222,599	226,746

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 (31 December 2017: Rs. 39 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the year ended 30 June 2017, Company entered into a 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. During the period, the Company has made repayment of Rs. 9.272 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year, repayable in 12 equal quarterly installments starting after twelve months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

The mark-up on such arrangements ranged between 8.37% to 12.5% (31 December 2017: 7.63% to 7.67%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

15. TRADE AND OTHER PAYABLES

	Note	31 December 2018	30 June 2018
		(Rupees in '000)	
Trade creditors		**87,325**	42,426
Bills payable		**-**	767,979
Commission payable		**1,851**	1,253
Accrued liabilities		**257,681**	259,375
Advances from customers		**16,606**	24,632
Provisions		**193,010**	184,858
Due to related parties	*15.1*	**527**	41
Payable to provident fund		**2,029**	2,017
Payable to staff retirement benefit funds		**1,912**	1,899
Retention money		**11,742**	2,949
Sales Tax payable		**3,110**	207
Withholding tax payable		**2,195**	2,272
Derivative financial liability		**-**	306
Workers' Profit Participation Fund		**4,618**	29,443
Workers' Welfare Fund		**5,852**	12,215
Others		**15,870**	17,267
		604,328	1,349,139

15.1 This represents due to Premier Insurance Limited and Shakarganj Limited amounting to Rs. 0.03 million (30 June 2018: Rs. 0.041 million) and Rs. 0.497 million (30 June 2018: Rs. Nil) respectively.

16. SHORT TERM BORROWINGS

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Secured from banking companies			
Running finances under mark-up arrangements	*16.1*	**458,486**	305,548
Short term loans	*16.2*	**1,336,360**	439,339
Secured from non-banking companies			
Short term finance under mark-up arrangements	*16.5*	**-**	713,308
		1,794,846	1,458,195

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,200 million (30 June 2018: Rs. 1,200 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. Nil (30 June 2018: Rs. Nil) and Rs. 100 million (30 June 2018: 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 8.53% to 10.90% (30 June 2018: 7.64% to 8.84%) per annum.

16.2 This includes an amount of Rs. 769.2 million (30 June 2018: Rs. 46.8 million) outstanding under shariah compliant financing arrangement. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 4,590 million (30 June 2018: Rs. 4,707 million) out of which Rs. 3,810 million (30 June 2018: Rs. 3,925 million), Rs. 50 million (30 June 2018: Rs. Nil) and Rs. 210 million (30 June 2018: Rs. 210 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 8.78% to 9.78% (30 June 2018: 7.83% to 8.67%) per annum.

16.3 The facilities for opening letter of credit amounted to Rs. 5,160 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,510 million (30 June 2018: Rs. 2,925 million) and Rs.210 million (30 June 2018: Rs. 210 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 2018 amounted to Rs. 1,798 million (30 June 2018: Rs. 1,992 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2018 were Rs. 3,844 million and Rs. 168. million (30 June 2018: Rs. 4,249 million and Rs. 106 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 settled commercial papers issued to non-banking finance companies.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no significant change in the status of contingencies as set out in note 15 to the Company's annual unconsolidated financial statements for the year ended 30 June 2018 except for as stated in note 22 of these financial statements.

17.2 Commitments

17.2.1 As at 31 December 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 183.184 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,582 million (30 June 2018: Rs. 1,834 million).

17.2.3 Commitments in respect of capital expenditure contracted for as at 31 December 2018 amounted to Rs. 26.224 million (30 June 2018: Rs. 25.492 million) including Rs. 7.462 million (30 June 2018: 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 2018 amounted to Rs. 63 million (30 June 2018: Rs. 508.333 million).

18. SALES - NET

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		(Rupees in '000)			
Local sales					
Bare pipes		**198,827**	2,498,211	**290,481**	5,485,011
Pipe coating		**-**	476,986	**-**	716,492
Pre coated pipes		**624,028**	-	**1,992,813**	475,610
Cotton yarn / raw cotton		**442,845**	143,946	**807,290**	143,946
Others		**56,391**	69,740	**70,526**	116,180
Scrap / waste		**23,243**	48,826	**35,535**	150,320
Sales returns		**(1,827)**	-	**(1,827)**	-
		1,343,507	3,237,709	**3,194,818**	7,087,559
Export sales					
Fabric		**-**	-	**-**	13,120
		1,343,507	3,237,709	**3,194,818**	7,100,679
Sales tax		**(125,133)**	(449,577)	**(331,206)**	(1,008,961)
		1,218,374	2,788,132	**2,863,612**	6,091,718

18.1 Revenue is disaggregated by major products and also by geographical market. Additionally revenue by major customer is disclosed in note 26.4 to these condensed interim unconsolidated financial statements.

19. INCOME FROM INVESTMENTS - NET

	Note	**31 December 2018**	31 December 2017	**31 December 2018**	31 December 2017
Dividend income	*19.1*	**10,630**	254,442	**14,387**	508,291
Loss on sale of held for trading investments - net		**-**	(2,571)	**-**	(725)
Loss on sale of FVTPL investments - net	*19.2*	**(4,538)**	**-**	**(8,002)**	**-**
Unrealized loss on held for trading investments - net		**-**	(23,052)	**-**	(56,420)
Unrealized loss on FVTPL investments - net	*19.3*	**(54,963)**	**-**	**(69,682)**	**-**
Rent from investment properties	*19.6*	**871**	409	**1,281**	819
		(48,000)	229,228	**(62,016)**	451,965

19.1 This includes Rs. 7.797 million (31 December 2017: Rs. 495.32 million) earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 4.056 million (31 December 2017: Rs. 1.184 million) incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 49.383 million (31 December 2017: Rs. 36.795 million) on investment in Shariah Compliant Investee Companies.

19.4 Unrealized gain amounting to Rs. 1.447 million (31 December 2017: 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. Unlike IAS 39, this gain will never be reclassified to profit or loss.

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. 1.352 million (31 December 2017: Rs. 1.661 million) . Further, Rs. Nil (31 December 2017: Rs. 0.334 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	(Rupees in '000)			
Exchange loss	**-**	1,201	**-**	12,606
Provision for:				
Workers' Profit Participation Fund	**562**	17,276	**2,365**	34,834
Workers' Welfare Fund	**528**	7,179	**2,212**	13,556
Doubtful trade debts	**-**	-	**956**	-
Liquidated damages	**-**	-	**-**	4,630
Slow moving stores, spares and loose tools	**9,237**	8,915	**9,237**	8,915
	10,327	34,571	**14,770**	74,541

21. FINANCE COSTS

Profit on short term loans - Shariah arrangement	**27,837**	12,321	**27,837**	19,252
Interest on - Non - Shariah arrangement				
- finance lease obligations	**3,468**	2,100	**7,077**	5,021
- long term loans	**9,288**	8,840	**17,195**	17,345
- running finances / short term loans including commercial papers	**15,390**	47,014	**63,105**	103,294
Discounting of lease deposit	**-**	(136)	**-**	2,708
Bank charges	**284**	917	**3,480**	2,700
	56,267	71,056	**118,694**	150,320

22. TAXATION

22.1 Excess of minimum tax liability over normal tax amounting to Rs. 12.37 million has not been recognized in view of expectation of increase in taxable profits during the next few months resulting in tax liability under normal tax regime.

22.2 The Company had filed an appeal with the Commissioner Inland Revenue (Appeal) [CIR(A) for Tax Year 2009 against amendment of assessment of the Company for the said year which has partly been decided in favor of the Company. Appeal is being preferred to the Appellate Tribunal for remaining issues.

22.3 The Additional Commissioner Inland Revenue amended the deemed assessment of the Company for Tax Year 2016 thereby raising demand of Rs.143.805 million. The Company has filed appeal with the Commissioner Inland Revenue (Appeals) which is pending to be heard.

22.4 Order under section 161/205 of the Income Tax Ordinance 2001 has been issued by the Assistant Commissioner Inland Revenue, whereby demand aggregating to Rs. 16.153 million (inclusive of default surcharge) has been raised in respect of tax year 2017. Application for rectification of the order has been filed for correction of prima facie errors. The Company has filed an appeal with the Commissioner Inland Revenue (Appeals) as well which is yet to be fixed for hearing.

23. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	(Rupees in '000)			
(Loss) / profit for the period	**(119,893)**	415,368	**(115,673)**	837,540
	(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)			
(Loss) / earnings per share - Basic and diluted	**(1.54)**	5.35	**(1.49)**	10.79

24. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited Six months ended 31 December 2018	31 December 2017
		(Rupees in '000)	
(Loss) / profit before taxation		**(121,653)**	1,053,567
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		**57,238**	51,910
Amortization of intangible assets		**124**	551
Charge for the period on staff retirement benefit funds		**11,757**	-
Dividend income		**(14,387)**	(508,291)
Unrealized loss on held for trading investments - net		**-**	56,420
Unrealized loss on FVTPL investments - net		**69,682**	-
Loss on sale of held for trading investments - net		-	725
Loss on sale of FVTPL investments - net		**8,002**	-
(Reversal) / provisioning for stores, spares and loose tools - net		**9,237**	8,915
Provision for doubtful trade debts - net		**956**	(1,073)
Provision for Workers' Welfare Fund		**1,130**	13,556
Provision for Workers' Profit Participation Fund		**2,365**	34,834
Return on deposits and loan to wholly owned subsidiary companies		**(19,109)**	(13,707)
Gain on disposal of operating fixed assets		**(9,393)**	(1,619)
Deferred income		**(2,669)**	(2,229)
Discounting of long term deposit		**-**	2,708
Unwinding of discount on long term deposit		**(9,877)**	(7,696)
Liabilities written back		**(475)**	(17)
Finance costs		**118,694**	147,612
Working capital changes	*24.1*	**(434,890)**	492,501
		(333,268)	1,328,667

24.1 Working capital changes

	31 December 2018	31 December 2017
(Increase) / decrease in current assets		
Stores, spares and loose tools	**9,348**	(28,604)
Stock-in-trade	**560,597**	1,795,576
Trade debts	**(128,392)**	(287,766)
Advances	**(263,876)**	41,836
Trade deposits and short term prepayments	**8,979**	(2,959)
Other receivables	**91,603**	170,519
	278,259	1,688,602
(Decrease) / increase in current liabilities		
Trade and other payables	**(713,149)**	(1,196,101)
	(434,890)	492,501

25. CASH AND CASH EQUIVALENTS

	31 December 2018	31 December 2017
Running finances under mark-up arrangements	**(458,486)**	(192,466)
Cash and bank balances	**12,010**	181,517
	(446,476)	(10,949)

26. SEGMENT REPORTING

26.1 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 is presented below.

26.2 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 2018	**Unaudited**			
	Steel segment	**Cotton segment**	**IID segment**	**Total**
	----(Rupees in '000)----			
Sales - net	2,048,760	814,852	-	2,863,612
Cost of sales	1,854,805	751,703	-	2,606,508
Gross profit	**193,955**	**63,149**	**-**	**257,104**
Loss from investments - net	-	-	(62,016)	(62,016)
Impairment loss	(115,000)	-	-	(115,000)
	78,955	63,149	(62,016)	80,088
Distribution and selling expenses	5,190	1,488	-	6,678
Administrative expenses	86,183	17,755	8,376	112,314
Other expenses	11,323	3,411	36	14,770
	102,696	22,654	8,412	133,762
	(23,741)	40,495	(70,428)	(53,674)
Other income	47,077	3,638	-	50,715
Operating profit / (loss) before finance costs	**23,336**	**44,133**	**(70,428)**	**(2,959)**
Finance costs	107,853	967	9,874	118,694
(Loss) / profit before taxation	**(84,517)**	**43,166**	**(80,302)**	**(121,653)**
Taxation				(5,980)
Loss for the period				**(115,673)**

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 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

26.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2018: Rs. Nil).

26.2.2 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 2018. 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.

26.3 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 statements.

26.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,817.965 million (31 December 2017: Rs. 5,685.144 million) of total Steel segment revenue of Rs. 2,048.760 million (31 December 2017: Rs. 5,934.404 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 101.558 (31 December 2017: Rs. 42.227 million) of total Cotton segment revenue of Rs. 814.852 million (31 December 2017: Rs. 157.314 million).

26.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	(Rupees in '000)			
Pakistan	**1,218,374**	2,788,132	**2,863,612**	6,078,598
South and North America	**-**	-	**-**	13,120
	1,218,374	2,788,132	**2,863,612**	6,091,718

26.5.2 All non-current assets of the Company as at 31 December 2018 and 30 June 2018 were located and operating in Pakistan.

26.6 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 2018 - (Unaudited)				
Segment assets for reportable segments	3,277,522	730,258	3,863,688	**7,871,468**
Unallocated corporate assets				**1,771,054**
Total assets as per unconsolidated statement of financial position				**9,642,522**
Segment liabilities for reportable segments	544,047	157,341	609	**701,997**
Unallocated corporate liabilities and deferred income				**2,258,392**
Total liabilities as per unconsolidated statement of financial position				**2,960,389**
As at 30 June 2018 - (Audited)				
Segment assets for reportable segments	4,103,680	531,879	3,778,357	8,413,916
Unallocated corporate assets				1,665,099
Total assets as per unconsolidated statement of financial position				10,079,015
Segment liabilities for reportable segments	1,345,671	99,215	2,262	1,447,148
Unallocated corporate liabilities and deferred income				1,908,100
Total liabilities as per unconsolidated statement of financial position				3,355,248

26.6.1 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.

26.7 Other segment information

	Unaudited			
	Steel segment	**Cotton segment**	**IID segment**	**Total**
	----- (Rupees in '000) -----			
For the six months ended 31 December 2018				
Capital expenditure	33,290	2,521	-	**35,811**
Depreciation and amortization	39,567	16,634	1,161	**57,362**
Non-cash items other than depreciation and amortization - net	88,431	3,917	73,565	**165,913**
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)

27. 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 2018**	Unaudited Six months ended 31 December 2017
			(Rupees in '000)	
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	**18,884**	20,650
		Sale of finished goods	**11,578**	137,341
		Share deposit money	**-**	35,446
		Short term loan provided	**164,600**	380,000
		Short term loan repayment	**80,700**	458,000
		Mark-up income	**14,042**	8,888
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	**687**	583
CS Energy (Private) Limited	Subsidiary company	Transfer of pressure reducing desuper heating system	**-**	3,248
		Short term loan provided	**123,000**	30,000
		Short term loan repayment	**-**	33,000
		Mark-up income	**4,716**	4,326
		Reimbursable expenses	**3,083**	3,754

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months ended 31 December 2018	31 December 2017
			(Rupees in '000)	
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	**53**	2
Altern Energy Limited	Associated company	Dividend received	**-**	483,803
Shakarganj Limited	Associated company	Dividend Paid	**180**	675
		Sales of finished goods	**1,537**	120
		Services received	**-**	661
		Reimbursable expenses	**742**	743
		Expenses incurred on behalf of Company	**748**	-
		Right shares subscribed	**-**	213,791
The Citizens' Foundation *	Related party	Donation given	**1,039**	5,987
CSAP Foundation *	Related party	Donation given	**-**	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	**1**	3
Premier Insurance Limited *	Related party	Insurance premium	**7,635**	5,778
		Dividend paid	**142**	549
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	**1,782**	-
		Dividend paid	**75**	280
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	**3,327**	-
		Dividend paid	**68**	5,517
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	**8,652**	-
		Dividend paid	**68**	12,113
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	**9,008**	2,879
		Dividend paid	**124**	3,126
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	**-**	-
		Dividend paid	**36**	136
Key management personnel	Related parties	Remuneration and benefits	**56,966**	52,718
		Dividend paid	**605**	908
Directors and their spouse	Related parties	Dividend paid	**127**	191
		Meeting fee	**1,165**	2,240

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

27.1 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.

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

27.3 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.

28. 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 2018.

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. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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 2018 (Un-audited)								
	Carrying amount					Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	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	335,065	12,848	-	-	347,913	347,913	-	-	347,913
- unlisted equity securities	400,767	-	-	-	400,767	-	-	400,767	400,767
Financial assets not measured at fair value									
Deposits	-	-	231,524	-	231,524	-	-	-	-
Trade debts	-	-	234,322	-	234,322	-	-	-	-
Loan to subsidiaries	-	-	456,800	-	456,800	-	-	-	-
Mark-up accrued	-	-	45,264	-	45,264	-	-	-	-
Other receivables	-	-	96,627	-	96,627	-	-	-	-
Bank balances	-	-	10,661	-	10,661	-	-	-	-
	-	-	1,075,198	-	1,075,198	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	335,818	335,818	-	-	-	-
Liabilities against assets									-
subject to finance lease	-	-	-	150,244	150,244	-	-	-	-
Trade and other payables	-	-	-	378,937	378,937	-	-	-	-
Mark-up accrued	-	-	-	37,179	37,179	-	-	-	-
Short term borrowings	-	-	-	1,794,846	1,794,846	-	-	-	-
Unclaimed dividend	-	-	-	27,112	27,112	-	-	-	-
	-	-	-	2,724,136	2,724,136	-	-	-	-

	30 June 2018 (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	448,371	-	-	448,371	448,371	-	-	448,371
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	210,608	-	-	210,608	-	-	-	-
Deposits	-	234,023	-	234,023	-	-	-	-
Trade debts	-	106,886	-	106,886	-	-	-	-
Loan to subsidiaries	-	249,900	-	249,900	-	-	-	-
Mark-up accrued	-	26,506	-	26,506	-	-	-	-
Other receivables	-	192,572	-	192,572	-	-	-	-
Bank balances	-	133,367	-	133,367	-	-	-	-
	210,608	943,254	-	1,153,862	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	323,290	323,290	-	-	-	-
Liabilities against assets subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payables	-	-	1,095,512	1,095,512	-	-	-	-
Mark-up accrued	-	-	16,144	16,144	-	-	-	-
Short term borrowings	-	-	1,458,195	1,458,195	-	-	-	-
Unclaimed dividend			21,520	21,520				
	-	-	3,088,090	3,088,090	-	-	-	-

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.

