

VISIONS FOR THE FUTURE

CONDENSED INTERIM REPORT FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2018



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COMPANY PROFILE

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

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

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

The fabrication unit is engaged in fabrication and erection of machinery at par with international

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

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

COTTON DIVISION - COTTON YARN SPINNING UNIT

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

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

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

CS ENERGY (PRIVATE) LIMITED

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

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

SOLUTION DE ENERGY (PRIVATE) LIMITED

Solution de Energy (Private) Limited was incorporated in Pakistan in October 2013 as a fully owned subsidiary of CS Energy (Private) Limited.

The principal activity of the Company is to build, own, operate and maintain a 100MW solar power project.

CRESCENT HADEED (PRIVATE) LIMITED

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director (Independent)

Ahsan M. Saleem

Chief Executive Officer and Managing Director

Farrukh V. Junaidy

Non-Executive Director (Independent)

Nasir Shafi

Non-Executive Director

S.M. Ehtishamullah

Non-Executive Director

Syed Zahid Hussain

Non-Executive Director

Zahid Bashir

Non-Executive Director

COMPANY SECRETARY

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 CS Energy (Private) Limited and Solution De Energy (Private) Limited

Abdul Rouf - 2000*

BU Head - Cotton Division

* Year of Joining

Disclaimer: Other than the position of Chairman and CEO, listings are in alphabetical order.

Arif Raza - 1985*

BU Head - Steel Division

Hajerah A. Saleem - 2012*

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

Hasan Altaf Saleem - 2010*

Resident Director and COO Crescent Hadeed
(Private) Limited

Iqbal Abdulla - 2014*

IT Advisor

Iqbal Zafar Siddiqui - 2008*

Head of Supply Chain and CEO Crescent Hadeed
(Private) Limited

Mushtaque Ahmed - 1985*

Head of Manufacturing - Steel Division

HEAD OF INTERNAL AUDIT

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
CS Energy (Private) Limited
Solution de Energy (Private) Limited

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

E-Floor, IT Tower, 73-E/1, Hali Road,
Gulberg-III, Lahore.
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

** Registered Office and Principal
Office are same as holding company

PRODUCTION SITES

STEEL DIVISION

PIPE AND COATING PLANTS

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

Tel: +92 25 4670 020-22, +92 25 4670 055

Email: arif.raza@crescent.com.pk

ENGINEERING UNIT

(Shakarganj Engineering)

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

Tel : +92 41 2569 825-26

Fax: +92 41 2679 825

CRESCENT HADEED (PRIVATE) LIMITED

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

Email: iqbal.siddiqui@crescent.com.pk

COTTON DIVISION

CRESCENT COTTON PRODUCTS

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

Tel: +92 41 4318 061-65

Fax: +92 41 4318 066

Email: abdul.rouf@crescent.com.pk

POWER PLANT

CS Energy (Private) Limited

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

PUBLIC INFORMATION

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

Ms. Iesha Fazal

iesha.fazal@crescent.com.pk

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

Tel: +92 21 3567 4881-85

Email: company.secretary@crescent.com.pk

SHARE REGISTRAR

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

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

Tel: +92 42 3517 0336-37

Fax: +92 42 3517 0338

Email: info@corptec.com.pk

CORPORATE WEBSITE

To visit our website, go to www.crescent.com.pk.

DIRECTORS' REPORT

ECONOMIC OUTLOOK

Pakistan continues to face economic challenges since the swearing in of the new PTI regime in part due to uncertainty on the policy line they will take and in part on account of the bulging twin deficits.

Although exports and inflows from remittances increased in the first three months of this fiscal year, which began in July, these are not nearly enough to ease the pressure higher oil prices are adding to the current account deficit. Moreover, foreign exchange reserves hit multi-year lows at the close of September and the currency fell to a record low against the U.S. dollar in early October. Against this backdrop, on 18 September the government raised import duties on 5,000 different items, hiked income taxes and scaled back tax breaks. The Central Bank has also raised rates by 200 bps; the hike, coupled with higher oil prices - which are likely to affect all consumables - and the recent devaluation are also likely add inflationary pressures.

