



Crescent Steel and
Allied Products Limited



**Condensed interim financial information
For the quarter and nine months ended
31 March 2018**



2017

TABLE OF

CONTENT

2 | Company Information

4 | Company Profile

6 | Directors' Review

UNCONSOLIDATED FINANCIAL INFORMATION

10 | Condensed Interim Unconsolidated
Balance Sheet

11 | Condensed Interim Unconsolidated
Profit and Loss Account (Unaudited)

12 | Condensed Interim Unconsolidated Statement of
Comprehensive Income (Unaudited)

13 | Condensed Interim Unconsolidated
Cash Flow Statement (Unaudited)

14 | Condensed Interim Unconsolidated
Statement of Changes in Equity (Unaudited)

15 | Notes to the Condensed Interim Unconsolidated
Financial Information (Unaudited)

CONSOLIDATED FINANCIAL INFORMATION

36 | Condensed Interim Consolidated
Balance Sheet

37 | Condensed Interim Consolidated
Profit and Loss Account (Unaudited)

38 | Condensed Interim Consolidated
Statement of Comprehensive Income (Unaudited)

39 | Condensed Interim Consolidated
Cash Flow Statement (Unaudited)

40 | Condensed Interim Consolidated
Statement of Changes in Equity (Unaudited)

41 | Notes to the Condensed Interim Consolidated
Financial Information (Unaudited)

59 | **ڈائریکٹرز کا جائزہ**

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

Mohammad Fahad

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 Shakarganj Energy
(Private) Limited and Solution De Energy
(Private) Limited*

Abdul Rouf – 2000*

BU Head – Cotton Division

Arif Raza – 1985*

BU Head – Steel Division

Ehsan Durrani – 2008*

Human Resource Advisor

Hajerah A. Saleem – 2012*

*BU Head - Investments and
Infrastructure Development Division and
Head of Corporate Affairs and CEO CS
Capital (Private) Limited*

Hasan Altaf Saleem – 2010*

*Resident Director and
COO Crescent Hadeed (Private) Limited*

Iqbal Abdulla – 2014*

IT Advisor

Iqbal Zafar Siddiqui – 2008* Head of

*Supply Chain and CEO Crescent Hadeed
(Private) Limited*

Mushtaque Ahmed – 1985*

*Head of Manufacturing - Steel
Division*

HEAD OF INTERNAL AUDIT

Muhammad Saood - 2017*

AUDITORS

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants

INTERNAL AUDITORS

BDO Ebrahim & Co

Chartered Accountants

LEGAL ADVISOR

Hassan and Hassan, Advocates,

Lahore

A.K. Brohi & Co., Advocates,

Karachi

BANKERS

CONVENTIONAL

Allied Bank Limited Habib

Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of

China

MCB Bank Limited National

Bank of Pakistan Sindh Bank

Limited Summit Bank Limited

SHARIAH COMPLIANT

Al-Baraka Bank Pakistan Limited

BankIslami Pakistan Limited Dubai

Islamic Bank Pakistan

SUBSIDIARIES*

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

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811
Email: ejaz.ahmed@crescent.com.pk

PRINCIPAL OFFICE

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

PRODUCTION SITES

STEEL DIVISION

PIPE AND COATING PLANTS

A/25, S.I.T.E., Nooriabad, District Jamshoro, Sindh-73090.
Tel: +92 25 4670 020-22
+92 25 4670 055
Email: arif.raza@crescent.com.pk

ENGINEERING UNIT

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

CRESCENT HADEED (PRIVATE) LIMITED

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

COTTON DIVISION

CRESCENT COTTON PRODUCTS

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

POWER PLANT

SHAKARGANJ ENERGY (PRIVATE) LIMITED

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

PUBLIC INFORMATION

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

Mr. Mohammad Fahad
Manager Accounts

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

SHARE REGISTRAR ENQUIRIES CONCERNING

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

M/s CorpTec Associates (Private) Limited, 503-E Johar Town, Lahore.

Tel: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: info@corptec.com.pk

CORPORATE WEBSITE

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



For condensed Interim Report for the nine months ended 31 March 2017, go to <http://www.crescent.com.pk/wp-content/uploads/2017/12/Quarter-Mar18.pdf> or scan Qr code



* Registered Office and Principal Office are same as holding company

COMPANY PROFILE

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

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

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

The Pipe Plant manufactures high quality steel pipes in the diameter range of 8" – 120" (219 mm – 3,048 mm) in wall thickness from 4 mm – 25 mm up to lengths of 40 feet per pipe and material grades up to API 5L X-100. The unit has authorization to use API monogram of the American

Petroleum Institute (API) – the highest international standard accredited for quality of steel line pipe in the Oil and Gas Sector and also continues to retain the ISO 9001 certification.

The Coating Plant is capable of applying various flow efficient and corrosion protection coatings such as Multilayer Polyolefin and Polypropylene coatings, Single Layer Fusion Bonded Epoxy coatings, Liquid Epoxy coatings and High Temperature Heat Shrink Tape coatings on steel pipes ranging from 4" – 60" (114 mm – 1,524 mm), tape coatings on pipe diameter above 60" (1,524 mm) and internal epoxy coatings on diameters ranging from 8" – 60" (219 mm – 1,524 mm).

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

of machinery at par with international standards and designs, especially for sugar and cement industry. The unit has a wide product fabrication capability and specializes in the manufacture and supply of cane shredders, juice heaters, evaporators, batch and continuous vacuum pans, centrifugal machines, stainless steel spray clusters and multi-jet condensers, perforated plates and vibro screens, and high voltage transformer tanks.

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

COTTON DIVISION – COTTON YARN SPINNING UNIT

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

CCP is a division of the company but its operating

results are shown separately, CCP as a division holds ISO 9001 Quality Management Credentials, is registered with Ministry of Textile Industry Pakistan and is a member of International Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces quality cotton/synthetic yarn with value addition of Slub, Siro and Compact Attachments. CCP is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts from 10s to 31s and has a notional capacity (based on 20s) of 6.36 million Kgs per annum. The brand is known for high quality and demands a premium.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

SHAKARGANJ ENERGY (PRIVATE) LIMITED

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

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

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

CRESCENT HADEED (PRIVATE) LIMITED

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

DIRECTORS' REVIEW

Dear Shareholders,

I am pleased to present the unaudited unconsolidated and consolidated interim financial information of the Company and the Group respectively for the nine months ended 31 March 2018.

Economic Outlook

The growth in economy remains strong in short term period, as a result of evident rise in exports, large scale manufacturing and bank credit offtake by private sector. The recent currency devaluation and export package proved to be favorable for the balance of payment position where exports increased by 13.14% in 9MFY18 vs 3.06% decline in same period last year. The large scale manufacturing sector, which accounts for 80% of manufacturing, increased 6.24%, which is in line with the target of 6.3% for the current fiscal year of 2017/18, while Remittances recorded a modest growth of 3.55% in 9MFY18. However, the country's external account woes remains persistent as foreign exchange reserves continues to drain, decreasing by 28% on YoY basis, providing an import cover of mere 2.2 months.

Financial and Operational Performance

Overall financial performance

Unconsolidated results for the period ended March 31, 2018 (9MFY18), were almost in line with 9MFY17 as orders in hand for the Steel division at the end of June 2017 were completed during the period under review. The Company's profit after tax (PAT) amounted to Rs. 900.5 million, as compared to after tax profit of Rs. 909.1 million in the corresponding period last year. Earnings per

share (EPS) for the current period stood at Rs. 11.6 as compared to Rs. 11.7 in the corresponding period last year.

Company's sales revenue stood at Rs. 6,624.5 million (9MFY17: Rs. 7,356.6 million) which mainly represents turnover from Steel division. Profit on investments from IID division amounted to Rs. 534.4 million (9MFY17: Rs. 260.2 million).

Gross Profit (GP) stood at Rs. 896 million (9MFY17: Rs. 1,569.8 million). Steel division posted a GP of Rs. 901.6 million (9MFY17: Rs. 1,570.4 million), while Cotton division reported a Gross Loss of Rs. 5.5 million (9MFY17 – GL: Rs. 561 thousand).

The Company posted profit before tax (PBT) of Rs. 1,107.9 million (9MFY17: Rs. 1,184.3 million). The Steel division's PBT for the period stood at Rs. 609.9 million (9MFY17: Rs. 873.7 million) whereas loss before tax (LBT) from Cotton division stood at Rs. 12.9 million (9MFY17 - LBT: Rs. 29.4 million). IID posted PBT of Rs. 510 million (9MFY17 - Rs. 339.9 million).

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

- Sales revenue decreased to Rs. 6,624.5 million as compared to Rs. 7,356.6 million in 9MFY17.
- Gross Profit stood at Rs. 896 million as compared to a gross profit of Rs. 1,569.8 million in 9MFY17.
- Profit from Investment amounted to Rs. 534.4 million as compared to profit of Rs. 260.2 million in 9MFY17.
- Other income decreased to Rs. 152.4 million as compared to

Rs. 195.2 million in the corresponding period last year.

- Net profit slightly decreased to Rs. 900.5 million as compared to Rs. 909.1 million in 9MFY17.
- EBIT decreased to Rs. 1,296.1 million as compared to Rs. 1,311.7 million in 9MFY17.
- EPS stood at Rs. 11.6 for the current period, as compared to EPS of Rs. 11.71 for 9MFY17.
- Return on average capital employed (annualized) was 18% for the current period as compared to 20% in the corresponding period last year.
- Break-up value per share increased to Rs. 96.2 from Rs. 84.4 as at 30 June 2017

Business Segments

Steel segment

Segment performance

The Steel Division reported profit before tax (PBT) of Rs. 609.9 million (9MFY17: 873.6 million).

Revenue amounting to Rs. 6,107.9 million was generated during the current period, vis-à-vis Rs. 6,386.2 million during 9MFY17. Gross Profit (GP) of Rs. 901.6 million was registered during the period as compared to Rs. 1,570.4 million during 9MFY17. The decrease in gross profit was primarily on account of increasing Hot Rolled Coils (HRC) prices.

Investment and Infrastructure Development (IID) segment

Market Review

Pakistan remained a contrarian surprise to the global equity market in first quarter of 2018 after forced PKR devaluation on a

balance of payments squeeze, as investors bet on China and Gulf donor rather than IMF rescue.

The KSE-100 recorded a 13% gain during Q3 FY18 to close at 45,560 points, leading regional market peers Sri Lanka (↑4%), China (↑2%), Indonesia (↓7%) and India (↓7%). The PKR devaluation during the period removed looming uncertainty on an imminent devaluation

Foreigners were net buyers, capitalizing on currency devaluation, bought shares worth USD 31m compared to USD 65m outflow in 4QCY17. Trading activity remained strong as average daily volumes went up by 54% on QoQ basis to 213 million shares compared to 138 million shares in 4QCY17.

Segment performance

During the nine month period ended 31 March 2018, the division's HFT segment recorded an ROI of 2.02% on weighted average investments of Rs. 497.8 million – during the same period, the benchmark KSE-100 index decreased by 2.16%. On an overall basis, the portfolio ROI on marketable securities stood at -12.65% on weighted average investments of Rs. 6,065 million.

The portfolio's accumulated profit before tax (PBT) for the nine months period ended 31 March 2018 stood at Rs. 510.9 million against 9MFY17 PBT of Rs. 340 million. The PBT constitutes a dividend on equity accounted investments in Altern of Rs. 483.8 million

Closing position of investment portfolio was Rs. 4,817.0 million as compared to Rs. 5,909.9 million as at 30 June 2017.

Overall financial performance – Consolidated

On consolidated basis, operating profit before finance cost amounted to Rs. 632.5 million (9MFY17: Rs. 1,042.1 million). Consolidated profit after tax and EPS of the Group for 9MFY18 amounted to Rs. 113.2 million and Rs. 1.46 per share as compared to profit after tax of Rs. 876 million and EPS of Rs. 11.28 per share respectively, in the corresponding period last year.