Investments in subsidiaries and associates are stated at cost. The fair value of listed equity securities were taken from rates quoted on Pakistan Stock Exchange and classified under level 1 in fair value hierarchy.

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.

28.1 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at 31 December 2018 for unquoted equity investment measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted cash flows with terminal growth: The valuation model considers the present value of expected free cash flows, discounted using Weighted Average Cost of Capital.	- Expected cash flows - Terminal growth rate - Weighted Average Cost of Capital	The estimated fair value would increase (decrease) if: - The expected free cash flows were higher (lower) - The terminal growth rate were higher (lower) - The Weighted Average Cost of Capital were lower (higher)
- Central Depository Company of Pakistan Limited	- Net Asset Method: This valuation method considers net asset value divided by ordinary number of shares	- Net assets of the investee company	The estimated fair value would increase (decrease) if: - The net assets of the investee company were higher (lower).

28.2 Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	(Rupees in '000)
Balance at 30 June 2018*	
- Shakarganj Food Products Limited	**151,662**
- Central Depository Company of Pakistan Limited	**58,948**
	210,610
Fair value included in opening unappropriated profits (retained earnings)	
- Shakarganj Food Products Limited	**86,952**
- Central Depository Company of Pakistan Limited	**103,205**
	190,157
Balance at 01 July 2018	
- Shakarganj Food Products Limited	**238,614**
- Central Depository Company of Pakistan Limited	**162,153**
	400,767

* Before 30 June 2018, these equity securities were stated at cost in accordance with IAS 39 and were classified as available for sale. From 1 July 2018, these are classified at FVTPL in accordance with IFRS 9 and measured at fair value.

Sensitivity Analysis

For the fair value of unquoted equity investment, reasonably possible changes at 31 December 2018 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Shakarganj Food Products Limited	**Profit or loss**	
	Increase	**Decrease**
	(Rupees in '000)	
- Expected cash flows (10% movement)	**28,222**	**(28,222)**
- Terminal growth rate (1% movement)	**25,117**	**(21,307)**
- Weighted Average Cost of Capital (1% movement)	**(34,289)**	**40,780**
Central Depository Company of Pakistan Limited		
- Net assets (10% movement)	**16,215**	**(16,215)**

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial statements was authorized for issue in the Board of Directors meeting held on 11 February 2019.

Chief Executive	Director	Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Balance Sheet

As at 31 December 2018

	Note	**Unaudited 31 December 2018**	Audited 30 June 2018
		------------ (Rupees in '000) ------------	
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	**2,500,680**	2,596,034
Intangible assets		**135,892**	137,005
Investment properties		**47,444**	49,358
Investment in equity accounted investees	*6*	**3,391,760**	3,088,233
Other long term investments	*7*	**661,547**	262,933
Long term deposits	*8*	**227,110**	217,233
		6,964,433	6,350,796
Current assets			
Stores, spares and loose tools		**178,735**	211,513
Stock-in-trade	*9*	**1,606,606**	2,268,108
Trade debts	*10*	**262,848**	82,320
Advances	*11*	**385,914**	29,897
Trade deposits and short term prepayments		**62,939**	71,774
Investments	*12*	**664,125**	1,054,848
Mark-up accrued		**-**	155
Other receivables	*13*	**570,006**	630,648
Taxation - net		**1,239,445**	1,165,309
Cash and bank balances		**15,306**	193,655
		4,985,925	5,708,227
Total assets		**11,950,358**	12,059,023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		**776,325**	776,325
Capital reserves		**1,083,755**	1,158,663
Revenue reserves		**5,790,094**	5,678,701
		7,650,174	7,613,689
Non-current liabilities			
Long term loans	*14*	**222,599**	226,746
Liabilities against assets subject to finance lease		**106,663**	127,419
Deferred income		**5,495**	8,107
Deferred taxation		**157,860**	128,663
		492,617	490,935
Current liabilities			
Trade and other payables	*15*	**929,056**	1,805,207
Unclaimed dividend		**27,112**	21,520
Mark-up accrued		**51,033**	23,569
Short term borrowings	*16*	**2,638,199**	1,956,125
Current portion of long term loans	*14*	**113,219**	96,544
Current portion of liabilities against assets subject to finance lease		**43,581**	46,010
Current portion of deferred income		**5,367**	5,424
		3,807,567	3,954,399
Contingencies and commitments	*17*		
Total equity and liabilities		**11,950,358**	12,059,023

The annexed notes from 1 to 29 form an integral part of this condensed interim consolidated financial statements.

Chief Executive	**Director**	**Chief Financial Officer**

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the quarter and six months ended 31 December 2018

	Note	Quarter ended		Six months ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		------- (Rupees in '000) -------			
Sales	18	**1,998,057**	3,530,321	**5,032,570**	8,305,606
Less: Sales tax		**125,133**	492,132	**840,231**	1,184,036
		1,872,924	3,038,189	**4,192,339**	7,121,570
Cost of sales		**1,829,842**	2,655,789	**4,147,567**	6,374,185
Gross profit		**43,082**	382,400	**44,772**	747,385
Loss from investments - net	19	**(99,811)**	(31,238)	**(123,271)**	(66,732)
		(56,729)	351,162	**(78,499)**	680,653
Distribution and selling expenses		**3,097**	4,048	**7,582**	9,761
Administrative expenses		**63,032**	72,670	**125,042**	136,675
Other operating expenses	20	**17,001**	35,433	**31,966**	76,886
		83,130	112,151	**164,590**	223,322
		(139,859)	239,011	**(243,089)**	457,331
Other income		**11,009**	11,288	**25,911**	19,149
Operating (loss) / profit before finance costs		**(128,850)**	250,299	**(217,178)**	476,480
Finance costs	21	**74,026**	76,988	**152,855**	165,070
Share of profit / (loss) in equity accounted investees - net of taxation		**208,975**	(96,096)	**319,812**	(53,378)
(Loss) / profit before taxation		**6,099**	77,215	**(50,221)**	258,032
Taxation - current	22	**6,498**	117,215	**27,693**	231,126
- prior		**1,916**	807	**2,050**	807
- deferred		**(3,796)**	(16,752)	**(16,824)**	(39,431)
		4,618	101,270	**12,919**	192,502
Profit / (loss) for the period		**1,481**	(24,055)	**(63,140)**	65,530
Other comprehensive income for the period					
Items that will not be reclassified subsequently to profit or loss					
Unrealized appreciation during the period on remeasurement of investments classified as FVOCI		**10,849**	(61,458)	**20,421**	(48,503)
Items that will be reclassified subsequently to profit or loss					
Proportionate share of other comprehensive loss of equity accounted investees		**(14,485)**	(5,186)	**(16,285)**	(6,209)
		(3,636)	(66,644)	**4,136**	(54,712)
Total comprehensive (loss) / income for the period		**(2,155)**	(90,699)	**(59,004)**	10,818
		-------------------- (Rupees) --------------------			
Earnings / (loss) per share - Basic and diluted	23	**0.02**	(0.31)	**(0.81)**	0.84

The annexed notes from 1 to 29 form an integral part of this condensed interim consolidated financial statements.