On 8 October, the finance minister also announced that the government would seek an IMF bailout and on 23 October the government managed to secure a deferred payment credit and a USD 3 billion bailout from the Kingdom of Saudi Arabia. This should significantly ease pressures on the deficit and position the government to better negotiating terms with the IMF.

With cuts to the PSDP (from Rs. 800 billion to Rs. 675 billion) and a higher interest rate environment, a slowdown is expected this fiscal year as the country grapples with economic imbalances and both fiscal and as monetary policy tightening take hold. Experts see growth of 4.8% in FY 2019. Senior IMF officials indicated that inflation could hit double digits in FY19,

triggering further rate hikes and a slowdown in growth.

FINANCIAL AND OPERATIONAL PERFORMANCE

OVERALL FINANCIAL PERFORMANCE

Unconsolidated results for the quarter ended September 30, 2018 (Q1FY19) the Company's after tax profit amounted to Rs. 4.9 million as compared to Rs. 113.6 million in the same period last year. Earnings per share (EPS) for the current period stood at Rs. 0.05 as compared to Rs. 5.44 in the corresponding period last year. Company's sales revenue stood at Rs. 1,645.2 million (Q1FY18: Rs. 3,303.6 million). Steel division and Cotton division generated 77 percent and 23 percent of the total sales respectively. IID Division reported a LBT of Rs. 22.2 million (Q1FY18 PBT: Rs. 215.2 million) during the period as the turbulence being faced by the market continues.

Gross Profit (GP) stood at Rs. 118.1 million (Q1Y18: Rs. 471 million). Steel division posted a GP of 74.6 million (Q1FY18: Rs. 481.8 million), whereas Cotton Division reported a gross profit of Rs. 43.5 million (Q1FY18: loss Rs. 10.9 million). Gross margin for the quarter fell to 7.2 percent as compared to 14.3 percent in corresponding period last year. This was due to high competition in the tendering process and in line with our push to retain market share albeit at reduced margins in the Steel Division.

The Company posted profit before tax (PBT) of Rs. 3.9 million (Q1FY18: Rs. 111.1 million).

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

- Sales revenue decreased to Rs. 1,645.2 million as compared to Rs. 3,303.6 million in Q1FY18.
- Loss from Investment amounted to Rs. 14.0 million as compared to Profit of Rs. 222.7 million in Q1FY18, while other income increased to Rs. 25.9 million as compared to Rs. 13.5 million in the Q1FY18.
- Gross Profit decreased to Rs. 118.1 million as compared to a gross profit of Rs. 471.0 million in Q1FY18.
- EBIT decreased to Rs. 66.3 million as compared to Rs. 605.2 million in Q1FY18.
- EBITDA decreased significantly to Rs. 95.0 million as compared to Rs. 631.1 million in Q1FY18.
- EPS decreased to Rs. 0.05 for the current period, as compared to EPS of Rs. 5.44 for Q1FY18.
- Return on average capital employed (annualized) was 3% for the current period as compared to 22.4 % in the corresponding period last year.
- Break-up value per share stood at Rs. 86.7.

BUSINESS SEGMENTS

STEEL SEGMENT

SEGMENT PERFORMANCE

Steel segment revenue for the quarter ended 30 September 2018 was lower at Rs. 1,274.4 million vis-à-vis Rs. 3,290.2 million for the corresponding period last year, owing to low order intake during the period, delays in execution of related projects by customers, upward movement in HR coil prices and idling of second SP plant.

Squeezed volumes and unavoidable fixed production costs led to marginal gross profit of Rs. 74.6 million for the quarter. Consequently, the bottom-line resulted in LBT of Rs. 8.2 million as compared to PBT of Rs. 325.8 million for the corresponding period last year

COTTON SEGMENT

SEGMENT PERFORMANCE

Cotton Division recorded sales revenue of Rs. 370.8 million (Q1FY18: Rs. 13.4 million). Timely measures were taken to ensure efficient utilization of assets, enhance yield and enable cost saving. Division posted a net profit of Rs. 34.3 million for Q1FY19 as compared to Net Loss of Rs. 15 million for the corresponding period last year.