During the period, CS Capital (Private) Limited recorded net profit of Rs. 29.6 million (9MFY17: net profit Rs. 90.3 million),

During the period, Shakarganj Energy (Private) Limited (SEL) reported loss of Rs. 79.9 million (9MFY17: loss Rs. 18.1 million). For the third Quarter (Q3FY18) Revenue and Profit stood at Rs. 344.8 million and Rs. 49.5 million respectively.

Crescent Hadeed (Private) Limited (CHL) reported loss of Rs. 128.6 million (9MFY17: loss Rs. 139.9 million).

Compared to the Company's net profit, the Group showed a significantly lower net profit. This is mainly due to net share of loss amounting to Rs. 116 million (9MFY17: Share of profit Rs. 270.8 million) from investment in equity accounted investees and elimination of dividend from AEL amounting to Rs. 511.740 million Further, losses from wholly owned subsidiaries also contributed towards lower bottom line of the group.

Financial Position

Balance sheet

Balance sheet footing stood of the Company at Rs. 10,129 million as of March 31, 2018, compared to Rs. 12,810 million as of June 30, 2017. Break-up value per share

increased to Rs. 96.2 from Rs. 84.6 as at June 30, 2017.

Current ratio as at March 31, 2018 increased to 2.0:1 from 1.40:1 as at 30 June 2017. Gearing ratio decreased to 18.6% as at March 31, 2018 from 31% as at June 30, 2017.

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,979 million, compared to Rs. 14,810 million as of June 30, 2017. Total shareholders' fund decreased to Rs. 8,410.7 million from Rs. 8,601.4 million as of June 30, 2017.

Future Outlooks

Some projects (RLNG III) were delayed due to project approval by Economic Coordination Committee resulting in our Steel Pipe plant remaining idle for the third quarter. However, we have recently received an order valuing Rs. 1.7 billion from SNGPL for the supply of 24" coated pipe. Delivery against which, is expected to start from July, 2018

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

There is demand for pipes in gas and water sector. These projects will be executed once financial and political stability is in place.

Outlook on the capital market remain neutral as liquidity is strong and market remains discounted at a forward PE of 10.3x. Political and economic uncertainty will continue to keep markets under pressure with positive medium to long term outlook.


Achievements and Awards

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

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

We also secured Third position amongst Top 25 Companies announced by Pakistan Stock Exchange (PSX) for the year 2016.

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



Ahsan M. Saleem
Chief Executive Officer



Zahid Bashir
Director
26 April 2018

Crescent Steel and Allied Products Limited

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 MARCH 2018

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Balance Sheet
As at 31 March 2018

	Note	Unaudited 31 March 2018	Audited 30 June 2017
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	973,689	940,606
Intangible assets		220	977
Investment properties		13,414	15,314
Long term investments	6	4,506,684	4,204,446
Long term deposits	7	204,482	188,650
		<u>5,698,489</u>	<u>5,349,993</u>
Current assets			
Stores, spares and loose tools		175,320	163,185
Stock-in-trade	8	856,490	2,686,682
Trade debts	9	116,030	663,671
Loans and advances	10	362,105	378,023
Trade deposits and short term prepayments		11,182	14,675
Investments	11	500,366	514,984
Mark-up accrued	12	19,508	1,480
Other receivables	13	1,402,032	1,745,625
Taxation - net		965,581	632,799
Cash and bank balances		22,196	28,471
		<u>4,430,810</u>	<u>6,829,595</u>
Total assets		<u><u>10,129,299</u></u>	<u><u>12,179,588</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	1,000,000
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,030,598	1,033,823
Revenue reserves		5,657,723	5,009,569
		<u>7,464,646</u>	<u>6,819,717</u>
Non-current liabilities			
Long term loans	14	193,018	322,481
Liabilities against assets subject to finance lease		74,421	63,606
Deferred income		6,804	7,471
Deferred taxation		224,084	232,847
		<u>498,327</u>	<u>626,405</u>
Current liabilities			
Trade and other payables	15	689,847	2,001,890
Mark-up accrued		12,689	27,892
Short term borrowings	16	1,269,776	2,517,336
Current portion of long term loans	14	154,408	140,500
Current portion of liabilities against assets subject to finance lease		34,908	41,700
Current portion of deferred income		4,698	4,148
		<u>2,166,326</u>	<u>4,733,466</u>
Contingencies and commitments	17		
Total equity and liabilities		<u><u>10,129,299</u></u>	<u><u>12,179,588</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the quarter and nine months ended 31 March 2018

	Note	Quarter ended		Nine months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----					
Sales - net	18	532,802	1,775,970	6,624,520	7,356,613
Cost of sales		566,166	1,756,735	5,728,504	5,786,790
Gross (loss) / profit		(33,364)	19,235	896,016	1,569,823
Income from investments - net	19	82,416	16,886	534,381	260,197
		49,052	36,121	1,430,397	1,830,020
Distribution and selling expenses		3,899	7,431	12,875	22,929
Administrative expenses		70,210	62,225	192,857	204,453
Other operating expenses	20	6,404	3,313	80,945	486,189
		80,513	72,969	286,677	713,571
		(31,461)	(36,848)	1,143,720	1,116,449
Other income	21	123,653	80,510	152,359	195,244
Operating profit before finance costs		92,192	43,662	1,296,079	1,311,693
Finance costs	22	37,901	30,657	188,221	127,411
Profit before taxation		54,291	13,005	1,107,858	1,184,282
Taxation					
- current	23	(11,049)	(20,713)	215,411	305,051
- prior		-	-	750	1,808
- deferred		2,420	15,286	(8,763)	(31,642)
		(8,629)	(5,427)	207,398	275,217
Profit for the period		62,920	18,432	900,460	909,065
----- (Rupees) -----					
Basic and diluted earnings per share	24	0.81	0.24	11.60	11.71

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the quarter and nine months ended 31 March 2018

	Quarter ended		Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Profit for the period	62,920	18,432	900,460	909,065
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Unrealized appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	213	2,393	(3,225)	6,021
Total comprehensive income for the period	63,133	20,825	897,235	915,086

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



Chief Executive



Director



Chief Financial Officer

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

For the nine months ended 31 March 2018

	Note	Nine months ended	
		31 March 2018	31 March 2017
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	25	2,265,380	1,557,054
Taxes paid		(568,647)	(483,182)
Finance costs paid		(193,632)	(125,941)
Contribution to gratuity and pension funds		(3,831)	(11,604)
Contribution to Workers' Profit Participation Fund		(111)	-
Long term deposits - net		(6,652)	(1,504)
Net cash generated from operating activities		<u>1,492,507</u>	<u>934,823</u>
Cash flows from investing activities			
Capital expenditure		(107,302)	(174,177)
Proceeds from disposal of operating fixed assets		47,413	99,264
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		14,995	30,889
Investments - net		(303,166)	(147,784)
Dividend income received		545,768	155,300
Interest income received		1,931	684
Net cash generated from / (used in) investing activities		<u>199,639</u>	<u>(35,824)</u>
Cash flows from financing activities			
Repayments of long term loans - net		(115,555)	(39,919)
Payments against finance lease obligations		(37,486)	(49,034)
Repayments of short term loans obtained - net		(1,169,425)	(600,607)
Dividends paid		(297,820)	(280,761)
Net cash (used in) financing activities		<u>(1,620,286)</u>	<u>(970,321)</u>
Net increase / (decrease) in cash and cash equivalents		<u>71,860</u>	<u>(71,322)</u>
Cash and cash equivalents at beginning of the period		<u>(219,311)</u>	<u>(116,935)</u>
Cash and cash equivalents at end of the period	26	<u><u>(147,451)</u></u>	<u><u>(188,257)</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

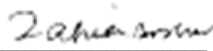
For the nine months ended 31 March 2018

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	General reserve	Unappropriated profit	
------(Rupees in '000)-----						
Balance as at 30 June 2016	776,325	1,020,908	4,786	2,642,000	1,363,706	5,807,725
Transfer to general reserve				1,000,000	(1,000,000)	-
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	909,065	909,065
Other comprehensive income						
<i>Total other comprehensive income for the period</i>	-	-	6,021	-	-	6,021
Total comprehensive income for the period	-	-	6,021	-	909,065	915,086
Transaction with owners						
Dividend:						
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	(155,265)	(155,265)
Balance as at 31 March 2017	<u>776,325</u>	<u>1,020,908</u>	<u>10,807</u>	<u>3,642,000</u>	<u>1,117,506</u>	<u>6,567,546</u>
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	-	-	-	-	900,460	900,460
Other comprehensive income						
<i>Total other comprehensive income for the period</i>	-	-	(3,225)	-	-	(3,225)
Total comprehensive income for the period	-	-	(3,225)	-	900,460	897,235
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)
- First interim @ 10% (i.e. Rs 1 per share) for the year ending 30 June 2018	-	-	-	-	(77,633)	(77,633)
Balance as at 31 March 2018	<u>776,325</u>	<u>1,020,908</u>	<u>9,690</u>	<u>3,642,000</u>	<u>2,015,723</u>	<u>7,464,646</u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months ended 31 March 2018

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 This condensed interim unconsolidated financial information of the Company for the nine months ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives of the Companies Act, 2017 have been followed.

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

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

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

3. ACCOUNTING POLICIES

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of this condensed interim unconsolidated financial information are the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2017.

5. PROPERTY, PLANT AND EQUIPMENT

Unaudited Audited
31 March 2018 30 June 2017

----- (Rupees in '000) -----

Operating fixed assets	5.1	863,144	830,910
Capital work-in-progress	5.2	110,545	109,696
		<u>973,689</u>	<u>940,606</u>

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

	Unaudited		Unaudited	
	Nine months ended		Nine months ended	
	31 March 2018		31 March 2017	
	Additions /	Disposals	Additions /	Disposals
	Transfers		Transfers	
	----- (Rupees in '000) -----			
Land	-	-	56,757	-
Buildings on freehold land	19,654	-	63,080	22,013
Plant and machinery - owned	77,031	28,527	34,376	76,378
Plant and machinery - leased	24,353	41,951	30,889	-
Furniture and fittings	1,139	5	4,650	362
Electrical / office equipments and installation	3,189	13,591	6,341	-
Computers	1,957	-	4,445	1,053
Motor vehicles - owned	25,791	12,199	1,152	7,379
Motor vehicles - leased	-	-	1,024	-
	<u>153,114</u>	<u>96,273</u>	<u>202,714</u>	<u>107,185</u>

5.2 Net addition in capital work-in-progress during the period amounted to Rs. 0.849 million (2017: Rs. 17.373 million).

6. LONG TERM INVESTMENTS

Unaudited Audited
31 March 2018 30 June 2017

----- (Rupees in '000) -----

Subsidiary companies			
- at cost	6.1	2,882,000	2,882,000
- share deposit money			
CS Capital (Private) Limited		53,000	-
Crescent Hadeed (Private) Limited		108,142	72,697
Associated companies - at cost	6.2	1,284,596	1,070,803
Other long term investments - Available for sale		178,946	178,946
		<u>4,506,684</u>	<u>4,204,446</u>

6.1 Subsidiary companies - at cost

Unaudited 31 March 2018	Audited 30 June 2017			Unquoted			
(Number of shares)							
126,000,000	126,000,000	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	1,260,000		1,260,000	
47,200,000	47,200,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.2	472,000		472,000	
115,000,000	11,500,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	6.1.3	1,150,000		1,150,000	
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-		-	
				2,882,000		2,882,000	

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

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

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

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

6.2 Associates - at cost

Unaudited 31 March 2018	Audited 30 June 2017			Unaudited 31 March 2018	Audited 30 June 2017
(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	24,119,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	691,108	477,315
				1,284,596	1,070,803

- 6.2.1** The Company holds 16.64% shareholding in Altern Energy Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28' Investments in Associates', therefore it has been treated as an associate as per IAS 28.
- 6.2.2** The Company holds 21.93% shareholding in Shakarganj Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28' Investments in Associates', therefore it has been treated as an associate as per IAS 28. During the period, the Company has further subscribed right shares issues made by the investee Company aggregating to 3.289 million ordinary shares for Rs. 213.791 million .
- 6.2.3** The fair value of investments in associates as at 31 March 2018 is Rs. 4,316.680 million (30 June 2017: Rs. 5,394.961 million).