Chief Executive | **Director** | **Chief Financial Officer**

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2018

	Note	Six months ended 31 December 2018	Six months ended 31 December 2017
		------- (Rupees in '000) -------	
Cash flows from operating activities			
Cash used in operations	*24*	**(830,805)**	1,475,768
Taxes paid		**(65,353)**	(629,630)
Finance costs paid		**(118,149)**	(156,756)
Contribution to gratuity and pension funds		**(11,757)**	-
Contribution to Workers' Profit Participation Fund		**(27,190)**	(111)
Long term deposits - net		**-**	(6,651)
Net cash (used in) / generated form operating activities		**(1,053,254)**	682,620
Cash flows from investing activities			
Capital expenditure		**(20,653)**	(127,327)
Proceeds from disposal of operating fixed assets		**11,282**	8,871
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		**-**	14,995
Investments - net		**54,251**	(302,967)
Dividend income received		**28,403**	552,264
Interest income received		**582**	820
Net cash generated from investing activities		**73,864**	146,656
Cash flows from financing activities			
Proceeds / (repayment) of long term loan - net		**12,528**	(64,805)
Payments against finance lease obligations		**(30,420)**	(24,191)
Proceeds / (repayment) of short term loans obtained - net		**652,345**	(269,502)
Dividends paid		**(72,040)**	(297,276)
Net cash generated / (used in) from financing activities		**562,413**	(655,774)
Net (decrease) / increase in cash and cash equivalents		**(416,977)**	173,502
Cash and cash equivalents at beginning of the period		**(260,322)**	(312,997)
Cash and cash equivalents at end of the period	*25*	**(677,299)**	(139,495)

The annexed notes from 1 to 29 form an integral part of this condensed interim consolidated financial statements.

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 2018

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves			Total
		Share premium	Others *	Fair value reserves	General reserve	Unappropriated profit	
	---	---	---	(Rupees in '000)	---	---	---
Balance as at 30 June 2017	**776,325**	**1,020,908**	**85,055**	**136,800**	**3,642,000**	**2,940,279**	**8,601,367**
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	-	65,530	65,530
Other comprehensive loss for the period	-	-	(6,209)	(48,503)	-	-	(54,712)
Total comprehensive income for the period	-	-	(6,209)	(48,503)	-	65,530	10,818
Transaction with owners of the Holding Company - distributions							
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**	**78,846**	**88,297**	**3,642,000**	**2,831,136**	**8,437,512**
Balance as at 30 June 2018 as perviously reported	**776,325**	**1,020,908**	**79,132**	**58,623**	**3,642,000**	**2,036,701**	**7,613,689**
Adjustment on initial application of IFRS 9 - net of tax (refer note 3.5)	-	-	-	-	-	173,121	173,121
Balance as at 30 June 2018 - as restated	**776,325**	**1,020,908**	**79,132**	**58,623**	**3,642,000**	**2,209,822**	**7,786,810**
Total comprehensive income for the period							
Loss after taxation for the period	-	-	-	-	-	(63,140)	(63,140)
Other comprehensive income / (loss) for the period	-	-	(16,285)	20,421	-	-	4,136
Total comprehensive income / (loss) for the period	-	-	(16,285)	20,421	-	(63,140)	(59,004)
Transactions with owners of the Holding Company - distrbutions							
Dividend							
- Final @ 10% (i.e. Rs 1 per share) for the year ended 30 June 2018	-	-	-	-	-	(77,632)	(77,632)
Balance as at 31 December 2018	**776,325**	**1,020,908**	**62,847**	**79,044**	**3,642,000**	**2,069,050**	**7,650,174**

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

The annexed notes from 1 to 29 form an integral part of this condensed interim consolidated financial statements.

Chief Executive | **Director** | **Chief Financial Officer**

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; CS 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 CS 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 statements.

2. BASIS OF PREPARATION

2.1 These condensed interim consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act , 2017 have been followed.

2.2 These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

2.3 These condensed interim consolidated financial statements are 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 These 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

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements as at and for the year ended 30 June 2018 except for the adoption of new Standards effective as of 1 July 2018 as referred to in note 3.5 and 3.6 to these condensed interim consolidated financial statements.

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The Group has initially adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ from 1 July 2018. The impact of the adoption of these Standards and the new accounting policies are disclosed in note 3.4 below.

3.2.2 A number of other pronouncements are effective from 1 July 2018 as detailed in Group's audited annual consolidated financial statements as at and for the year ended 30 June 2018, but they do not have a material effect on these condensed interim consolidated financial statements and therefore have not been detailed.

3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Group's annual accounting periods beginning on or after 1 July 2019. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

3.4 CHANGES IN ACCOUNTING POLICIES

Explained below is the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' on the Group’s condensed interim consolidated financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

3.5 IFRS 9 'FINANCIAL INSTRUMENTS'

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below. The Group has taken an exemption not to restate comparative information for prior periods with respect to IFRS 9; classification and measurement (including impairment) requirements. Therefore reclassifications and the adjustments arising from IFRS 9 have been processed at the date of initial application (i.e. 1 July 2018) and presented in opening retained earnings and reserves as at 1 July 2018. Accordingly, the information presented for comparative period in these condensed interim consolidated financial statements does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.

3.5.1 Impact on the financial statements

As a result of the changes in the Group's accounting policies, prior year financial statements had to be restated. As explained above, IFRS 9 was adopted without restating comparative information.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 July 2018 relates to measurement of unquoted equity investments. Under IAS 39, equity investments are generally classified as available for sale (AFS) financial assets and measured at fair value. However, an exception was available for AFS financial assets that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, could be measured at cost. This cost exception is not included in IFRS 9 and fair value through profit or loss (FVTPL) accounting applies unless the fair value through other comprehensive income (FVOCI) election is made. Since IFRS 9 eliminates this exception, the Group is required to measure such instruments at fair value at the date of initial application of the Standard. Any difference between the previous carrying amount of the instrument and its fair value is recognized in opening retained earnings and for purposes of reporting in the comparative period, these remain reported at cost.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

	30 June 2018 - As originally presented	Adjustments	1 July 2018 - Restated
	--------------------------Rs. in '000	--------------------------	
Non-current assets			
Equity securities - Other long term			
-Investment in Central Depository Company of Pakistan Limited	58,946	103,207	162,153
-Investment in Shakarganj Food Products Limited	202,216	115,936	318,152
Non-current assets / (liabilities)			
Deferred taxation	-	46,022	46,022
Equity			
Revenue reserves (retained earnings)	2,036,701	173,121	2,209,822

The total impact on the Group's retained earnings and other reserves, net of tax as at 1 July 2018 is as follows:

	2018
	Rupees in '000
Closing retained earnings 30 June - IAS 39	2,036,701
Fair value of unquoted equity investments classified at fair value through profit or loss - net of tax*	173,121
Opening retained earnings 1 July - IFRS 9	2,209,822

*This represents adjustment to retained earnings and reserves from adoption of IFRS 9 on 1 July 2018 arising on valuation of unquoted equity securities which were carried at cost and classified as available for sale in prior year under IAS 39.

There is no impact on the statement of profit or loss account and other comprehensive income, statement of cashflows and the basic and diluted EPS on adoption of IFRS 9. For disclosure regarding valuation methodology and other information refer note 28.1 and 28.2 to these condensed interim financial statements.

3.5.2 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) initially measures at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition.

Under IFRS 9, on initial recognition, financial asset is classified as measured at:

- amortised cost;

- fair value through other comprehensive income (FVOCI) - debt investment;

- fair value through other comprehensive income (FVOCI) - equity investment; or

- fair value through profit or loss (FVTPL)

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition or transition to IFRS 9, an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Where management elected FVOCI classification for equity investments, there is no subsequent reclassification of fair value gains and losses to profit or loss following de-recognition of the investment. Dividends are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost ofthe investment, when the Group's right to receive payments is established. This category only includes equity instruments, which the Group intends to hold for the foreseeable future. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. This differs than the treatment of AFS equity instruments under IAS 39 where gains and losses recognised in OCI are reclassified on derecognition or impairment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group reclassifies debts investments when and only when its business model for managing those assets changes.

The financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognised in profit or loss. Net gains and losses (unrealised and realised),including any interest or dividend income, are recognised in profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 July 2018 relates to fair valuation of unquoted equity investments as stated above. Under IAS 39 these were classified as AFS financial assets and carried at cost.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 July 2018:

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Equity securities - Other long term investments				
- Investment in Crescent Bahuman Limited **	Available for sale	Fair value through profit or loss	**-**	**-**
- Investment in Central Depository Company of Pakistan Limited **	Available for sale	Fair value through profit or loss	**58,946**	**162,153**
- Investment in Crescent Industrial Chemicals Limited **	Available for sale	Fair value through profit or loss	**-**	**-**
- Investment in Shakarganj Food Products Limited **	Available for sale	Fair value through profit or loss	**202,216**	**318,152**
- Investment in Crescent Textile Mills Limited *	Available for sale	Fair value through other comprehensive income	**11,400**	**11,400**
Equity securities - short term investments				
- Investment in Jubliee Spinning and Weaving Mills Limited **	Available for sale	Fair value through profit or loss	**-**	**-**
- Investment in Innovative Investment Bank Limited **	Available for sale	Fair value through profit or loss	**-**	**-**
Other equity securities - short term	Held for trading	Fair value through profit or loss	**866,028**	**866,028**
Trade and other receivables	Loans and receivables	Amortised cost	**218,800**	**218,800**
Cash and cash equivalents	Loans and receivables	Amortised cost	**193,445**	**193,445**

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

*This equity security represent investment that the Group intends to hold for the long term strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

**These equity securities on initial application of IFRS 9 were reclassified from AFS to FVTPL since management has not elected to classify it at FVOCI.