IID SEGMENT

MARKET REVIEW

KSE 100 Index continued its freefall shedding 912 points (2.18%) during 1QFY19. The performance was largely affected by lack of policy direction on key economic issues, monetary tightening, increasing inflation trend and persistent foreign outflows on the back of falling rupee which shed 2.26% during the period against the greenback.

Foreigners remained net sellers during the period, as they reduced their exposure by USD 189 million in Q1FY19 with selling across the board except for the Fertilizer and FMCG sectors. Local institutions led by Insurance Companies (USD 101 million) absorbed most of the foreign selling in Banks, E&P's and Cements.

SEGMENT PERFORMANCE

During the period ended 30 September 2018, the division's HFT segment recorded a negative ROI of 5.84% on weighted average investments of Rs. 450.2 million - during the same period, the benchmark KSE-100 index decreased by 2.18%. On an overall basis, the portfolio ROI on marketable securities stood at -10.86% on weighted average investments of 4,688.9 million.

The portfolio's accumulated loss before tax (LBT) for the period ended 30 September 2018 stood at Rs. 22.2 million against Q1FY18 PBT of Rs. 215.1 million. The LBT includes realized and unrealized losses of Rs. 18.1 million on HFT investments, while finance costs and other operating expenses constitute 20.7% and 16.6% of LBT, respectively.

FINANCIAL POSITION

BALANCE SHEET

Balance sheet footing stood at Rs. 10,269 million as of September 30, 2018, compared to Rs. 10,079 million as on June 30, 2018.

Current ratio was maintained at 1.4:1 during the period. Gearing ratio (including short term borrowings) increased significantly to 26.1% as compared to 21.3% on June 30 2018

OVERALL FINANCIAL PERFORMANCE –

CONSOLIDATED

On consolidated basis, operating loss before finance cost amounted to Rs. 88.3 million (Q1FY18: Rs. 226.2 million). Net share of profit from equity accounted associates amounted to Rs. 110.8 million (Q1FY18: Rs. 42.7 million).

Consequently, consolidated loss after tax and LPS of the Group for Q1FY19 amounted to Rs. 64.6 million and Rs. (0.83) per share as compared to profit after tax of Rs. 89.6 million and EPS of Rs. 1.15 per share respectively in the corresponding period last year.

During Q1FY19 Crescent Hadeed (Private) Limited (CHL) reported net loss of Rs. 108.7 million (Q1FY18: loss Rs. 47.2 million), mainly from yield losses and erosion of margins due to upward movement in scrap prices that did not translate into corresponding change in billet prices. Moreover, scrap sourcing/ blending challenges resulted in idling of plant in

approximately half of the period; hence fixed costs could not be fully absorbed.

During Q1FY19 CS Energy (Private) Limited (CSEL) reported loss of Rs. 50.1 million (Q1FY19: loss Rs. 86.3 million). Loss was incurred mainly due to fixed production overheads as a result of underutilization of plant capacity due to CHL being shut down.

FUTURE OUTLOOK

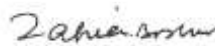
Moving into the second quarter we will dispatch 31 KM of pipe remaining from the current order. We have also participated in various tenders issued by gas utilities companies, of which results are expected soon. We expect further order intake as soon these tenders are finalized. However we do expect idling periods between orders.

Outlook on the capital market remains dull as uncertainty around Rupee depreciation and economic policies continue to hurt investor confidence. However, any decisive development on financing of shortfall in the external account would spur confidence in the market. Overall, KSE-100 has provided a flat return of 0.7% CY18TD and is trading at an attractive forward P/E of 7.05x, providing a steep discount compared to its regional peers, India (16.2x), China (10.1x), Indonesia (13.7x) and Malaysia (16.2x) along with a dividend yield of 7.09%.