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs.177.008 million (30 June 2017: Rs. 166.034 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited 31 March 2018	Audited 30 June 2017
	----- (Rupees in '000) -----	
Raw materials		
Hot rolled steel coils (HR Coil)	206,275	468,650
Coating materials	55,633	71,783
Others	70,390	69,347
Raw cotton	308,749	66
Stock-in-transit	-	1,587,601
	<u>641,047</u>	<u>2,197,447</u>
Work-in-process	11,610	85,524
Finished goods	198,706	394,107
Scrap / cotton waste	5,127	9,604
	<u>215,443</u>	<u>489,235</u>
	856,490	2,686,682

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

9. TRADE DEBTS

	Unaudited 31 March 2018	Audited 30 June 2017
	----- (Rupees in '000) -----	
Secured		
Considered good	5,325	611,744
Unsecured		
Considered good	110,705	51,927
Considered doubtful	17,566	21,640
Provision for doubtful trade debts	(17,566)	(21,640)
	<u>110,705</u>	<u>51,927</u>
	116,030	663,671

- 9.1 This includes following amount due from related parties:

Crescent Hadeed (Private) Limited	54,190	-
Shakarganj Energy (Private) Limited	26	12,526
	<u>54,216</u>	<u>12,526</u>

10. LOANS AND ADVANCES

Unaudited Audited
31 March 2018 30 June 2017
 ----- (Rupees in '000) -----

10.1 This includes loan due from following wholly owned subsidiaries:

Crescent Hadeed (Private) Limited	<i>10.1.1</i>	242,000	250,000
Shakarganj Energy (Private) Limited	<i>10.1.2</i>	90,600	115,000
		<u>332,600</u>	<u>365,000</u>

10.1.1 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company Crescent Hadeed (Private) Limited on 13 June 2017 for an amount of Rs. 250 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement ranged between 8.13% to 8.50% per annum (2017: Nil).

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

11. INVESTMENTS

Unaudited Audited
31 March 2018 30 June 2017
 ----- (Rupees in '000) -----

Available for sale	<i>11.1</i>	13,716	16,941
Held for trading		486,650	498,043
		<u>500,366</u>	<u>514,984</u>

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

- 11.2** Investments having an aggregate market value of Rs. 2,534.440 million (30 June 2017: Rs. 3,370.335 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 2,087.400 million (30 June 2017: Rs. 2,908.547 million) relates to long term investments.

12. MARK-UP ACCRUED

This represents mark-up receivable from the Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited amounting to Rs. 13,217.355 million (30 June 2017: Rs. 0.278 million) and Rs. 6,290.749 million (30 June 2017: Rs. 1.202 million) respectively (refer note 10).

13. OTHER RECEIVABLES

	Unaudited	Audited
	31 March 2018	30 June 2017
	----- (Rupees in '000) -----	
Dividend receivables	983	1,278
Receivable against rent from investment property	442	442
Claim receivable	1,256	1,863
Due from related parties	13.1 47,649	75,739
Retention money receivable	215,183	380,691
Sales tax refundable	90,569	248,573
Margin on letter of guarantee / letter of guarantee	15,359	18,219
Receivable from staff retirement benefits funds	1,012,349	1,014,310
Others	18,242	4,510
	<u>1,402,032</u>	<u>1,745,625</u>

13.1 Due from related parties

Shakarganj Limited	1,648	1,562
CS Capital (Private) Limited	1,038	211
Shakarganj Energy (Private) Limited	26,838	22,431
Crescent Hadeed (Private) Limited	6,547	39,993
Solution de Energy (Private) Limited	11,538	11,502
CSAP - Pension Fund	40	40
	<u>47,649</u>	<u>75,739</u>

14. LONG TERM LOANS

Secured - Under non-shariah arrangement

Allied Bank Limited	14.1 191,176	244,231
Saudi Pak Industrial and Agricultural Investment Company Limited	14.2 156,250	218,750
	<u>347,426</u>	462,981
Less: Current portion shown under current liabilities	154,408	140,500
	<u>193,018</u>	<u>322,481</u>

- 14.1** The Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 58.5 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

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

During the period, mark-up on such arrangements was 7.63% to 7.92% (2017: 7.53% to 7.60%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

- 14.2** The Company has a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of one year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. During the period, the Company has made repayment of Rs. 62.5 million. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.61% to 8.64% (2017: 8.48% to 8.86%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Company.

15. TRADE AND OTHER PAYABLES

		Unaudited 31 March 2018	Audited 30 June 2017
----- (Rupees in '000) -----			
Trade creditors		34,810	36,328
Bills payable		-	1,287,514
Commission payable		1,391	802
Customer's security deposits		1,550	1,550
Accrued liabilities		271,966	282,489
Advances from customers		19,596	46,280
Provisions		184,482	165,162
Due to related parties	15.1	490	-
Payable to provident fund		2,022	369
Retention money		2,366	4,699
Sales Tax payable		9,829	300
Withholding tax payable		2,627	2,689
Workers' Profit Participation Fund		35,150	2,772
Workers' Welfare Fund		13,652	20,849
Dividend payable		77,633	116,449
Unclaimed dividend		14,929	21,628
Others		17,354	12,010
		<u>689,847</u>	<u>2,001,890</u>

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

16. SHORT TERM BORROWINGS

		Unaudited 31 March 2018	Audited 30 June 2017
----- (Rupees in '000) -----			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	169,647	247,782
Short term loans	16.2	399,343	2,269,554
Secured from non-banking companies			
Short term finance under mark-up arrangements	16.5	700,786	-
		<u>1,269,776</u>	<u>2,517,336</u>

- 16.1** Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 850 million (30 June 2017: Rs. 850 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 50 million (30 June 2017: Rs 50 million) and Rs. 100 million (30 June 2017: Rs. 100 million) are interchangeable with letter of credit, finance against import material (FIM) and letter of guarantee facility respectively.

During the period, the mark-up on such arrangements ranged between 7.64% to 8.55% (2017: LYQ3 to 6.96%) per annum.

- 16.2** This includes an amount of Rs. Nil (30 June 2017: Rs. 402.5 million) outstanding under shariah complied financing arrangement. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,255 million (30 June 2017: Rs. 4,380 million) out of which Rs. 2,710 million (30 June 2017: Rs. 3,500 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 310 million (30 June 2017: Rs. 310 million) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.83% to 8.48% (2017: 0.00% to 7.76%) per annum.
- 16.3** The facilities for opening letter of credit amounted to Rs. 4,310 million (30 June 2017: Rs. 4,800 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 2,710 million (30 June 2017: Rs. 3,500 million) and Rs.210 million (30 June 2017: Rs. 410) 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 March 2018 amounted to Rs. 1,846 million (30 June 2017: Rs. 2,857 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2018 were Rs. 3,650 million and Rs. 63. million (30 June 2017: Rs. 761 million and Rs. 650 million) respectively.
- 16.4** The above facilities are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document (refer note 11.2). Further, above facilities (refer note 16.1, 16.2 and 16.3) are also secured against mortgage of land and building, hypothecation of plant and machinery and pledge of shares owned by Subsidiary Companies.
- 16.5** During the period, Company has issued commercial papers at discounted value to non-banking finance companies. The term of the loan is one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up is payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

- 17.2.1** As at 31 March 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 297.674 million (30 June 2017: Rs. 366.503 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2017: Rs. 22.906 million).
- 17.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Company against various contracts aggregated to Rs. 1,473 million (30 June 2017: Rs. 1,934 million).
- 17.2.3** Commitments in respect of capital expenditure contracted for as at 31 March 2018 amounted to Rs. 68.534 million (30 June 2017: Rs. 78.707 million) including Rs. 7.462 million (30 June 2017: Rs. 7.462 million) representing office premises located in Islamabad payable on completion of project.
- 17.2.4** Commitments under letters of credit (L/C) as at 31 March 2018 amounted to Rs. million (30 June 2017: Rs. 700.540 million).

18. SALES - NET

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Local sales				
Bare pipes	17,535	1,497,684	5,502,546	5,847,977
Pipe coating	26,485	112,553	742,977	1,009,336
Pre coated pipes	7,467	-	483,077	380,153
Cotton yarn / raw cotton	353,686	331,586	497,632	923,842
Others	49,097	9,591	165,277	67,973
Scrap / waste	107,333	59,768	257,653	169,949
Sales returns	-	-	-	(1,199)
	<u>561,603</u>	<u>2,011,182</u>	<u>7,649,162</u>	<u>8,398,031</u>
Export sales				
Fabric	-	7,399	13,120	32,967
	<u>561,603</u>	<u>2,018,581</u>	<u>7,662,282</u>	<u>8,430,998</u>
Sales tax	(28,801)	(242,611)	(1,037,762)	(1,074,385)
	<u>532,802</u>	<u>1,775,970</u>	<u>6,624,520</u>	<u>7,356,613</u>

19. INCOME FROM INVESTMENTS - NET

Dividend income	19.1	37,182	4,702	545,473	156,197
Gain / (loss) on sale of investments - net	19.2	-	434	(725)	7,597
Unrealized gain / (loss) on held for trading investments - net	19.3	44,824	10,730	(11,596)	92,804
Rent from investment properties	19.6	410	1,020	1,229	3,599
		<u>82,416</u>	<u>16,886</u>	<u>534,381</u>	<u>260,197</u>

19.1 This includes Rs. 532.121 million earned on investments in Shariah Compliant Investee Companies.

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

19.3 This includes Rs. 5.424 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealized loss amounting to Rs. 3.225 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant Investee Company was recognized in the other comprehensive income during the period.

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

19.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 2.247 million (2017: Rs.2.959 million) . Further, Rs. 0.378 million (2017: Rs. 0.782 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Exchange loss	466	(124)	13,072	2,433
Provision for:				
Workers' Profit Participation Fund	(2,345)	238	32,489	47,031
Workers' Welfare Fund	(1,049)	(1,483)	12,507	19,975
Other receivables	-	-	-	885
Liquidated damages	-	351	-	208,269
Slow moving stores, spares and loose tools	-	-	8,915	-
Liquidated damages	9,332	4,331	13,962	207,596
	<u>6,404</u>	<u>3,313</u>	<u>80,945</u>	<u>486,189</u>

21. OTHER INCOME

		Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----					
Mark-up on short term loan to subsidiary companies	21.1	6,015	-	19,229	-
Reversal of provision for diminution in the value of investments		-	-	-	100,561
Gain on disposal of operating fixed assets		23,019	75,475	24,638	75,475
Others		94,619	5,035	108,492	19,208
		<u>123,653</u>	<u>80,510</u>	<u>152,359</u>	<u>195,244</u>

21.1 This represents mark-up income earned on short term loan provided to Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited amounting to Rs. 12,938.711 million (2017: Rs. Nil) and Rs. 6,290.751 million (2017: Rs. Nil) respectively.

		Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----					
Mark-up on short term loans - Shariah arrangement		2,404	972	21,656	6,450
Interest on - Non - Shariah arrangement					
- finance lease obligations		2,131	2,703	7,152	8,733
- long term loans		7,461	8,826	24,806	28,856
- running finances / short term loans including commercial papers		25,293	16,695	128,587	75,653
Discounting of lease deposit		-	618	2,708	1,017
Bank charges		612	843	3,312	6,702
		<u>37,901</u>	<u>30,657</u>	<u>188,221</u>	<u>127,411</u>

22. FINANCE COSTS

23. TAXATION

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

24. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Profit for the period	<u>62,920</u>	<u>18,432</u>	<u>900,460</u>	<u>909,065</u>
----- (Number of shares) -----				
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
----- (Rupees) -----				
Basic and diluted earnings per share	<u>0.81</u>	<u>0.24</u>	<u>11.60</u>	<u>11.71</u>

25. CASH GENERATED FROM OPERATIONS

Unaudited
Nine months ended
31 March 2018 31 March 2017

----- (Rupees in '000) -----

Profit before taxation		1,107,858	1,184,282
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		78,594	74,787
Amortization of intangible assets		757	2,121
Charge for the period on staff retirement benefit funds		5,792	-
Dividend income		(545,473)	(156,197)
Unrealized loss / (gain) on held for trading investments - net		11,596	(92,804)
Loss / (gain) on sale of investments - net		725	(7,597)
Provision / (reversal) of provision for stores, spares and loose tools - net		8,915	(965)
(Reversal) provision for doubtful trade debts - net		(4,073)	(77)
Provision for Workers' Welfare Fund		12,507	19,975
Provision for Workers' Profit Participation Fund		32,489	47,031
Provision for liquidated damages		-	208,269
Reversal of diminution in the value of investments - net		-	(100,561)
Return on deposits and loan to wholly owned subsidiary companies		(19,959)	(684)
Gain on disposal of operating fixed assets		(24,638)	(75,475)
Deferred income		(3,269)	(3,710)
Discounting of long term deposit		2,708	-
Unwinding of discount on long term deposit		(11,888)	(11,139)
Liabilities written back		(23)	-
Finance costs		185,513	127,411
Working capital changes	25.1	1,427,249	342,387
		<u>2,265,380</u>	<u>1,557,054</u>
25.1 Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		(21,050)	(64,438)
Stock-in-trade		1,830,192	566,183
Trade debts		551,714	(504,234)
Advances		15,918	10,225
Trade deposits and short term prepayments		825	(256)
Other receivables		341,337	(356,261)
		<u>2,718,936</u>	<u>(348,781)</u>
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		(1,291,687)	691,168
		<u>1,427,249</u>	<u>342,387</u>
26. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(169,647)	(202,767)
Cash and bank balances		22,196	14,510
		<u>(147,451)</u>	<u>(188,257)</u>

27. SEGMENT REPORTING

27.1 Reportable segments

The Company's reportable segments are as follows:

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

Information regarding the Company's reportable segments presented below.

27.2 Segment revenues and results

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

For the nine months ended 31 March 2018	-----Unaudited-----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
Sales - net	6,107,985	516,535	-	6,624,520
Cost of sales	5,206,407	522,097	-	5,728,504
Gross profit / (loss)	901,578	(5,562)	-	896,016
Income from investments	-	-	534,381	534,381
	901,578	(5,562)	534,381	1,430,397
Distribution and selling expenses	7,385	5,490	-	12,875
Administrative expenses	163,038	16,511	13,308	192,857
Other operating expenses	80,165	761	19	80,945
	250,588	22,762	13,327	286,677
	650,990	(28,324)	521,054	1,143,720
Other income	133,511	18,848	-	152,359
Operating profit / (loss) before finance costs	784,501	(9,476)	521,054	1,296,079
Finance costs	174,637	3,455	10,129	188,221
Profit / (loss) before taxation	609,864	(12,931)	510,925	1,107,858
Taxation				207,398
Profit for the period				900,460

**For the nine months ended
31 March 2017**

	-----Unaudited-----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
Sales - net	6,386,218	970,395	-	7,356,613
Cost of sales	4,815,834	970,956	-	5,786,790
Gross profit / (loss)	1,570,384	(561)	-	1,569,823
Income from investments	-	-	260,197	260,197
	1,570,384	(561)	260,197	1,830,020
Distribution and selling expenses	10,064	12,865	-	22,929
Administrative expenses	166,814	22,910	14,729	204,453
Other operating expenses	485,242	7	940	486,189
	662,120	35,782	15,669	713,571
	908,264	(36,343)	244,528	1,116,449
Other income	81,696	12,987	100,561	195,244
Operating profit / (loss) before finance costs	989,960	(23,356)	345,089	1,311,693
Finance costs	116,297	6,002	5,112	127,411
Profit / (loss) before taxation	873,663	(29,358)	339,977	1,184,282
Taxation				275,217
Profit for the period				909,065

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

27.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2017. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

27.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 18 to this condensed interim unconsolidated financial information.

27.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 5,693.456 million (2017: Rs. 6,035.776 million) of total Steel segment revenue of Rs. 6,107.985 million (2017: Rs. 6,386.218 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 473.461 (2017: Rs. 467.485 million) of total Cotton segment revenue of Rs. 516.535 million (2017: Rs. 970.395 million).

27.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Pakistan	532,802	1,768,571	6,611,400	7,323,646
South and North America	-	7,399	13,120	32,967
	<u>532,802</u>	<u>1,775,970</u>	<u>6,624,520</u>	<u>7,356,613</u>

27.5.2 All non-current assets of the Company as at 31 March 2018 and 30 June 2017 were located and operating in Pakistan.

27.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
As at 31 March 2018 - (Unaudited)				
Segment assets for reportable segments	3,939,993	739,854	3,798,625	8,478,472
Unallocated corporate assets				1,650,827
Total assets as per unconsolidated balance sheet				<u>10,129,299</u>
Segment liabilities for reportable segments	528,447	97,606	2,027	628,080
Unallocated corporate liabilities and deferred income				2,036,573
Total liabilities as per unconsolidated balance sheet				<u>2,664,653</u>
As at 30 June 2017 - (Audited)				
Segment assets for reportable segments	6,894,855	402,775	3,545,012	10,842,642
Unallocated corporate assets				1,336,946
Total assets as per unconsolidated balance sheet				<u>12,179,588</u>
Segment liabilities for reportable segments	1,781,677	79,067	2,206	1,862,950
Unallocated corporate liabilities and deferred income				3,496,921
Total liabilities as per unconsolidated balance sheet				<u>5,359,871</u>

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

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

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

27.7 Other segment information

	-----Unaudited-----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
For the nine months ended				
31 March 2018				
Capital expenditure	66,428	26,438	2,394	95,260
Depreciation and amortization	52,999	23,812	2,540	79,351
Non-cash items other than depreciation and amortization - net	186,113	(12,400)	(522,791)	(349,078)
For the nine months ended				
31 March 2017				
Capital expenditure	161,023	4,745	(52,420)	113,348
Depreciation and amortization	42,027	31,217	3,664	76,908
Non-cash items other than depreciation and amortization - net	309,938	(4,469)	(351,992)	(46,523)

28. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries and associated companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transactions with related parties are under agreed terms / contractual arrangements.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months ended 31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	31,245	25,742
		Sale of finished goods	225,233	122,807
		Share deposit money	35,446	14,160
		Right shares subscribed	-	339,637
		Short term loan provided	686,500	-
		Short term loan repayment	694,500	-
		Mark-up income	12,939	-
		CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses
Shakarganj Energy (Private) Limited	Subsidiary company	Share deposit money	-	80,000
		Transfer of Pressure reducing desuper heating system	3,249	-
		Short term loan provided	89,600	-
		Short term loan repayment	114,000	-
		Mark-up income	6,291	-
		Reimbursable expenses	5,431	315

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months ended	
			31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	<u>36</u>	<u>2,417</u>
Altern Energy Limited	Associated company	Dividend received	<u>483,803</u>	<u>140,907</u>
Shakarganj Limited	Associated company	Dividend Paid	<u>675</u>	<u>4,848</u>
		Dividend received	<u>34,261</u>	<u>-</u>
		Sales of finished goods	<u>618</u>	<u>70</u>
		Services received	<u>1,032</u>	<u>858</u>
		Reimbursable expenses	<u>1,117</u>	<u>720</u>
		Right shares subscribed	<u>213,791</u>	<u>-</u>
		Central Depository Company of Pakistan Limited *	Related party	Services received
	Dividend received	<u>5,032</u>		<u>550</u>
The Citizens' Foundation *	Related party	Donation given	<u>15,201</u>	<u>34,306</u>
CSAP Foundation *	Related party	Donation given	<u>1,000</u>	<u>760</u>
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	<u>3</u>	<u>3</u>
Crescent Cotton Mills Limited *	Related party	Dividend paid	<u>1</u>	<u>63</u>
Premier Insurance Limited *	Related party	Insurance premium	<u>7,332</u>	<u>13,365</u>
		Dividend paid	<u>549</u>	<u>507</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,458</u>	<u>1,202</u>
		Dividend paid	<u>281</u>	<u>262</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>1,637</u>	<u>2,851</u>
		Dividend paid	<u>5,517</u>	<u>5,149</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>4,265</u>	<u>7,545</u>
		Dividend paid	<u>12,113</u>	<u>11,306</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>6,598</u>	<u>3,980</u>
		Dividend paid	<u>3,126</u>	<u>2,916</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>10,000</u>
Key management personnel	Related parties	Dividend paid	<u>136</u>	<u>22</u>
		Remuneration and benefits	<u>79,468</u>	<u>72,252</u>
Directors and their spouse	Related parties	Dividend paid	<u>191</u>	<u>4,659</u>
		Meeting fee	<u>3,455</u>	<u>2,500</u>

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

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

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

31 March 2018 (Un-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	500,366	-	-	500,366	500,366	-	-	500,366
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
- associates	1,284,596	-	-	1,284,596	4,316,680	-	-	4,316,680
Deposits	-	207,869	-	207,869	-	-	-	-
Trade debts	-	116,030	-	116,030	-	-	-	-
Loan to subsidiaries	-	332,600	-	332,600	-	-	-	-
Mark-up accrued	-	19,508	-	19,508	-	-	-	-
Other receivables	-	299,114	-	299,114	-	-	-	-
Bank balances	-	21,391	-	21,391	-	-	-	-
	1,463,542	996,512	-	2,460,054	4,316,680	-	-	4,316,680
Financial liabilities not measured at fair value								
Long term loans								
-	-	-	347,426	347,426	-	-	-	-
Liabilities against assets subject to finance lease								
-	-	-	109,329	109,329	-	-	-	-
Trade and other payables								
-	-	-	424,511	424,511	-	-	-	-
Mark-up accrued								
-	-	-	12,689	12,689	-	-	-	-
Short term borrowings								
-	-	-	1,269,776	1,269,776	-	-	-	-
	-	-	2,163,731	2,163,731	-	-	-	-

30 June 2017 (Audited)

	Carrying amount			Fair value				
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
On-balance sheet Financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	514,984	-	-	514,984	514,984	-	-	514,984
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
- associates	1,070,803	-	-	1,070,803	-	-	-	-
Deposits	-	193,790	-	193,790	-	-	-	-
Trade debts	-	663,671	-	663,671	-	-	-	-
Loan to subsidiaries	-	365,000	-	365,000	-	-	-	-
Mark-up accrued	-	1,480	-	1,480	-	-	-	-
Other receivables	-	482,742	-	482,742	-	-	-	-
Bank balances	-	28,157	-	28,157	-	-	-	-
	1,249,749	1,734,840	-	2,984,589	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans								
-	-	-	462,981	462,981	-	-	-	-
Liabilities against assets subject to finance lease								
-	-	-	105,306	105,306	-	-	-	-
Trade and other payables								
-	-	-	1,763,838	1,763,838	-	-	-	-
Mark-up accrued								
-	-	-	27,892	27,892	-	-	-	-
Short term borrowings								
-	-	-	2,517,336	2,517,336	-	-	-	-
	-	-	4,877,353	4,877,353	-	-	-	-

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

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

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

30. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 26 April 2018.