The impact of these changes on the Group's equity as of 1 July 2018 is as follows:

	Effect on AFS Reserves	**Effect on FVOCI Reserves**	**Effect on AFS Retained Earning**
	-----------------------------Rs in '000	**-----------------------------**	**-----------------------------**
Opening balance – IAS 39	58,623	-	2,036,701
Reclassify non-trading equities from available-for-sale to FVOCI	(58,623)	58,623	-
Impact of fair value of unquoted investment classified at FVTPL on adoption of IFRS 9	-	-	173,121
Opening balance - IFRS 9	-	58,623	2,209,822

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and other receivables including loans to related parties.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payment are 90 days past due.

There is no significant impact from the new expected credit loss (ECL) impairment model under IFRS 9 on allowances and provisions for trade receivables and other short and long term receivables (i.e. loans). The Group did not present the impairment loss on trade debts separately in the Statement of profit or loss as the amount are not material.

3.6 IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Group has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for 2017 has not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

The Group manufactures and contracts with customers for the sale of bare pipes, coated pipes and cotton products which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised at that point in time. Delivery occurs when the products have been shipped or delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product. The customer has accepted the product as per the sales contract or lapse of acceptance provision specified in the contract or the Group has objective evidence that all criteria for acceptance have been satisfied. Contract for the sale of bare and coated pipes contains penalty clause on account of delay supply (liquidity damage). Under IFRS 15 these amounts are referred to as 'variable consideration'. The consideration which the Group receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of liquidity damages (penalties) and excludes amounts collected on behalf of third parties. A receivable is recognised when the goods are delivered The Group provides retrospective commission to its customers on all products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. A contract liability is recognised for expected sales commission payable to customers in relation to sales made until the end of the as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Group receives short term advances from its customers (contract liability) and classified it within trade and other payables. The opening balance of advances from customers amounting to Rs. 24.632 million has been recognised as revenue for the six months period ended 31 December 2018.

The above is generally consistent with the timing and amounts of revenue the Group recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Group.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Group for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

4. USE OF ESTIMATES AND JUDGEMENTS

4.1 The preparation of condensed interim consolidated financial information requires management to make judgements, 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 these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2018 except for new significant judgements and key source of estimation and uncertainty related to the application of IFRS 9 and IFRS 15 which are described in Note 3.5 and Note 3.6 respectively to these condensed interim consolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Unaudited Six months ended 31 December 2018		Unaudited Six months ended 31 December 2017	
	Additions / Transfers	**Disposals**	Additions / Transfers	Disposals
	(Rupees in '000)			
Buildings on leasehold land	**6,304**	**-**	-	-
Buildings on freehold land	**-**	**-**	19,654	-
Plant and machinery - owned	**6,594**	**-**	85,721	12,044
Plant and machinery - leased	**-**	**-**	24,353	10,020
Furniture and fittings	**1,015**	**9**	1,179	5
Electrical / office equipment and installation	**1,545**	**667**	5,970	61
Computers	**194**	**749**	2,050	-
Motor vehicles - owned	**8,687**	**14,717**	21,322	2,805
Motor vehicles - leased	**-**	**-**	-	-
Workshop equipment	**-**	**-**	-	-
	24,339	**16,142**	160,249	24,935

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

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

Unaudited 31 December 2018	Audited 30 June 2018		*Note*	**Unaudited 31 December 2018**	Audited 30 June 2018
(Number of shares)				**(Rupees in '000)**	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	*6.1*	**3,010,918**	2,777,126
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	*6.1*	**380,842**	311,107
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	*6.1*	**-**	-
				3,391,760	3,088,233

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

		31 December 2018			
Description		**Altern Energy Limited**	**Shakarganj Limited**	**Crescent Socks (Private) Limited**	**Total**
		---------- Rupees in '000 ----------			
Opening balance as at 30 June 2018		**2,777,126**	**311,107**	**-**	**3,088,233**
Share of profit	*6.2*	**233,810**	**86,002**	**-**	**319,812**
Share of equity	*6.2*	**(18)**	**(16,267)**	**-**	**(16,285)**
Closing balance as at 31 December 2018		**3,010,918**	**380,842**	**-**	**3,391,760**

	30 June 2018			
Description	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)	315,444	(230,479)	-	84,965
Share of equity	(259)	(5,664)	-	(5,923)
Dividend received	(511,740)	(43,764)	-	(555,504)
Right shares subscribed	-	273,089		273,089
Closing balance as at 30 June 2018	2,777,126	311,107	-	3,088,233

6.2 These figures are based on financial statements / information of these companies as at 30 June 2018

6.3 Percentage of holding of equity in associates is as follows

		Unaudited 31 December 2018	Audited 30 June 2018
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 2018 is Rs. 4,821.093 million (30 June 2018: Rs. 4,895.867 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	*7.1*	**181,242**	-
Fair value through profit or loss (FVTPL)	*7.2 & 7.3*	**480,305**	262,933
		661,547	262,933

7.1 This includes investment in Crescent Textile Mills Limited which are not held for trading and the Group has irrevocably designated at initial application of IFRS 9 to recognise in this category. This is strategic investment and management considers this classification to be more relevant. Uptill 30 June 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

7.2 This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million respectively, which had been fully charged to profit or loss in earlier periods. UptilL 30 June 2018, these investments were classified as available for sale under IAS 39.

7.3 This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 238.614 million and Rs. 162.153 million respectively. On initial application of IFRS 9, these have been classified as FVTPL and measured at fair value. Uptil 30 June 2018, these investments were carried at cost as per IAS 39 and classified as available for sale.

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 190.778 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

9. STOCK-IN-TRADE

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Raw materials			
Hot rolled steel coils (HR Coil)		**212,961**	190,673
Coating materials		**104,009**	74,068
Remelting scrap		**329,786**	126,466
Others		**147,952**	149,149
Raw cotton		**388,809**	205,217
Bagasse		**33,825**	5,414
Stock-in-transit		**-**	1,075,007
		1,217,342	1,825,994
Work-in-process		**16,579**	19,713
Finished goods	*9.1*	**369,942**	416,590
Scrap / cotton waste		**2,742**	5,811
		389,263	442,114
		1,606,606	2,268,108

9.1 Stock in trade as at 31 December 2018 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Rs. 28.06 million (30 June 2018: Rs. 28.829 million) has been recognised in cost of goods sold.

10. TRADE DEBTS - Unsecured

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Considered good	*10.1*	**258,211**	82,320
Considered doubtful		**26,856**	21,263
		285,067	103,583
Provision for doubtful trade debts		**(22,219)**	(21,263)
		262,848	82,320

10.1 This includes an amount of Rs. Nil million (30 June 2018: Rs. 150.051 million) due from Shakarganj Limited - a related party.

11. ADVANCES

This includes amounting to Rs. 384.516 million (30 June 2018: Rs. 29.897 million) advances given to suppliers for goods and services.

12. INVESTMENTS

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		(Rupees in '000)	
Available for sale		**-**	160,820
Held for trading		**-**	866,028
Fair Value through Profit or loss (FVTPL)	*12.1*	**664,125**	-
Investment in term deposit receipts - Conventional		**-**	28,000
		664,125	1,054,848

12.1 This represents investment in ordinary shares of listed companies and certificates of mutual funds. Under IAS 39 these were classified as held for trading whereas under IFRS 9 these have been classified and held as FVTPL. This also includes investment in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2018: Rs. Nil). Under IAS 39, these were classified as available for sale and reclassified to FVTPL on initial application of IFRS 9 as management has not designated it as FVOCI.

12.2 Investments having an aggregate market value of Rs. 2,264.799 million (30 June 2018: Rs. 3,005.775 million) have been pledged with financial institutions as security against financing facilities (refer note 16.5) out of which Rs. 2,010 million (30 June 2018: Rs. 2,147.97 million) relates to long term investments.