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



Ahsan M. Saleem
Chief Executive Officer



Zahid Bashir
Director

29 October 2018

مستقبل پر نظر

دوسری سہ ماہی میں داخل ہوتے وقت ہماری جانب سے 31 کلومیٹر طویل پائپ کو موجودہ آرڈر سے فراہم کیا جائے گا۔ ہماری جانب سے گیس یوٹیلٹیز کمپنیوں کے مختلف ٹینڈروں میں بھی شرکت کی گئی ہے جن کے نتائج جلد برآمد ہونے کی توقع ہے۔ ان ٹینڈروں کے نتائج آتے ہی ہمیں مزید آرڈر ملنے کی توقع ہے۔ تاہم آرڈر ملنے کے دوران اس بات کے خدشات اپنی جگہ موجود ہیں کہ پلانٹ چل نہ سکیں۔

سرمایہ کاری کی مارکیٹ کی صورتحال اس وقت بھی سست روی کا شکار ہے کیونکہ روپے کی قدر میں کمی اور معاشی پالیسیوں کی وجہ سے سرمایہ کاروں کا اعتماد بحال نہیں ہو سکا ہے۔ تاہم بیرونی اکاؤنٹ میں آنے والی کمی کو پورا کرنے کیلئے کوئی بھی فیصلہ کن قدم مارکیٹ کا اعتماد بحال کرنے میں اہم کردار ادا کر سکتا ہے۔ مجموعی طور پر کے ایس ای 100 انڈیکس کی جانب سے محض 0.7% سی وائی 18 ٹی ڈی کا منافع حاصل ہوا ہے اور اب مارکیٹ میں قیمت / آمدن کے $7.05x$ کے تناسب کی دلچسپی صورتحال پیدا ہوئی ہے اور خطے کی مارکیٹوں بھارت ($16.2x$)، چین ($10.1x$)، انڈونیشیا ($13.7x$) اور ملائیشیا ($16.2x$) کے مقابلے میں واضح ڈسکاؤنٹ فراہم کر رہی ہے جس کے ساتھ ساتھ 7.09% کا منافع از حصص بھی حاصل ہو رہا ہے۔

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

برائے و ازبورڈ

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

زاہد بشیر

ڈائریکٹر

29 اکتوبر 2018

10.86% کا نقصان درج کیا گیا ہے جس کیلئے اوسط متوازن سرمایہ کاری 4,688.9 ملین روپے تھی۔

زیر نظر سہ ماہی اختتامیہ 30 ستمبر 2018 سے متعلق مجموعی نقصان قبل از ٹیکس 22.2 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 215.1 ملین روپے کا منافع تھا۔ اس نقصان میں ایچ ایف ٹی سرمایہ کاری میں شامل تخمین اور غیر تخمین شدہ نقصانات بقدر 18.1 ملین روپے بھی شامل ہیں جبکہ اس میں 20.7% تمویلی لاگت اور 16.6% نقصان قبل از ٹیکس بھی بالترتیب شامل ہیں۔

مالیاتی پوزیشن

بیلنس شیٹ

بیلنس شیٹ کا مجموعی کل بابت پہلی سہ ماہی اختتامیہ 30 ستمبر 2018 10,269 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے اختتام پر 10,079 ملین روپے درج کیا گیا تھا۔

رواں اثاثوں کا تناسب 1.4:1 کے حساب سے قائم رہا جبکہ قرضوں کے تناسب میں زبردست اضافہ درج کیا گیا ہے جو زیر نظر سہ ماہی کے دوران بڑھ کر 26.1% ہو چکا ہے جبکہ مالی سال 2018 کی پہلی سہ ماہی کے دوران یہ تناسب 21.3% درج کیا گیا تھا۔

مجموعی مالیاتی کارکردگی-مربوط

مربوط بنیادوں پر کاروباری نقصان قبل از تمویلی لاگت 88.3 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 226.2 ملین روپے درج کیا گیا تھا۔ ایکویٹی سے حاصل ہونے والے صافی منافع کا حصہ 110.8 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 42.7 ملین روپے درج کیا گیا تھا۔

نتیجتاً گروپ کا مجموعی نقصان بعد از ٹیکس اور نقصان فی حصص برائے زیر نظر سہ ماہی 64.6 ملین روپے اور 0.83 روپے بالترتیب درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران بالترتیب 89.6 ملین روپے اور 1.15 روپے فی حصص درج کئے گئے تھے۔