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION


FOR THE NINE MONTHS ENDED 31 MARCH 2018


Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Balance Sheet

As at 31 March 2018

	Note	Unaudited 31 March 2018 ----- (Rupees in '000) -----	Audited 30 June 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,551,747	2,565,370
Intangible assets		128,876	129,226
Investment properties		50,316	54,071
Investment in equity accounted investees	6	2,930,855	3,291,606
Other long term investments		220,717	220,717
Long term deposits	7	210,367	194,535
		6,092,878	6,455,525
Current assets			
Stores, spares and loose tools		208,425	191,208
Stock-in-trade	8	1,253,742	3,384,752
Trade debts	9	315,389	890,794
Advances	10	168,275	21,187
Trade deposits and short term prepayments		42,884	56,860
Investments	11	1,177,515	1,201,262
Mark-up accrued		55	132
Other receivables	12	1,522,250	1,774,364
Taxation - net		1,168,658	748,526
Cash and bank balances		29,847	85,629
		5,887,040	8,354,714
Total assets		11,979,918	14,810,239
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			
		1,191,207	1,242,763
Revenue reserves			
		6,443,149	6,582,279
		8,410,681	8,601,367
Non-current liabilities			
Long term loans	13	193,018	322,481
Liabilities against assets subject to finance lease		74,421	63,606
Deferred income		6,804	7,471
Deferred taxation		379,744	410,253
		653,987	803,811
Current liabilities			
Trade and other payables	14	998,829	2,282,916
Mark-up accrued		18,246	31,631
Short term borrowings	15	1,704,161	2,904,166
Current portion of long term loans	13	154,408	140,500
Current portion of liabilities against assets subject to finance lease		34,908	41,700
Current portion of deferred income		4,698	4,148
		2,915,250	5,405,061
Contingencies and commitments	16		
Total equity and liabilities		11,979,918	14,810,239

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


Chief Executive


Director


Chief Financial Officer

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

For the quarter and nine months ended 31 March 2018

	Note	Quarter ended		Nine months ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----					
Sales - net	17	1,526,322	2,600,273	8,647,892	8,755,436
Cost of sales		1,535,673	2,590,030	7,909,858	7,317,413
Gross (loss) / profit		(9,351)	10,243	738,034	1,438,023
Income from investments	18	139,516	36,189	72,784	237,200
		130,165	46,432	810,818	1,675,223
Distribution and selling expenses		4,325	7,745	14,086	23,816
Administrative expenses		80,999	66,139	217,674	217,720
Other operating expenses	19	8,112	3,863	84,998	487,258
		93,436	77,747	316,758	728,794
		36,729	(31,315)	494,060	946,429
Other income		119,326	82,786	138,475	98,694
Operating profit before finance costs		156,055	51,471	632,535	1,045,123
Finance costs	20	45,571	35,052	210,641	139,076
Share of (loss) / profit in equity accounted investees - net of taxation		(62,667)	147,940	(116,045)	270,845
Profit before taxation		47,817	164,359	305,849	1,176,892
Taxation - current	21	(8,751)	(19,548)	222,375	311,803
- prior		-	(67)	807	1,741
- deferred		8,922	24,502	(30,509)	(12,697)
		171	4,887	192,673	300,847
Profit for the period		47,646	159,472	113,176	876,045
----- (Rupees) -----					
Basic and diluted earnings per share	22	0.61	2.05	1.46	11.28

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the quarter and nine months ended 31 March 2018

	Quarter ended		Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Profit for the period	47,646	159,472	113,176	876,045
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Unrealized appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	3,002	55,579	(45,501)	106,760
Proportionate share of other comprehensive income / (loss) of equity accounted investees	154	1,434	(6,055)	(16,143)
Other comprehensive income for the period	3,156	57,013	(51,556)	90,617
Total comprehensive income for the period	50,802	216,485	61,620	966,662

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



Chief Executive



Director



Chief Financial Officer

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

For the nine months ended 31 March 2018

	Note	Nine months ended	
		31 March 2018	31 March 2017
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	23	2,286,950	1,590,944
Taxes paid		(663,018)	(548,628)
Finance costs paid		(215,436)	(137,100)
Contribution to gratuity and pension funds		(3,831)	(11,604)
Contribution to Workers' Profit Participation Fund		(111)	-
Long term deposits - net		(6,652)	(1,504)
Net cash generated from operating activities		<u>1,397,902</u>	<u>892,108</u>
Cash flows from investing activities			
Capital expenditure		(152,817)	(200,738)
Acquisition of intangible assets		-	(22,145)
Proceeds from disposal of operating fixed assets		47,413	99,264
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		14,995	30,889
Investments - net		(318,335)	(21,301)
Dividend income received		603,773	185,300
Interest income received		2,369	1,589
Net cash generated from investing activities		<u>197,398</u>	<u>72,858</u>
Cash flows from financing activities			
Repayment of long term loan - net		(115,555)	(39,919)
Payments against finance lease obligations		(37,486)	(49,034)
Repayments against short term loans obtained - net		(1,116,325)	(602,985)
Dividends paid		(297,820)	(280,761)
Net cash (used in) financing activities		<u>(1,567,186)</u>	<u>(972,699)</u>
Net increase / (decrease) in cash and cash equivalents		<u>28,114</u>	<u>(7,733)</u>
Cash and cash equivalents at beginning of the period		<u>(313,213)</u>	<u>(233,308)</u>
Cash and cash equivalents at end of the period	24	<u><u>(285,099)</u></u>	<u><u>(241,041)</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
 For the nine months ended 31 March 2018

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	Others *	General reserve	Unappropriated profit	
------(Rupees in '000)-----							
Balance as at 30 June 2016	776,325	1,020,908	22,120	96,108	2,642,000	2,761,730	7,319,191
Transfer to general reserves	-	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	876,045	876,045
Other comprehensive income							
<i>Total other comprehensive income for the period</i>	-	-	106,760	(16,143)	-	-	90,617
Total comprehensive income for the period	-	-	106,760	(16,143)	-	876,045	966,662
Transaction with owners							
Dividend:							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	-	(155,265)	(155,265)
Balance as at 31 March 2017	776,325	1,020,908	128,880	79,965	3,642,000	2,482,510	8,130,588
Balance as at 30 June 2017	776,325	1,020,908	136,800	85,055	3,642,000	2,940,279	8,601,367
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	113,176	113,176
Other comprehensive income							
<i>Total other comprehensive income for the period</i>	-	-	(45,501)	(6,055)	-	-	(51,556)
Total comprehensive income for the period	-	-	(45,501)	(6,055)	-	113,176	61,620
Transactions with Owners							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2017	-	-	-	-	-	(174,673)	(174,673)
- First interim @ 10% (i.e. Rs 1 per share) for the year ending 30 June 2018	-	-	-	-	-	-	-
						(77,633)	(77,633)
Balance as at 31 March 2018	776,325	1,020,908	91,299	79,000	3,642,000	2,801,149	8,410,681

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

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months ended 31 March 2018

1. THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; Shakarganj Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2** The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the repealed Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, SIDCO Avenue Centre, 264 R.A. Lines, Karachi.
- 1.3** Shakarganj Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted
- 1.4** CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5** Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Companies Act, 2017). The principal activity of the Subsidiary Company is to manufacture steel billets.
- 1.6** Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7** Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1** This condensed interim consolidated financial information of the Group for the nine months ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives of the repealed Companies Act, 2017 have been followed.
- 2.2** This condensed interim consolidated financial information of the Group does not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 30 June 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last consolidated financial statements.

2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

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

3. ACCOUNTING POLICIES

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2017.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Nine months ended 31 March 2018		Nine months ended 31 March 2017	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Land	-	-	56,757	-
Improvements on freehold land		-	31,352	-
Buildings on freehold land	19,654	-	64,034	22,013
Plant and machinery - owned	113,644	28,527	35,106	76,378
Plant and machinery - leased	24,353	41,951	30,889	-
Furniture and fittings	1,414	5	4,650	362
Electrical / office equipment and installation	6,440	13,591	6,565	-
Computers	2,183	-	4,476	1,053
Motor vehicles - owned	25,791	12,199	1,152	7,379
Motor vehicles - leased	-	-	1,024	-
	193,479	96,273	236,005	107,185

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 March 2018	Audited 30 June 2017			Unaudited 31 March 2018	Audited 30 June 2017
(Number of shares)				(Rupees in '000)	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,691,194	2,973,681
35,011,347	30,809,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1	239,661	317,925
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				2,930,855	3,291,606

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

Description	31 March 2018			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
----- Rupees in '000 -----				
Opening balance as at 30 June 2017	2,973,681	317,925	-	3,291,606
Share of profit / (loss) 6.2	229,684	(345,729)	-	(116,045)
Share of equity 6.2	(431)	(5,624)	-	(6,055)
Dividend received	(511,740)	-	-	(511,740)
Right shares subscribed	-	273,089	-	273,089
Closing balance as at 31 March 2018	2,691,194	239,661	-	2,930,855

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

6.2 These figures are based on financial statements / information of these companies as at 31 December 2018

6.3 Percentage of holding of equity in associates is as follows

		Unaudited 31 March 2018	Audited 30 June 2017
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

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

6.3.2 The Holding Company and the Subsidiary Company hold 21.93% and 6.08% respectively i.e. aggregate holding of 28.01% in the investee company. There is common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

6.4 The fair value of investments in associates as at 31 March 2018 is Rs. 4,993.332 million (30 June 2017: Rs. 6,230.699 million).

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 177.008 million (30 June 2017: Rs. 166.034 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited	Audited
	31 March 2018	30 June 2017
	(Rupees in '000)	
Raw materials		
Hot rolled steel coils (HR Coil)	206,275	468,650
Coating materials	55,633	71,783
Remelting scrap	155,931	207,953
Others	140,283	96,625
Raw cotton	308,749	66
Bagasse	16,491	197,963
Stock-in-transit	2,916	1,832,515
	886,278	2,875,555
Work-in-process	11,610	85,524
Finished goods	350,727	414,069
Scrap / cotton waste	5,127	9,604
	367,464	509,197
	1,253,742	3,384,752

- 8.1** Stock in trade as at 31 March 2018 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Rs. 28.829 million (30 June 2017: Rs. 120.433 million) has been recognised in cost of goods sold.

9. TRADE DEBTS

	Unaudited	Audited
	31 March 2018	30 June 2017
	(Rupees in '000)	
Secured		
Considered good	5,325	611,744
Unsecured		
Considered good	310,064	279,050
Considered doubtful	20,113	24,187
Provision for doubtful trade debts	(20,113)	(24,187)
	310,064	279,050
	315,389	890,794

- 9.1** This includes an amount of Rs. 229.729 million (30 June 2017: Rs. 148.841 million) due from Shakarganj Limited - a related party.

10. ADVANCES

This includes amounting to Rs. 166.131 million (30 June 2017: Rs. 17.910 million) advances given to suppliers for goods and services.

11. INVESTMENTS

Unaudited Audited
31 March 2018 30 June 2017
(Rupees in '000)

Available for sale	<i>11.1</i>	193,494	238,996
Held for trading		959,021	950,766
Investment in term deposit receipts - Conventional		25,000	11,500
		<u>1,177,515</u>	<u>1,201,262</u>

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

11.2 Investments having an aggregate market value of Rs. 3,098.329 million (30 June 2017: Rs. 4,025.469 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which Rs. 2,205 million (30 June 2017: Rs. 3,057.767 million) relates to long term investments.