13. OTHER RECEIVABLES

		Unaudited 31 December 2018	Audited 30 June 2018
		---------- **(Rupees in '000)** ----------	
Dividend receivable		**-**	2,377
Receivable against sale of investments		**-**	17,723
Provision there against		**-**	(17,723)
		-	-
Receivable against rent from investment property		**432**	442
Due from related parties		**73,308**	53
Retention money receivable		**-**	113,162
Sales tax refundable		**223,229**	239,394
Margin on letter of credit and guarantee		**15,359**	18,404
Receivable from staff retirement benefits funds		**254,774**	254,774
Others		**2,904**	2,042
		570,006	630,648

13.1 This represents balances due from CSAP Pension Fund amounting to Rs. 0.053 million (30 June 2018: Rs. 0.053 million)

14 LONG TERM LOANS

Secured - Under non-shariah arrangement			
Allied Bank Limited	*14.1*	**335,818**	323,290
Less: Current portion shown under current liabilities		**113,219**	96,544
		222,599	226,746

14.1 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 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, 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. During the period, the Company has made repayment of Rs. 9.272 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year, repayable in 12 equal quarterly installments starting after twelve 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 ranged between 8.37% to 12.5% (31 December 2017: 7.63% to 7.67%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

15. TRADE AND OTHER PAYABLES

	Notes	**Unaudited 31 December 2018**	Audited 30 June 2018
		-------- **(Rupees in '000)** -------	
Trade creditors		**249,713**	201,473
Bills payable		**-**	940,333
Commission payable		**1,851**	1,253
Customer's security deposits		**-**	2,150
Accrued liabilities		**289,181**	291,182
Advances from customers		**16,606**	70,782
Provisions		**209,958**	201,805
Due to related parties	*15.1*	**(5,356)**	2,498
Payable against purchase of investments		**214**	-
Payable to provident fund		**2,029**	2,384
Payable to staff retirement benefit funds		**3,699**	3,773
Retention money		**11,742**	2,949
Sales tax payable		**79,384**	1,832
Withholding tax payable		**4,434**	5,780
Advance income tax		**40,791**	16,904
Workers' Profit Participation Fund		**4,618**	29,443
Workers' Welfare Fund		**5,852**	12,215
Derivative Financial Liability		**-**	306
Others		**14,339**	18,145
		929,056	1,805,207

15.1 This represents amount due to Premier Insurance Limited amounting to Rs. 0.030 million (2018: Rs. 0.041 million).

16. SHORT TERM BORROWINGS

	Notes	Unaudited 31 December 2018	Audited 30 June 2018
Secured from banking companies			
Running finances under mark-up arrangements	*16.1*	**692,605**	453,977
Short term loans	*16.2*	**1,945,594**	788,840
Unsecured from non-banking companies			
Short term finance under mark-up arrangements	*16.5*	**-**	713,308
		2,638,199	1,956,125

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 2,300 million (30 June 2018: Rs. 1,400 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 1,025 million (30 June 2018: Nil) and Rs. 100 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit, finance against import margin (FIM) and letter of guarantee faculity respectively. During the period, the mark-up on such arrangements ranged between 8.53% to 10.90% (30 June 2018: 7.64% to 8.84%) per annum.

16.2 This includes an amount of Rs. 1,219.849 million (30 June 2018: Rs. 225.904 million) outstanding under shariah complianed financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 4,890 million (30 June 2018: Rs. 5,457 million) out of which Rs. 4,110 million (30 June 2018: Rs. 3,925 million), Rs. 50 million (30 June 2018: Rs. 100 million) and Rs. 210 million (30 June 2018: Rs. 260 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 8.78% to 9.78% (2017: 7.83% to 8.67%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 5,460 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,510 million (30 June 2018: Rs. 2,925 million) and Rs. 210 million (30 June 2018: Rs. 210 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 2018 amounted to Rs. 1,798 million (30 June 2018: Rs. 1,996 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2018 were Rs. 3,844 million and Rs. 168 million (30 June 2018: Rs. 4,330 million and Rs. 96 million) respectively.

16.4 The above facilities (refer note 16.1 to 16.3) 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 12.2) and cotton / cotton yarn; and lien over import / export document.

16.5 During the period, the Holding Company has settled commercial papers issued to non-banking finance companies. The term of the loan was one year from the date of issuance and redeemable on 15 August 2018 at face value of Rs. 719.5 million. Mark-up was 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 set out in note 16 to the Group's annual consolidated financial statements for the year ended 30 June 2018 except for as stated in note 22 of these financial statements.

17.2 Commitments

17.2.1 As at 31 December 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 183.184 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,610 million (30 June 2018: Rs. 1,834 million).

17.2.3 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2018 amounted to Rs. 26.224 million (30 June 2018: Rs. 25.492 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.

17.2.4 Commitments under letters of credit as at 31 December 2018 amounted to Rs. 176.834 million (30 June 2018: Rs. 799.173 million).

13. OTHER RECEIVABLES

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		---------- (Rupees in '000)	----------
Dividend receivable		-	2,377
Receivable against sale of investments		-	17,723
Provision there against		-	(17,723)
		-	-
Receivable against rent from investment property		**432**	442
Due from related parties		**73,308**	53
Retention money receivable		-	113,162
Sales tax refundable		**223,229**	239,394
Margin on letter of credit and guarantee		**15,359**	18,404
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Others		**2,904**	2,042
		570,006	630,648

13.1 This represents balances due from CSAP Pension Fund amounting to Rs. 0.053 million (30 June 2018: Rs. 0.053 million)

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	Note	Unaudited 31 December 2018	Audited 30 June 2018
Secured - Under non-shariah arrangement			
Allied Bank Limited	*14.1*	**335,818**	323,290
Less: Current portion shown under current liabilities		**113,219**	96,544
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During year ended 30 June 2018, Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year, repayable in 12 equal quarterly installments starting after twelve months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

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	Notes	Unaudited 31 December 2018	Audited 30 June 2018
		-------- (Rupees in '000) -------	
Trade creditors		**249,713**	201,473
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Provisions		**209,958**	201,805
Due to related parties	*15.1*	**(5,356)**	2,498
Payable against purchase of investments		**214**	-
Payable to provident fund		**2,029**	2,384
Payable to staff retirement benefit funds		**3,699**	3,773
Retention money		**11,742**	2,949
Sales tax payable		**79,384**	1,832
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Workers' Profit Participation Fund		**4,618**	29,443
Workers' Welfare Fund		**5,852**	12,215
Derivative Financial Liability		**-**	306
Others		**14,339**	18,145
		929,056	1,805,207

15.1 This represents amount due to Premier Insurance Limited amounting to Rs. 0.030 million (2018: Rs. 0.041 million).

16. SHORT TERM BORROWINGS

Secured from banking companies			
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Short term loans	*16.2*	**1,945,594**	788,840
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Short term finance under mark-up arrangements	*16.5*	**-**	713,308
		2,638,199	1,956,125

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 2,300 million (30 June 2018: Rs. 1,400 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 1,025 million (30 June 2018: Nil) and Rs. 100 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit, finance against import margin (FIM) and letter of guarantee faculity respectively. During the period, the mark-up on such arrangements ranged between 8.53% to 10.90% (30 June 2018: 7.64% to 8.84%) per annum.

16.2 This includes an amount of Rs. 1,219.849 million (30 June 2018: Rs. 225.904 million) outstanding under shariah complianed financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 4,890 million (30 June 2018: Rs. 5,457 million) out of which Rs. 4,110 million (30 June 2018: Rs. 3,925 million), Rs. 50 million (30 June 2018: Rs. 100 million) and Rs. 210 million (30 June 2018: Rs. 260 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 8.78% to 9.78% (2017: 7.83% to 8.67%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 5,460 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,510 million (30 June 2018: Rs. 2,925 million) and Rs. 210 million (30 June 2018: Rs. 210 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 2018 amounted to Rs. 1,798 million (30 June 2018: Rs. 1,996 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2018 were Rs. 3,844 million and Rs. 168 million (30 June 2018: Rs. 4,330 million and Rs. 96 million) respectively.

16.4 The above facilities (refer note 16.1 to 16.3) 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 12.2) and cotton / cotton yarn; and lien over import / export document.

16.5 During the period, the Holding Company has settled commercial papers issued to non-banking finance companies. The term of the loan was one year from the date of issuance and redeemable on 15 August 2018 at face value of Rs. 719.5 million. Mark-up was 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 set out in note 16 to the Group's annual consolidated financial statements for the year ended 30 June 2018 except for as stated in note 22 of these financial statements.

17.2 Commitments

17.2.1 As at 31 December 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 183.184 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,610 million (30 June 2018: Rs. 1,834 million).

17.2.3 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2018 amounted to Rs. 26.224 million (30 June 2018: Rs. 25.492 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.

17.2.4 Commitments under letters of credit as at 31 December 2018 amounted to Rs. 176.834 million (30 June 2018: Rs. 799.173 million).