زیر نظر سہ ماہی اختتامیہ 30 ستمبر 2018 کے دوران کریسٹل ہد (پرائیویٹ) لمیٹڈ (سی ایچ ایل) کی جانب سے 108.7 ملین روپے کا صافی نقصان درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 47.2 ملین روپے درج کیا گیا تھا جس کی وجہ بنیادی طور پر نقصانات اور کباڑ کی قیمت میں ہونے والے اضافے کی وجہ سے منفعت میں آنے والی کمی تھیں جس کی وجہ سے بیلنس کی قیمت میں ہونے والی متناسب تبدیلی کا فائدہ بھی نہ ہو سکا۔ مزید برآں، کباڑ اور خام مال کی ترسیل اور متراج جیسے مسائل کی وجہ پلانٹ کے بند پڑے رہنے کی بناء پر سے اس عرصے کے دوران کئے گئے مستقل اخراجات بھی مکمل طور پر زیر استعمال نہ آسکے۔

زیر نظر سہ ماہی اختتامیہ 30 ستمبر 2018 سے متعلق سی ایس ای (پرائیویٹ) لمیٹڈ (سی ایس ای ایل) کی جانب سے 50.1 ملین روپے کا نقصان درج کیا گیا ہے جو کہ گزشتہ مالی سال 2018 کی پہلی سہ ماہی کے اختتام پر 86.3 ملین روپے درج کیا گیا تھا۔ نقصان کی اصل وجہ یہ تھی کہ سی ایچ ایل کے پلانٹ کی بندش کی وجہ سے مستقل پیداواری اخراجات پیداواری صلاحیت کا برائے کارنہ لانے کی وجہ سے جذب نہ ہو سکے۔

کاروباری شعبے

اسٹیل کا شعبہ

شعبے کی کارکردگی

رواں مالی سال کی پہلی سہ ماہی اختتامیہ 30 ستمبر 2018 کے دوران اسٹیل کے شعبے کی آمدن کم ہونے کے بعد 1,274.4 ملین روپے درج کی گئی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 3,290.2 ملین روپے درج کی گئی تھی۔ اس کمی کی وجوہات میں ملنے والے آرڈرز کی کمی، صارفین کی جانب سے متعلقہ پروفیکٹس میں تاخیر، تیل قیمت میں اضافہ اور ایس پی پلانٹ کی بندش وغیرہ شامل ہیں۔ پیداواری حجم میں کمی اور ناگزیر نوعیت کے مستقل اخراجات کی وجہ سے زیر نظر سہ ماہی کے دوران خام منافع کم ہونے کے بعد 74.6 ملین روپے درج کیا گیا ہے۔ نتیجتاً نقصان قبل از ٹیکس 8.2 ملین روپے درج کیا گیا جب کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران اس مدت میں 325.8 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا تھا۔

کاشن کا شعبہ

شعبے کی کارکردگی

کاشن کے ڈویژن کی جانب سے زیر نظر سہ ماہی کے دوران 370.8 ملین روپے کی آمدن از فروخت درج کی گئی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 13.4 ملین درج کی گئی تھی۔ کاشن کو مستعد انداز کے ساتھ زیر استعمال لانے، پیداوار کو بڑھانے اور پیداواری لاگت کو کم زخم سطح پر رکھنے کیلئے بروقت اقدامات اٹھائے گئے ہیں۔ اس شعبے کی جانب سے 34.3 ملین روپے کا صافی منافع درج کیا گیا ہے جبکہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 15 ملین روپے کا نقصان درج کیا گیا تھا۔

آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج 100 انڈیکس میں رواں مالی سال 2019 کی پہلی سہ ماہی کے دوران 912 پوائنٹس (2.18%) کی کمی واقع ہوئی ہے۔ انڈیکس کی منفی کارکردگی کی وجوہات میں اہم معاشی پالیسیوں کے سلسلے میں سمت کا فقدان، تزیل زر میں سختی، افراط زر کا رجحان اور روپے کی قدر میں کمی کی وجہ سے مستقل بنیادوں پر زر کا بیرونی انخلاء شامل تھیں، زیر نظر عرصے کے دوران ڈالر کے مقابلے میں روپے کی قدر میں 2.26% کی کمی واقع ہوئی ہے۔