12. OTHER RECEIVABLES

Unaudited Audited
31 March 2018 30 June 2017
(Rupees in '000)

Dividend receivable		3,770	3,257
Provision there against		(885)	(885)
Dividend receivable		<u>2,885</u>	<u>2,372</u>
Receivable against sale of investments		<u>17,770</u>	<u>17,770</u>
Provision there against		<u>(17,770)</u>	<u>(17,770)</u>
Receivable against sale of investments		-	-
Receivable against rent from investment property		442	442
Claim receivable		1,256	1,863
Due from related parties	<i>12.1</i>	40	40
Retention money receivable		215,183	380,691
Sales tax refundable		253,449	348,872
Margin on letter of credit and guarantee		18,404	21,264
Receivable from staff retirement benefits funds		1,012,349	1,014,310
Others		18,242	4,510
		<u>1,522,250</u>	<u>1,774,364</u>

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

13. LONG TERM LOANS - Under non-shariah arrangement

	Unaudited	Audited
	31 March 2018	30 June 2017
	----- (Rupees in '000) -----	
Secured		
Allied Bank Limited	<i>13.1</i>	244,231
Saudi Pak Industrial and Agricultural Investment Company Limited	<i>13.2</i>	218,750
	347,426	462,981
Less: Current portion shown under current liabilities	154,408	140,500
	193,018	322,481

13.1 The Holding Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 58.5 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. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period, mark-up on such arrangements was 7.63% to 7.92% (2017: 7.53% to 7.60%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

13.2 The Holding Company has a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of one year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. During the period, the Holding Company has made repayment of Rs. 62.5 million. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.61% to 8.64% (2017: 8.48% to 8.86%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Holding Company.

14. TRADE AND OTHER PAYABLES

Unaudited Audited
31 March 2018 30 June 2017
----- (Rupees in '000) -----

Trade creditors		227,252	137,621
Bills payable		-	1,365,239
Commission payable		1,391	802
Customer's security deposits		2,150	2,150
Accrued liabilities		298,274	307,065
Advances from customers		19,596	46,280
Provisions		195,070	172,616
Due to related parties	<i>14.1</i>	2,587	1,726
Payable against purchase of investments		75	
Payable to provident fund		2,022	369
Retention money		2,366	4,699
Sales tax payable		47,390	28,488
Withholding tax payable		5,482	13,725
Advance income tax		34,771	26,746
Workers' Profit Participation Fund		35,150	2,772
Workers' Welfare Fund		13,652	20,849
Dividend payable		77,633	116,449
Unclaimed dividend		14,929	21,628
Others		19,039	13,692
		998,829	2,282,916

14.1 This represents amount due to Premier Insurance Limited and Sharakganj Limited amounting to Rs. 0.490 million (2017: Rs. 1.726 million) and Rs. 2.097 million (2017: Nil).

15. SHORT TERM BORROWINGS

Unaudited Audited
31 March 2018 30 June 2017
----- (Rupees in '000) -----

Secured from banking companies

Running finances under mark-up arrangements		314,946	398,626
Short term loans	<i>15.2</i>	688,429	2,505,540

Secured from non-banking companies

Short term finance under mark-up arrangements		700,786	-
		1,704,161	2,904,166

15.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,050 million (30 June 2017: Rs. 1,050 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 100 million (30 June 2017: Rs. 100 million) are interchangeable with letter of credit, finance against import margin (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.64% to 8.55% (2017: 6.96% to 8.55%) per annum.

15.2 This includes an amount of Rs. 209.9 million (30 June 2017: Rs. 402.5 million) outstanding under shariah compliant financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 3,805 million (30 June 2017: Rs. 4,380 million) out of which Rs. 3,260 million (30 June 2017: Rs. 3,500 million), Rs. 50 million (30 June 2017: Rs. 50 million) and Rs. 310 million (30 June 2017: Rs. 310 million) are interchangeable with letters of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.83% to 8.48% (2017: 7.76% to 8.51%) per annum.

- 15.3** The facilities for opening letters of credit amounted to Rs. 4,860 million (30 June 2017: Rs. 5,350 million) out of which Rs. 250 million (30 June 2017: Rs. 250 million), Rs. 3,260 million (30 June 2017: Rs. 3,500 million) and Rs. 210 million (30 June 2017: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 March 2018 amounted to Rs. 1,874 million (30 June 2017: Rs. 2,897 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2018 were Rs. 3,980 million and Rs. 63 million (30 June 2017: Rs. 930 million and Rs. 652 million) respectively.
- 15.4** The above facilities (refer note 15.1 to 15.3) are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.2) and cotton / cotton yarn; and lien over import / export document.
- 15.5** During the period, the Holding Company has issued commercial papers at discounted value to non-banking finance companies. The term of the loan is one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up is payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

16.2 Commitments

- 16.2.1** As at 31 March 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 297.674 million (30 June 2017: Rs. 366.503 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2017: Rs. 22.906 million).
- 16.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,501 million (30 June 2017: Rs. 1,972 million).
- 16.2.3** Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 March 2018 amounted to Rs. 68.534 million (30 June 2017: Rs. 79.631 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.
- 16.2.4** Commitments under letters of credit as at 31 March 2018 amounted to Rs. 189.237 million (30 June 2017: Rs. 767.334 million).

17. SALES - net	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Local sales				
Bare pipes	17,535	1,497,684	5,502,546	5,847,977
Steel billets	1,014,572	560,497	2,372,063	1,120,946
Pipe coating	26,485	112,553	742,977	1,009,336
Pre coated pipes	7,467	-	483,077	380,153
Cotton yarn / raw cotton	353,686	331,586	497,632	923,842
Electricity sales	136,049	226,390	140,218	308,434
Steam Sales	124,742	191,417	124,742	314,012
Others	31,792	7,091	141,262	63,169
Scrap / waste	11,695	11,484	11,992	31,069
Sales returns	-	-	-	(1,199)
	<u>1,724,022</u>	<u>2,938,702</u>	<u>10,016,508</u>	<u>9,997,739</u>
Export sales				
Fabric	-	7,399	13,120	32,967
	<u>1,724,022</u>	<u>2,946,101</u>	<u>10,029,628</u>	<u>10,030,706</u>
Sales tax	(197,700)	(345,828)	(1,381,736)	(1,275,270)
	<u>1,526,322</u>	<u>2,600,273</u>	<u>8,647,892</u>	<u>8,755,436</u>

18. INCOME FROM INVESTMENTS

Dividend income	18.1	51,060	10,696	92,546	39,322
Unrealized gain on commodity		-	-	-	286
(Loss) / gain on sale of investments - net	18.2	(9)	3,189	(4,039)	20,382
Unrealized gain / (loss) on held for trading investments	18.3	87,155	20,384	(19,452)	170,911
Rent from investment property	18.6	1,310	1,920	3,729	6,299
		<u>139,516</u>	<u>36,189</u>	<u>72,784</u>	<u>237,200</u>

18.1 This includes Rs. 74.311 million earned on investments in Shariah Compliant Investee Companies.

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

18.3 This includes Rs. 11.909 million on investment in Shariah Compliant Investee Companies.

18.4 Unrealized loss amounting to Rs. 45.501 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant Investee Company was recognized in the other comprehensive income during the period.

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

18.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 4.298 million (2017: Rs.2.959 million) . Further, Rs. 0.378 million (2017: Rs. 0.782 million) were incurred against non rented out area.

19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Exchange loss	2,174	475	17,125	3,522
Provision for:				
Workers' Profit Participation Fund	(2,345)	238	32,489	47,031
Workers' Welfare Fund	(1,049)	(1,532)	12,507	19,955
Other receivables	-	-	-	885
Liquidated damages	-	351	-	208,269
Slow moving stores, spares and loose tools	-	-	8,915	-
Liquidated damages	9,332	4,331	13,962	207,596
	<u>8,112</u>	<u>3,863</u>	<u>84,998</u>	<u>487,258</u>

20. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	1,394	972	29,158	6,450
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,131	2,703	7,152	8,733
- long term loan	7,461	8,826	24,806	28,856
- running finances / short term loans	33,723	20,955	143,284	86,927
Workers' Profit Participation Fund	-	-	-	-
Discounting of lease deposit	-	618	2,708	1,017
Bank charges	862	978	3,533	7,093
	<u>45,571</u>	<u>35,052</u>	<u>210,641</u>	<u>139,076</u>

21. TAXATION

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

22. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Profit for the period	<u>47,646</u>	<u>159,472</u>	<u>113,176</u>	<u>876,045</u>
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	(Rupees)		(Rupees)	
Basic and diluted earnings per share	<u>0.61</u>	<u>2.05</u>	<u>1.46</u>	<u>11.28</u>

23. CASH GENERATED FROM OPERATIONS

	Unaudited	
	Nine months ended	
	31 March 2018	31 March 2017
	----- (Rupees in '000) -----	
Profit before taxation for the period	305,849	1,176,892
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment properties	170,216	153,162
Amortization of intangible assets	2,806	4,170
Charge for the period on staff retirement benefit funds	6,434	-
Charge for compensated absences	-	-
Provision for 10-C bonus	-	-
Dividend income	(92,547)	(39,322)
Unrealized loss / (gain) on held for trading investments - net	19,452	(170,911)
Loss / (gain) on sale of investments - net	4,039	(20,382)
Unrealized gain on commodity - Silver	-	(286)
Provision / (reversal of provision) for stores, spares and loose tools - net	8,915	(965)
Reversal of provision for doubtful trade debts - net	(4,073)	(77)
Provision for Workers' Welfare Fund	12,507	19,955
Provision for Workers' Profit Participation Fund	32,489	47,031
Provision for liquidated damages	-	208,269
Return on deposits	(1,090)	(1,673)
Gain on disposal of operating fixed assets	(24,638)	(75,475)
Deferred income	(3,269)	(3,710)
Discounting on long term deposit	2,708	-
Unwinding of discount on long term deposit	(11,888)	(12,462)
Liabilities written back	(23)	-
Finance costs	207,938	139,076
Share of loss / (profit) from equity accounted investees - net of taxation	116,045	(270,845)
Working capital changes	1,535,080	438,497
	2,286,950	1,590,944

23.1

23.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(26,130)	(71,798)
Stock-in-trade	2,131,008	299,534
Trade debts	579,420	(242,709)
Advances	(147,372)	(36,596)
Trade deposits and short term prepayments	11,235	(8,892)
Other receivables	258,095	(366,954)
	2,806,256	(427,415)

(Decrease) / increase in current liabilities

Trade and other payables	(1,271,176)	865,912
	1,535,080	438,497

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(314,946)	(330,818)
Cash and bank balances	29,847	89,777
	(285,099)	(241,041)

25. SEGMENT REPORTING

25.1 Reportable segments

The Group's reportable segments are as follows:

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

Information regarding the Group's reportable segments presented below.

25.2 Segment revenues and results

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

For the nine months ended 31 March 2018	----- Unaudited -----					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
	----- (Rupees in '000) -----					
Sales - net	8,135,389	516,535	-	525,850	(529,882)	8,647,892
Cost of sales	7,202,570	522,097	-	597,415	(412,224)	7,909,858
Gross profit / (loss)	932,819	(5,562)	-	(71,565)	(117,658)	738,034
Income from investments	-	-	583,018	1,506	(511,740)	72,784
	932,819	(5,562)	583,018	(70,059)	(629,398)	810,818
Distribution and selling expenses	8,596	5,490	-	-	-	14,086
Administrative expenses	174,472	16,511	16,851	3,857	5,983	217,674
Other operating expenses	84,218	761	19	-	-	84,998
	267,286	22,762	16,870	3,857	5,983	316,758
	665,533	(28,324)	566,148	(73,916)	(635,381)	494,060
Other income	138,495	18,848	-	361	(19,229)	138,475
Operating profit / (loss) before finance costs	804,028	(9,476)	566,148	(73,555)	(654,610)	632,535
Finance costs	200,849	3,455	19,226	6,340	(19,229)	210,641
Share of (loss) / profit in equity accounted investees - net of taxation	-	-	(116,720)	675	-	(116,045)
Profit / (loss) before taxation	603,179	(12,931)	430,202	(79,220)	(635,381)	305,849
Taxation						192,673
Profit for the period						113,176

For the nine months ended
31 March 2017

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
----- (Rupees in '000) -----						
Sales - net	7,375,843	970,395	-	714,371	(305,173)	8,755,436
Cost of sales	5,931,249	970,956	-	733,121	(317,913)	7,317,413
Gross profit / (loss)	1,444,594	(561)	-	(18,750)	12,740	1,438,023
Income from investments	-	-	237,200	-	-	237,200
	1,444,594	(561)	237,200	(18,750)	12,740	1,675,223
Distribution and selling expenses	10,951	12,865	-	-	-	23,816
Administrative expenses	175,201	22,910	18,336	1,273	-	217,720
Other operating expenses	486,331	7	13,394	-	(12,474)	487,258
	672,483	35,782	31,730	1,273	(12,474)	728,794
	772,111	(36,343)	205,470	(20,023)	25,214	946,429
Other income	184,108	12,987	-	2,160	(100,561)	98,694
Operating profit / (loss) before finance costs	956,219	(23,356)	205,470	(17,863)	(75,347)	1,045,123
Finance costs	121,577	6,002	11,434	63	-	139,076
Share of profit in equity accounted investees - net of taxation	-	-	269,909	936	-	270,845
Profit / (loss) before taxation	834,642	(29,358)	463,945	(16,990)	(75,347)	1,176,892
Taxation						300,847
Profit for the period						876,045

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

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

25.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended 30 June 2017. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 7,524.540 million (2017: Rs. 6,652.830 million) of total Steel segment revenue of Rs. 8,135.389 million (2017: Rs. 7,375.843 million). Revenue from major customer of Cotton segment represent an aggregate amount of Rs. 473.461 million (2017: Rs. 467.485 million) of total Cotton segment revenue of Rs. 516.535 (2017: Rs. 970.395 million). Revenue from major customers of Energy segment represent an aggregate amount of Rs. 525.850 million (2017: Rs. 714.371 million) of total Energy segment revenue of Rs. 525.850 million (2017: Rs. 714.371 million).