18. SALES - net

	Notes	Unaudited Quarter ended 31 December 2018	Unaudited Quarter ended 31 December 2017	Unaudited Six months ended 31 December 2018	Unaudited Six months ended 31 December 2017
		---------- (Rupees in '000) ----------			
Local sales					
Bare pipes		**261,164**	2,498,211	**290,481**	5,485,011
Steel billets		**658,315**	340,782	**1,826,190**	1,357,491
Pipe coating		**-**	476,986	**-**	716,492
Pre coated pipes		**624,028**	-	**1,992,813**	475,610
Cotton yarn / raw cotton		**442,845**	143,946	**807,290**	143,946
Electricity sales		**1,774**	597	**3,921**	4,169
Steam Sales		**-**	-	**18,278**	-
Others		**(11,485)**	69,740	**59,889**	109,470
Scrap / waste		**23,243**	59	**35,535**	297
Sales returns		**-**	-	**(1,827)**	-
		1,999,884	3,530,321	**5,032,570**	8,292,486
Export sales					
Fabric		**-**	-	**-**	13,120
		1,999,884	3,530,321	**5,032,570**	8,305,606
Sales tax		**(125,133)**	(492,132)	**(840,231)**	(1,184,036)
		1,874,751	3,038,189	**4,192,339**	7,121,570

18.1 Revenue is disaggregated by major products and also by geographical market additionally revenue by measure customer is disclosed in note 26.4 to these condensed interim consolidated financial statements.

19. LOSS FROM INVESTMENTS - NET

	Notes	Quarter ended 31 December 2018	Quarter ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
Dividend income	*19.1*	**18,397**	26,129	**26,026**	41,486
Loss on sale of investments - net	*19.2*	**(8,516)**	(5,934)	**(13,883)**	(4,030)
Unrealized loss on held for trading investments	*19.3*	**(106,499)**	(52,692)	**(138,645)**	(106,607)
Rent from investment property	*19.6*	**1,861**	1,259	**3,231**	2,419
		(99,811)	(31,238)	**(123,271)**	(66,732)

19.1 This includes Rs. 14.813 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 8.124 million incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 95.473 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealised gain amounting to Rs. 20.421 million on investment in The Crescent Textile Mills Limited - non shariah compliant investee company was recognised in the other comprehensive income during the period. Unlike IAS 39, this gain will never be reclassified to profit or loss.

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. 1.352 million (31 December 2017: Rs. 1.661 million). Further, Rs. Nil (31 December 2017: Rs. 0.334 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		(Rupees in '000)			
Exchange loss		**6,674**	2,063	**12,022**	14,951
Loss on disposal of operating fixed assets		**-**	4,630	**-**	4,630
Provision for:					
Workers' Profit Participation Fund		**562**	17,276	**2,365**	34,834
Workers' Welfare Fund		**528**	7,179	**2,212**	13,556
Doubtful trade debts		**-**	-	**956**	-
Liquidated damages		**-**	(4,630)	**-**	-
Slow moving stores, spares and loose tools		**9,237**	8,915	**14,411**	8,915
		17,001	35,433	**31,966**	76,886

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
Mark-up on short term loans - Shariah arrangement	**27,837**	17,189	**32,855**	27,764
Interest on - Non - Shariah arrangement				
- finance lease obligations	**3,468**	2,100	**7,077**	5,021
- long term loan	**9,288**	8,840	**17,195**	17,345
- running finances / short term loans	**11,042**	48,337	**67,944**	109,561
Discounting of lease deposit	**-**	(136)	**-**	2,708
Bank charges	**22,390**	658	**27,783**	2,671
	74,025	76,988	**152,854**	165,070

22. TAXATION

22.1 Excess of minimum tax liability over normal tax amounting to Rs. 12.37 million (2017: nil) has not been recognized in view of expectation of increase in taxable profits during the next few months resulting in tax liability under normal tax regime.

22.2 The Holding Company had filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] for Tax Year 2009 against amendment of assessment of the Holding Company for the said year which has partly been decided in favor of the Holding Company. Appeal is being preferred to the Appellate Tribunal for remaining issues.

22.3 The Additional Commissioner Inland Revenue amended the deemed assessment of the Holding Company for Tax Year 2016 thereby raising demand of Rs.143.805 million. The Holding Company has filed appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending to be heard.

22.4 Order under section 161/205 of the Income Tax Ordinance 2001 has been issued by the Assistant Commissioner Inland Revenue, whereby demand aggregating to Rs. 16.153 million (inclusive of default surcharge) has been raised in respect of tax year 2017. Application for rectification of the order has been filed for correction of prima facie errors. The Holding Company has filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] as well which is yet to be fixed for hearing.

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

	Note	Quarter ended 31 December 2018	Quarter ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
Profit / (loss) for the period		**1,481**	(24,055)	**(63,140)**	65,530
		(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares in issue during the period	*23.1*	**77,632,491**	77,632,491	**77,632,491**	77,632,491
		(Rupees)		(Rupees)	
Basic and diluted earnings / (loss) per share		**0.02**	(0.31)	**(0.81)**	0.84

24. CASH GENERALTED FROM OPERATIONS

	Notes	Unaudited Six months ended 31 December 2018	 31 December 2017
		--------- (Rupees in '000) ---------	
(Loss) / profit before taxation for the period		**(50,221)**	258,032
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		**116,032**	113,080
Amortization of intangible assets		**1,490**	1,917
Charge for the period on staff retirement benefit funds		**11,757**	-
Dividend income		**(26,026)**	(41,487)
Unrealized loss on held for trading investments - net		**115,748**	106,607
Loss on sale of investments - net		**13,883**	4,030
Provision for stores, spares and loose tools - net		**9,237**	8,915
Provision / (reversal of provision) for doubtful trade debts - net		**956**	(1,073)
Provision for Workers' Welfare Fund		**1,130**	13,556
Provision for Workers' Profit Participation Fund		**2,365**	34,834
Return on deposits		**(483)**	(744)
Gain on disposal of operating fixed assets		**(9,393)**	(1,619)
Deferred income		**(2,669)**	(2,229)
Discounting on long term deposit		**-**	2,708
Unwinding of discount on long term deposit		**(9,877)**	(7,696)
Liabilities written back		**(475)**	(17)
Finance costs		**152,851**	162,362
Share of (profit) / loss from equity accounted investees - net of taxation		**(319,812)**	53,378
Working capital changes	*24.1*	**(837,298)**	771,214
		(830,805)	1,475,768

24.1 Working capital changes

(Increase) / decrease in current assets		
Stores, spares and loose tools	**23,541**	(35,499)
Stock-in-trade	**661,502**	2,123,805
Trade debts	**(272,475)**	(81,447)
Advances	**(550,274)**	(74,601)
Trade deposits and short term prepayments	**11,877**	7,243
Other receivables	**24,586**	96,986
	(101,242)	2,036,487
Decrease in current liabilities		
Trade and other payables	**(736,056)**	(1,265,273)
	(837,298)	771,214

25. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	**(692,605)**	(338,951)
Cash and bank balances	**15,306**	199,456
	(677,299)	(139,495)

26. SEGMENT REPORTING

26.1 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.

26.2 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 2018	Unaudited					
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	Total
	(Rupees in '000)					
Sales - net	3,383,463	814,852	-	128,095	(134,069)	4,192,341
Cost of sales	3,316,434	751,703	-	217,182	(137,751)	4,147,568
Gross profit / (loss)	**67,029**	**63,149**	**-**	**(89,087)**	**3,681**	**44,772**
(Loss) / income from investments	-	-	(215,374)	-	92,103	(123,271)
	67,029	63,149	(215,374)	(89,087)	95,784	(78,499)
Distribution and selling expenses	6,094	1,488	-	-	-	7,582
Administrative expenses	94,949	17,755	11,104	1,234	-	125,042
Other operating expenses	28,519	3,411	36	-	-	31,966
	129,562	22,654	11,140	1,234	-	164,590
	(62,533)	40,495	(226,514)	(90,321)	95,784	(243,089)
Other income	40,899	3,638	-	132	(18,758)	25,911
Operating (loss) / profit before finance costs	**(21,634)**	**44,133**	**(226,514)**	**(90,189)**	**77,027**	**(217,177)**
Finance costs	144,511	967	16,685	9,450	(18,758)	152,855
Share of profit in equity accounted investees - net of taxation	-	-	233,121	689	86,002	319,812
(Loss) / profit before taxation	**(166,145)**	**43,166**	**(10,078)**	**(98,950)**	**181,786**	**(50,221)**
Taxation						12,919
Loss for the period						**(63,140)**

For the six months ended 31 December 2017	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	Total
	---------- Unaudited ----------					
	----------(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 / (loss) 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

26.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (31 December 2017: Rs. Nil).