اس عرصے کے دوران غیر ملکیوں کی جانب سے صرف فروخت کی گئی ہے جیسا کہ رواں مالی سال 2019 کی پہلی سہ ماہی کے دوران 189 ملین امریکی ڈالر کے ساتھ خود کو خطرات سے محفوظ رکھ سکے ماسوائے فریڈلائز اور ایف ایم سی جی سیکٹرز کے۔ مقامی اداروں میں جن میں سرفہرست انشورنس کمپنیاں (101 ملین امریکی ڈالر) ہیں اور ان کے علاوہ بینکوں، ای اینڈ پیزا اور سینٹ کے سیکٹرز کی جانب سے اس غیر ملکی فروخت کو جذب کیا گیا۔

شعبے کی کارکردگی

زیر نظر سہ ماہی اختتامیہ 30 ستمبر 2018 کے دوران ڈویژن کے ایچ ایف ٹی شعبے کی جانب سے سرمایہ کاری پر 5.84% کا نقصان درج کیا گیا ہے جو کہ 450.2 ملین روپے کی متوازن اوسط سرمایہ کاری پر ہے۔ اس عرصے کے دوران کالیں ای 100 انڈیکس بھی 2.18% کے حساب سے کمی کا شکار ہوا ہے۔ مجموعی طور پر تمام تسکات پر منفی

خام منافع 118.1 ملین روپے درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 471 ملین روپے درج کیا گیا تھا۔ اسٹیل ڈویژن کی جانب سے زیر نظر سہ ماہی کے دوران 74.6 ملین روپے کا خام منافع درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 481.8 ملین روپے درج کیا گیا تھا۔ جبکہ کاشن ڈویژن کی جانب سے زیر نظر سہ ماہی کے دوران 43.5 ملین روپے کا منافع درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 10.9 ملین روپے درج کیا گیا تھا۔ گزشتہ مالی سال 2018 کی پہلی سہ ماہی کے دوران خام منافع کی شرح %14.3 درج کی گئی تھی جو کہ زیر نظر سہ ماہی کے دوران گر کر %7.2 کی سطح پر آچکی ہے۔ اس کی ایک وجہ ٹینڈر کے عمل میں زبردست مسابقت تھی اور دوسرے ہماری جانب سے مارکیٹ کے حصے کو برقرار رکھنے کیلئے مال نکالنے (پش) کی پالیسی کی وجہ سے بھی اسٹیل ڈویژن کی جانب سے منافع کی شرح کم سطح پر ہے۔

کمپنی کی جانب سے 3.9 ملین کا منافع قبل از ٹیکس درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 111.1 ملین روپے درج کیا گیا تھا۔

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

☆ آمدن از فروخت کم ہو کر 1,645.2 ملین روپے ہو چکی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 3,303.6 ملین روپے درج کی گئی تھی۔

☆ سرمایہ کاری پر ہونے والا نقصان 14.0 ملین روپے رہا جبکہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 222.7 ملین کا منافع درج کیا گیا تھا، دوسری جانب دیگر آمدن اضافے کے بعد 25.9 ملین روپے درج کی گئی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 13.5 ملین روپے درج کی گئی تھی۔

☆ خام منافع کم ہو کر 118.1 ملین روپے کی سطح پر آ گیا جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 471.0 ملین روپے درج کیا گیا تھا۔

☆ آمدن قبل از داؤدائیگی سود و انکم ٹیکس کم ہو کر 66.3 ملین روپے ہو گئی جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران یہ آمدن 605.2 ملین روپے درج کی گئی تھی۔

☆ آمدن قبل از داؤدائیگی سود، انکم ٹیکس اور فرسودگی واضح کمی کے بعد 95.0 ملین روپے درج کی گئی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 631.1 ملین روپے درج کی گئی تھی۔

☆ زیر نظر سہ ماہی کے دوران آمدن فی حصص 0.05 روپے درج کی گئی ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران 5.44 روپے درج کی گئی تھی۔

☆ اوسط سرمایہ کاری (سالانہ) پر حاصل ہونے والا نفع %3 درج کیا گیا ہے جو کہ مالی سال 2018 کی پہلی سہ ماہی کے دوران %22.4 درج کیا گیا تھا۔