25.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Pakistan	1,526,322	2,592,874	8,634,772	8,722,469
South and North America	-	7,399	13,120	32,967
	1,526,322	2,600,273	8,647,892	8,755,436

25.5.2 All non-current assets of the Group as at 31 March 2018 and 30 June 2017 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Energy segment	Total
	----- (Rupees in '000) -----				
As at 31 March 2018 - Unaudited					
Segment assets for reportable segments	4,423,979	738,199	1,459,523	1,166,398	7,788,099
Investment in equity accounted investees	-	-	2,673,678	257,177	2,930,855
Unallocated corporate assets					<u>1,260,964</u>
Total assets as per consolidated balance sheet					<u>11,979,918</u>
Segment liabilities for reportable segments	958,234	99,772	151,075	170,743	1,379,824
Unallocated corporate liabilities and deferred income					<u>2,189,413</u>
Total liabilities as per consolidated balance sheet					<u>3,569,237</u>
As at 30 June 2017 - Audited					
Segment assets for reportable segments	7,408,016	399,943	1,497,559	1,278,504	10,584,022
Investment in equity accounted investees	-	-	3,033,910	257,696	3,291,606
Unallocated corporate assets					<u>934,611</u>
Total assets as per consolidated balance sheet					<u>14,810,239</u>
Segment liabilities for reportable segments	2,174,424	79,066	156,672	124,383	2,534,545
Unallocated corporate liabilities and deferred income					<u>3,674,327</u>
Total liabilities as per consolidated balance sheet					<u>6,208,872</u>

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

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

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

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

25.7 Other segment information

	----- Unaudited -----				
	Steel segment	Cotton segment	IID segment	Energy segment	Total
	----- (Rupees in '000) -----				
For the nine months ended					
31 March 2018					
Capital expenditure	73,532	26,438	2,394	38,411	140,775
Depreciation and amortization	96,415	22,845	3,821	49,941	173,022
Non-cash items other than depreciation and amortization	219,312	(12,400)	67,122	(1,035)	272,999
For the nine months ended					
31 March 2017					
Capital expenditure	240,636	4,745	(52,420)	7,777	200,738
Depreciation and amortization	79,223	31,217	5,520	41,372	157,332
Non-cash items other than depreciation and amortization	317,674	(4,253)	(489,311)	(3,020)	(178,910)

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associates, directors, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transactions with parties are under agreed terms / contractual arrangements. Transactions between the Holding Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months ended	
			31 March 2018	31 March 2017
----- (Rupees in '000) -----				
Altern Energy Limited	Associated company	Dividend received	<u>483,803</u>	<u>140,907</u>
Shakarganj Limited	Associated company	Dividend paid	<u>675</u>	<u>4,848</u>
		Dividend received	<u>34,261</u>	<u>-</u>
		Sale of finished goods	<u>227,079</u>	<u>532,075</u>
		Services received	<u>6,826</u>	<u>1,118</u>
		Reimbursable expenses	<u>1,117</u>	<u>4,419</u>
		Raw material purchases	<u>222,897</u>	<u>720,296</u>
		Sale of assets	<u>-</u>	<u>197</u>
		Purchase of stores	<u>421</u>	<u>-</u>
		Sale of stores	<u>130</u>	<u>-</u>
		Purchase of assets	<u>-</u>	<u>3,973</u>
		Right shares subscribed	<u>273,089</u>	<u>-</u>
Central Depository Company of Pakistan Limited *	Related party	Services received	<u>1,385</u>	<u>569</u>
		Dividend received	<u>5,032</u>	<u>550</u>
The Citizens' Foundation *	Related party	Donation given	<u>15,201</u>	<u>34,306</u>
CSAP Foundation *	Related party	Donation given	<u>1,000</u>	<u>760</u>
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	<u>3</u>	<u>3</u>
Premier Insurance Limited *	Related party	Insurance premium	<u>7,332</u>	<u>13,365</u>
		Dividend paid	<u>549</u>	<u>507</u>
Crescent Cotton Mills Limited *	Related party	Dividend paid	<u>1</u>	<u>63</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>10,000</u>
		Dividend paid	<u>136</u>	<u>22</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,458</u>	<u>1,202</u>
		Dividend paid	<u>281</u>	<u>262</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>1,637</u>	<u>2,851</u>
		Dividend paid	<u>5,517</u>	<u>5,149</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>4,265</u>	<u>7,545</u>
		Dividend paid	<u>12,113</u>	<u>11,306</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>6,598</u>	<u>3,980</u>
		Dividend paid	<u>3,126</u>	<u>2,916</u>
Key management personnel	Related parties	Remuneration and benefits	<u>79,468</u>	<u>72,252</u>
		Dividend paid	<u>907</u>	<u>332</u>
Directors and their spouse	Related parties	Dividend paid	<u>191</u>	<u>4,659</u>
		Meeting fee	<u>3,455</u>	<u>2,500</u>

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

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

27. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

	31 March 2018 (Unaudited)							
	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	1,152,515	-	-	1,152,515	1,152,515	-	-	1,152,515
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- equity	2,930,855	-	-	2,930,855	-	-	-	-
- term deposit receipt	25,000	-	-	25,000	-	-	-	-
Deposits		244,100		244,100				
Trade debts	-	315,389	-	315,389	-	-	-	-
Other receivables	-	256,452	-	256,452	-	-	-	-
Bank balances	-	28,552	-	28,552	-	-	-	-
	3,176,572	844,493	-	4,021,065	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	347,426	347,426	-	-	-	-
Liabilities against assets subject to finance lease	-	-	109,329	109,329	-	-	-	-
Trade and other payable	-	-	647,718	647,718	-	-	-	-
Mark-up accrued	-	-	18,246	18,246	-	-	-	-
Short term borrowings	-	-	1,704,161	1,704,161	-	-	-	-
	-	-	2,826,880	2,826,880	-	-	-	-

30 June 2017 (Audited)

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

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

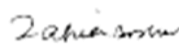
Investment property fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value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

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 26 April 2018.



Chief Executive



Director



Chief Financial Officer

ڈائریکٹرز کا جائزہ

محترم حصص داران،

مجھے، 31 مارچ، 2018 کو ختم ہونے والی ششماہی کے لیے کمپنی اور گروپ کی علیحدہ علیحدہ غیر آڈٹ شدہ، غیر مربوط اور مربوط عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

معاشی منظر نامہ

برآمدات، لارج اسکیل مینوفیکچرنگ اور نجی شعبہ کی طرف سے بینک کریڈٹ آف ٹیک میں نظر آنے والے اضافہ کی وجہ سے قلیل مدت کے دوران معیشت میں افزائش مستحکم رہی۔ حال ہی میں کرنسی کی قدر میں کمی اور برآمدی ٹیکس، توازن ادائیگی کی پوزیشن کے لیے موافق ثابت ہوا، جس سے 9MFY18 میں برآمدات 13.14 فیصد بڑھ گئیں جب کہ پچھلے سال کی اسی مدت میں 3.06 فیصد کمی ہوئی تھی۔ لارج اسکیل مینوفیکچرنگ سیکٹر میں، جس پر 80 فیصد انحصار ہے 6.24 فیصد اضافہ ہوا جو 2017/18 کے رواں مالی سال کے لیے 6.3 فیصد کے ہدف کے مطابق ہے، جب کہ 9MFY18 میں ترسیلات زر میں 3.55 فیصد کا معتدل اضافہ ہوا۔ تاہم ملک کے خارجی کھاتے کی مشکلات قائم رہیں اور غیر ملکی زرمبادلہ کے ذخائر میں سال بہ سال کی بنیاد پر 28 فیصد کمی ہو رہی ہے جو صرف 2.2 ماہ کا درآمدی تحفظ فراہم کرتے ہیں۔

مالیاتی اور عملیاتی کارکردگی

مجموعی مالیاتی کارکردگی

31 مارچ، 2018 کو ختم ہونے والی مدت (9MFY18) کے غیر مربوط نتائج 9MFY17 کے نتائج کے تقریباً مطابق تھے، مالی سال جون 2017 کے اختتام پر اسٹیل ڈویژن کے لیے جو آرڈرز ہاتھ میں تھے، وہ زیر جائزہ مدت کے دوران مکمل کر لیے گئے۔ کمپنی کا بعد از ٹیکس منافع (پی اے ٹی) 900.5 ملین روپے رہا جبکہ یہ منافع پچھلے سال کی اس مدت میں 909.1 ملین روپے تھا۔ رواں مدت کے لیے فی شیئر آمدن (ای پی ایس) گزشتہ سال کی اسی مدت کے دوران 11.7 روپے کے مقابلہ میں 11.6 روپے رہی۔ کمپنی کا سیلز ریونیو 6,624.5 ملین روپے رہا۔ (9MFY17 میں یہ 7,356.6 ملین روپے تھا) جو زیادہ تر اسٹیل ڈویژن سے آمدنی کی عکاسی کرتا ہے۔ آئی آئی ڈی ڈویژن سے سرمایہ کاری پر منافع 534.4 ملین روپے رہا (9MFY17 میں یہ 260.2 ملین روپے تھا)۔

مجموعی منافع (جی پی) 896 ملین روپے رہا (9MFY17 میں 1,569.8 ملین روپے تھا)۔ اسٹیل ڈویژن نے 901.6 ملین روپے کا مجموعی منافع (9MFY17 میں 1,570.4 ملین روپے) جب کہ کاسٹن ڈویژن نے 5.5 ملین روپے کا مجموعی نقصان اٹھایا (9MFY17 -- مجموعی نقصان 0.1 ملین روپے)۔

کمپنی نے 1,107.9 ملین روپے کا قبل از ٹیکس منافع (پی بی ٹی) کمایا (9MFY17 میں 1,184.3 ملین روپے) اس مدت کے دوران اسٹیل ڈویژن کا پی بی ٹی 609.9 ملین روپے رہا (9MFY17 میں 873.7 ملین روپے) جب کہ کاسٹن ڈویژن کا قبل از ٹیکس خسارہ (ایل بی ٹی) 12.9 ملین روپے تھا (9MFY17 میں 29.4 ملین روپے کا ایل بی ٹی) آئی آئی ڈی ڈویژن نے 510 ملین روپے کا پی بی ٹی کمایا (9MFY17 میں 339.9 ملین روپے)