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

26.2.3 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 2018. 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.

26.3 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 18 to these condensed interim consolidated financial statements.

26.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 1,817.965 million (31 December 2017: Rs. 6,547.346 million) of total Steel segment revenue of Rs. 3,383.463 million (31 December 2017: Rs. 7,094.653 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 101.588 (31 December 2017: Rs. 42.227 million) of total Cotton segment revenue of Rs. 814.852 million (31 December 2017: Rs. 157.314 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 124.174 million (31 December 2017: Rs.177.439 million) of total Energy segment revenue of Rs. 128.095 million (31 December 2017: Rs. 181.002 million).

26.5 Geographical information

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

	Unaudited Six months ended 31 December 2018	31 December 2017
	----------- (Rupees in '000) -----------	
Pakistan	**4,192,339**	7,108,450
South and North America	-	13,120
	4,192,339	7,121,570

26.5.2 All non-current assets of the Group as at 31 December 2018 and 30 June 2018 were located and operating in Pakistan.

26.6 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 2018 - Unaudited					
Segment assets for reportable segments	4,224,523	730,258	1,405,399	953,286	**7,313,466**
Investment in equity accounted investees	-	-	3,382,541	9,219	**3,391,760**
Unallocated corporate assets					**1,245,132**
Total assets as per consolidated balance sheet					**11,950,358**
Segment liabilities for reportable segments	1,419,989	157,341	123,415	187,828	**1,888,574**
Unallocated corporate liabilities and deferred income					**2,411,611**
Total liabilities as per consolidated balance sheet					**4,300,184**
As at 30 June 2018 - Audited					
Segment assets for reportable segments	4,811,697	528,790	1,376,546	935,261	**7,652,294**
Investment in equity accounted investees	-	-	2,831,055	257,178	**3,088,233**
Unallocated corporate assets					**1,318,496**
Total assets as per consolidated balance sheet					**12,059,023**
Segment liabilities for reportable segments	2,043,914	101,745	154,620	111,465	**2,411,744**
Unallocated corporate liabilities and deferred income					**2,033,591**
Total liabilities as per consolidated balance sheet					**4,445,335**

26.6.1 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.

26.7 Other segment information

	Unaudited				
	Steel segment	Cotton segment	IID segment	Energy segment	Total
	(Rupees in '000)				
For the six months ended 31 December 2018					
Capital expenditure	34,757	2,520	(3,198)	2,322	**36,401**
Depreciation and amortization	68,921	16,025	2,157	30,419	**117,522**
Non-cash items other than depreciation and amortization	134,518	3,917	(198,440)	(803)	**(60,808)**
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**

27. 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 2018	31 December 2017
			------- (Rupees in '000) -------	
Altern Energy Limited	Associated company	Dividend received	-	511,740
Shakarganj Limited	Associated company	Dividend paid	**180**	675
		Sale of finished goods	-	3,683
		Services received	-	661
		Reimbursable expenses	**742**	743
		Right shares subscribed	-	273,089
Central Depository Company of Pakistan Limited *	Related party	Services received	-	1,445
		Dividend received	-	5,032
The Citizens' Foundation *	Related party	Donation given	-	5,987
CSAP Foundation *	Related party	Donation given	-	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	-	3
Premier Insurance Limited *	Related party	Insurance premium	**7,635**	5,778
		Dividend paid	-	549
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	10,000
		Dividend paid	-	22
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	-	245
		Dividend paid	-	262
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	-	2,851
		Dividend paid	-	5,149
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	**8,652**	7,472
		Dividend paid	**68**	11,306
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	**10,790**	3,980
		Dividend paid	**199**	2,916
Key management personnel	Related parties	Remuneration and benefits	**56,966**	51,440
		Dividend paid	**605**	332
Directors and their spouse	Related parties	Dividend paid	**127**	2,382
		Meeting fee	**1,165**	1,760

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

27.1 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.

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

27.3 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.

28. FINANCIAL RISK MANAGEMENT

The Group'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 2018.

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. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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 2018 (Unaudited)								
	Carrying amount					Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilites	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	664,125	181,242	-	-	845,367	845,367	-	-	845,367
- unlisted equity securities	480,305	-	-	-	480,305	-	-	480,305	480,305
	1,808,555	181,242	-	-	2,171,039	1,690,734	-	480,305	2,171,039
Financial assets not measured at fair value									
Investments									
- equity	3,391,760	-	-	-	3,391,760	-	-	-	-
- term deposit receipt	-	-	-	-	-	-	-	-	-
Deposits	-	-	244,951	-	244,951	-	-	-	-
Trade debts	-	-	262,848	-	262,848	-	-	-	-
Other receivables	-	-	92,003	-	92,003	-	-	-	-
Bank balances	-	-	13,523	-	13,523	-	-	-	-
	5,680,620	181,242	613,325	-	6,656,429	1,690,734	-	960,610	2,651,344
Financial liabilities not measured at fair value									
Long term loans	-	-	-	335,818	335,818	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	150,244	150,244	-	-	-	-
Trade and other payable	-	-	-	567,413	567,413	-	-	-	-
Mark-up accrued	-	-	-	51,033	51,033	-	-	-	-
Short term borrowings	-	-	-	2,638,199	2,638,199	-	-	-	-
	-	-	-	3,742,707	3,742,707	-	-	-	-

	30 June 2018 (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	1,026,848	-	-	1,026,848	1,026,848	-	-	1,026,848
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	262,933	-	-	262,933	-	262,933	-	262,933
- equity	3,088,233	-	-	3,088,233	-	-	-	-
- term deposit receipt	28,000	-	-	28,000	-	-	-	-
Deposits	-	279,164		279,164				
Trade debts	-	82,320	-	82,320	-	-	-	-
Other receivables	-	136,480	-	136,480	-	-	-	-
Bank balances	-	193,445	-	193,445	-	-	-	-
	3,379,166	691,409	-	4,070,575	-	262,933	-	262,933
Financial liabilities not measured at fair value								
Long term loan	-	-	323,290	323,290	-	-	-	-
Liabilities against assets subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payable	-	-	1,466,446	1,466,446	-	-	-	-
Mark-up accrued	-	-	23,569	23,569	-	-	-	-
Short term borrowings	-	-	1,956,125	1,956,125	-	-	-	-
	-	-	3,942,859	3,942,859	-	-	-	-

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.

The fair value of listed securities were taken from rates quoted on Pakistan Stock Exchange and classified under level 1 in fair value hierarchy.

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 unconsolidated financial statements.

28.1 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at 31 December 2018 for unquoted equity investment measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted cash flows with terminal growth: The valution model considers the present value of expected free cash flows, discounted using Weighted Average Cost of Capital.	- Expected cash flows - Terminal growth rate - Weighted Average Cost of Capital	The estimated fair value would increase (decrease) if: - The expected free cash flows were higher (lower) - The terminal growth rate were higher (lower) - The Weighted Average Cost of Capital were lower (higher)
- Central Depository Company of Pakistan Limited	- Net Asset Method: This valuation method considers net asset value divided by ordinary number of shares	- Net assets of the investee company	The estimated fair value would increase (decrease) if: - The net assets of the investee company were higher (lower).

28.2 Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

	Rs. in '000
Balance at 30 June 2018*	
- Shakarganj Food Products Limited	202,216
- Central Depository Company of Pakistan Limited	58,946
	261,162
Fair value included in opening unappropriated profits (retained earnings)	
- Shakarganj Food Products Limited	115,936
- Central Depository Company of Pakistan Limited	103,207
	219,143
Balance at 01 July 2018	
- Shakarganj Food Products Limited	318,152
- Central Depository Company of Pakistan Limited	162,153
	480,305

* Before 30 June 2018, these equity securities were stated at cost in accordance with IAS 39 and were classified as available for sale. From 1 July 2018, these are classified at FVTPL in accordance with IFRS 9 and measured at fair value.

Sensitivity Analysis

For the fair value of unquoted equity investment, reasonably possible changes at 31 December 2018 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Shakarganj Food Products Limited	**Profit or loss**	
	Increase	**Decrease**
	----- Rs. in '000 -----	
- Expected cash flows (10% movement)	95,070	(95,070)
- Terminal growth rate (1% movement)	(33,534)	(28,426)
- Weighted Average Cost of Capital (1% movement)	(45,696)	54,454
Central Depository Company of Pakistan Limited		
- Net assets (10% movement)	16,215	(16,215)

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements was authorized for issue in the Board of Directors meeting held on 11 February 2019.

Chief Executive **Director** **Chief Financial Officer**

Crescent Steel &
Allied Products Limited

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