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

- ☆ سیلز ریونیو، 9MFY17 کے 7,356.6 ملین روپے کے مقابلہ میں کم ہو کر 6,624.5 ملین روپے رہا۔
- ☆ مجموعی منافع، 9MFY17 کے 1,569.8 ملین روپے کے مقابلہ میں کم ہو کر 856 ملین روپے رہا۔
- ☆ سرمایہ کاری سے منافع 9MFY17 کے 260.2 ملین روپے کے مقابلہ میں کم ہو کر 534.4 ملین روپے رہا۔
- ☆ دیگر آمدنی، پچھلے سال کی اسی مدت کے 195.2 ملین روپے سے کم ہو کر 152.4 ملین روپے رہی۔
- ☆ خالص منافع جو 9MFY17 میں 909.1 ملین روپے تھا، معمولی کمی کے ساتھ 900 ملین روپے رہا۔
- ☆ ای بی آئی ٹی، 9MFY17 کے 1,311.7 ملین روپے کے مقابلہ میں کم ہو کر 1,296.1 ملین روپے ہو گیا۔
- ☆ ای پی ایس، 9MFY17 کے 11.71 روپے کی طرز پر 11.6 روپے تھی۔
- ☆ رواں مدت کے لیے ایوریج کیپیٹل ایمپلائمنٹ (سالانہ) پریٹرن 18 فیصد رہا جب کہ گزشتہ سال کی اسی مدت کے دوران یہ 20 فیصد تھا۔
- ☆ فی شیئر بریک اپ ویلیو 30 جون، 2017 کی 84.4 روپے سے بڑھ کر 96.2 روپے ہو گئی۔

کاروباری شعبے

اسٹیل سیکٹیور

سیکٹیور کی کارکردگی

اسٹیل ڈویژن نے 609.9 ملین روپے کا قبل از ٹیکس منافع (پی بی ٹی) کمایا (9MFY17 میں 873.6 ملین روپے)

رواں مدت کے دوران 6,107.9 ملین روپے کا سلیس ریونیو حاصل کیا گیا، جو کہ 9MFY17 میں 6,386.2 ملین روپے تھا۔ مجموعی منافع (جی پی) 9MFY17 کے 1,570.4 ملین روپے کے مقابلے میں رواں مدت کے دوران 901.6 ملین روپے تھا۔ مجموعی منافع میں کمی کی بنیادی وجہ ہاٹ رولڈ کوائلز (ایچ آر سی) کی قیمتوں میں اضافہ تھا۔

انو-سٹیمینٹ اینڈ انفرانسٹرکچر ڈیولپمنٹ (آئی آئی ڈی) سیگمینٹ

اسٹاک مارکیٹ کا جائزہ

رواں مالی سال 2018 کی پہلی سہ ماہی میں ادائیگیوں کے توازن پر پاکستانی روپے کی قدر میں زبردستی کمی کے بعد پاکستان گلوبل ایکویٹی مارکیٹ کے لیے مخالف رجحان کی وجہ سے باعث حیرت رہا، کیونکہ انویسٹرز مدد کے لیے آئی ایم ایف کی بجائے چین اور خلیجی ملکوں کی طرف دیکھتے رہے۔

مالی سال 2018 کی تیسری سہ ماہی کے دوران KSE-100، 13 فیصد اضافہ کے ساتھ 45,560 پوائنٹس پر اختتام پذیر ہوا اور اپنی ہم رتہ رتہ تکینل مارکیٹس، سری لنکا (4% اضافہ)، چین (2% اضافہ)، انڈونیشیا (7% کمی) اور بھارت (7% کمی) سے آگے رہا۔ پاکستانی روپے کی قدر میں کمی نے اس مدت کے دوران ایسی کمی واقع ہونے کی عدم یقینی کو ختم کر ڈالا۔

غیر ملکی سرمایہ داروں نے کرنسی کی قدر میں کمی کا فائدہ اٹھاتے ہوئے 31 ملین امریکی ڈالر کی مالیت کے شیئرز خریدے، جب کہ 4QCY17 میں 65 ملین امریکی ڈالر کی مالیت کے شیئرز نکالے گئے تھے۔ ٹریڈنگ کی سرگرمی مضبوط رہی، QoQ بنیاد پر روزانہ اوسط مقدار 54 فیصد بڑھ گئی اور 4QCY17 میں 138 ملین شیئرز کے مقابلے میں 213 ملین شیئرز کا کاروبار ہوا۔

سیگمینٹ کی کارکردگی

31 مارچ 2018 کو ختم ہونے والی نومبر کی مدت کے دوران ڈویژن کے HFT سیگمینٹ نے 497.8 ملین روپے کی اوزانی اوسط انویسٹمنٹس پر 2.02 فیصد کا ROI حاصل کیا -- اس مدت کے دوران بیچ مارک KSE-100 انڈیکس 2.16 فیصد گر گیا۔ مجموعی بنیاد پر 6,065 ملین روپے کی مارکیٹ اینہل سیکورٹیز پورٹ فولیو ROI 12.65 فیصد رہا۔

31 مارچ 2018 کو ختم ہونے والے نومبر کے لیے پورٹ فولیو کا جمع شدہ منافع قبل از ٹیکس 510.9 ملین روپے تھا جب کہ 9MFY17

میں منافع قبل از ٹیکس 340 ملین روپے تھا جو پی بی ٹی ایکویٹی میں شمار کی گئی انویسٹمنٹس پر Altern میں 483.8 ملین روپے کے منافع منقسمہ کے مترادف ہے۔

انویسٹمنٹ پورٹ فولیو کی کلوزنگ پوزیشن 30 جون 2017 کو 5,909.9 ملین روپے کے مقابلے میں 4,817.0 روپے تھی۔

مالی لاگت سے قبل کا آپریٹنگ پرافٹ (EBIT)

مربوط بنیاد پر 632.5 ملین روپے رہا، (9MFY17 میں 1,042.1 ملین روپے) 9MFY18 کے لیے گروپ کا مربوط منافع بعد از ٹیکس اور ای پی ایس 113.2 ملین روپے اور 1.46 فی شیئر رہی جب کہ پچھلے سال کی اسی مدت کے دوران منافع بعد از ٹیکس 876 ملین روپے اور ای پی ایس 11.28 روپے فی شیئر رہی۔

اس مدت کے دوران سی ایس کیپیٹل (پرائیویٹ) لمیٹڈ (CS Capital) نے 29.6 ملین روپے کا خالص منافع کمایا (9MFY17 میں 90.3 ملین روپے کا خالص منافع)

اس عرصہ میں شکر گنج انرجی (پرائیویٹ) لمیٹڈ (SEL) کو 79.9 ملین روپے کا خسارہ ہوا (9MFY17 میں یہ خسارہ 18.1 ملین روپے تھا)۔ تیسری سہ ماہی (Q3FY18) کے لیے ریونیو اور منافع، بالترتیب 344.8 ملین اور 49.5 ملین روپے رہا۔

کریسنٹ حدید (پرائیویٹ) لمیٹڈ (CHL) کو 128.6 ملین روپے کا خسارہ ہوا (9MFY17 میں 139.9 ملین روپے کا خسارہ)۔

کمپنی کے غیر مربوط منافع کے مقابلے میں، گروپ نے بڑی حد تک کم منافع دکھایا۔ اس کی بڑی وجہ ایکویٹی اکاؤنٹنٹ انویسٹرز میں سرمایہ کاری سے ہونے والا 116 ملین روپے کا خالص نقصان (9MFY17 میں 270.8 ملین روپے کا منافع) اور AEL سے 511,740 ملین روپے کے ڈیویڈنڈ کا خاتمہ ہے۔ مکمل ملکیتی ذیلی اداروں کے خسارہ نے بھی گروپ کی کمتر کارکردگی میں کردار ادا کیا۔

مالیاتی پوزیشن

بیلنس شیٹ

کمپنی کی بیلنس شیٹ 30 جون، 2017 کو 12,810 ملین روپے کے مقابلے میں 31 مارچ، 2018 کو 10,129 ملین روپے رہی۔ فی شیئر بریک اپ ویلیو، جو 30 جون، 2017 کو 84.6 روپے تھی، بڑھ کر 96.2 روپے ہو گئی۔

31 مارچ، 2018 کے مطابق کرنٹ ریٹو 30 جون، 2017 کے 1.40:1 سے بڑھ کر 2.0:1 ہو گیا۔ گیسٹریگ ریٹو، جو 30 جون، 2017 کو 31 فیصد تھا 31 مارچ، 2018 کو کم ہو کر 18.6 فیصد ہو گیا۔

گروپ کی بنیاد پر مربوط بیلنس شیٹ 30 جون، 2017 کو 14,810 ملین روپے کے مقابلے میں 31 مارچ 2018 11,979 ملین روپے ہے۔ ٹوٹل شیئر ہولڈرز فنڈ 30 جون، 2017 کو 8,601.4 ملین روپے سے کم ہو کر 8,410.7 ملین روپے ہو گئے۔

مستقبل کا منظر نامہ

اقتصادی رابطہ کمیٹی کی طرف سے منصوبوں کی منظوری کے باعث بعض پراجیکٹس (RLNG III) میں تاخیر ہوئی، اس کے نتیجے میں تیسری سہ ماہی کے دوران ہمارا اسٹیبل پائپ پلانٹ رکارہا۔ تاہم، حال ہی میں ہمیں ایس این جی پی ایل کی طرف سے 24 انچ کے کوئیڈ پائپ کا آرڈر ملا ہے جس کی مالیت 1.7 بلین روپے ہے۔ توقع ہے کہ اس آرڈر کی ڈیلیوری جولائی، 2018 سے شروع ہو جائے گی۔

سیاسی خطرات، کام پر عمل درآمد کے خدشات پیدا کر رہے ہیں۔ ایچ آرسی کی قیمتیں اوپر جانے کا رجحان ہے، جو تاریخی سطحوں پر مارجنز برقرار رکھنا مشکل بنا دے گا۔ تاہم ہماری توجہ، گنجائش کے بھرپور استعمال پر مرکوز رہے گی اور ہم مارجنل کاسٹنگ کی بنیاد پر اضافی کاروبار حاصل کریں گے۔

پائپ کی ڈیمانڈ پانی اور گیس سیکٹر میں ہے جو کہ مالی اور سیاسی استقامت پر منحصر ہے۔

کیپیکل مارکیٹ کا منظر نامہ غیر جانب دار ہے، لیکویڈٹی مضبوط ہے اور مارکیٹ 10.3x کے فارورڈ PE پر discounted برقرار ہے۔ سیاسی اور معاشی بے یقینی کا دباؤ مارکیٹس پر برقرار رہے گا اور یہ کہ درمیانی مدت سے طویل مدت کا دورانیہ مثبت رہے گا۔

کامیابیاں اور اعزازات

بہترین رپورٹس پیش کرنے، مالیاتی شفافیت فراہم کرنے اور اسٹیک ہولڈرز کو ساتھ ملائے رکھے پر ICAP & ICMAP اور ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) کی طرف سے ہماری سالانہ رپورٹ اور کارپوریٹ سسٹم اپیلیٹی رپورٹ کا مسلسل اعتراف کیا جا رہا ہے۔

میں یہ اعلان کرتے ہوئے مسرت محسوس کرتا ہوں کہ ہمیں بیسٹ پریزیڈنٹس ایسوسی ایشن آف پاکستان (SAFA) کے تحت 2016 کی جانب سے انٹیگریٹڈ رپورٹنگ کیلگوری میں جوائنٹ سیکنڈ رز اپ جبکہ ڈیورسیفائیڈ ہولڈنگ کیلگوری میں فرسٹ رینک دیا گیا۔

سال 2016 کے لیے پاکستان اسٹاک ایکچینج (PSX) کی جانب سے جن 25 ٹاپ کمپنیوں کا اعلان کیا گیا تھا ان میں ہماری تیسری پوزیشن تھی۔

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

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

زاہد بشیر

ڈائریکٹر

26 اپریل، 2018