☆ فی حصص منقسم قدر 86.7 روپے درج کی گئی ہے۔

ڈائریکٹرز رپورٹ

معاشی منظر نامہ

پی ٹی آئی کی حکومت کی جانب سے حلف اٹھانے کے بعد سے اب تک پاکستان میں معاشی مسائل کا سلسلہ جاری ہے، ان مسائل کا تعلق جزوی طور پر ایک جانب تو اس غیر یقینی صورتحال سے ہے کہ نئی حکومت کن خطوط پر اپنی پالیسی استوار کرے گی اور جزوی طور پر ان مسائل کا تعلق دوسرے بڑے خسارے سے ہے۔

گوکہ جولائی میں شروع ہونے والے رواں مالی سال کے پہلے تین ماہ کے دوران بیرون ممالک سے ترسیل زر اور برآمدات میں اضافہ ہوا ہے لیکن یہ تیل کی بڑھتی ہوئی قیمتوں اور کرنٹ اکاؤنٹ کے خسارے سے نمٹنے کیلئے نا کافی ہے۔ مزید برآں، ماہ ستمبر کے اختتام پر زرمبادلہ کے ذخائر گزشتہ کئی سالوں کے مقابلے میں تاریخی حد تک گر گئے اور اکتوبر کے اوائل میں ڈالر کے مقابلے میں پاکستانی روپیہ تاریخ کی نچلی ترین سطح کو چھونے لگا۔ ان تمام حالات کو پس منظر میں رکھتے ہوئے حکومت کی جانب سے 5000 مختلف اشیاء پر درآمدی ڈیوٹی کو بڑھا دیا گیا، انکم ٹیکس کو بڑھانے کیلئے ٹیکسوں کی پرانی شرح کو بحال کر دیا گیا۔ مرکزی بینک کی جانب سے بھی 200 بیسیس پوائنٹ میں اضافہ کر دیا گیا۔ یہ اضافہ بشمول تیل کی قیمتوں میں ہونے والے اضافے، جس کا اثر تمام اشیاء پر آتا ہے، اور روپے کی قدر میں ہونے والی حالیہ کمی افراط زر میں مزید دباؤ پیدا کرنے کا باعث بن سکتے ہیں۔

پاکستان کے وزیر خزانہ کی جانب سے 18 اکتوبر کو یہ اعلان کیا گیا کہ حکومت آئی ایم ایف سے امدادی پیکج لینے کا ارادہ رکھتی ہے اور 23 اکتوبر کو حکومت کو مملکت سعودیہ عربیہ سے 13 ارب امریکی ڈالر اور اوائلیٹیوں کو موخر کرنے کا ایک پیکج بھی حاصل ہو گیا۔ اس صورتحال کے بعد اب ایک جانب تو خسارے کے سلسلے میں حکومت پر پڑنے والا دباؤ کم ہو گا اور دوسری جانب حکومت کو آئی ایم ایف سے مذاکرات کرنے کیلئے بہتر اور سازگار ماحول میسر آنے کی توقع بھی ہے۔

پی ایس ڈی پی میں کمی (800 ارب سے 675 ارب) اور بلند تر شرح سود کے باعث اب اس بات کے خدشات ہیں کہ رواں مالی سال کے دوران معیشت سست روی کا شکار رہے گی کیونکہ عدم توازن کے باعث معیشت کی دیگر گوں صورتحال کے پیش نظر حکومت کی جانب سے مالیاتی اور ترسیل زر کی پالیسیوں میں سختی پیدا کی گئی ہے۔ ماہرین معاشیات کی نظر میں مالی سال 2019 کے دوران شرح نمو 4.8% رہنے کی توقع ہے۔ آئی ایم ایف کے ماہرین کی جانب سے خدشات کا اظہار کیا گیا ہے کہ مالی سال 2019 کے دوران افراط زر کی شرح دو عددی ہو سکتی ہے جس کی وجہ سے ماحول میں مزید اضافہ ہو گا بلکہ معیشت کی سست روی بھی بڑھ سکتی ہے۔

مالیاتی و کاروباری کارکردگی

مجموعی مالیاتی کارکردگی

رواں مالی سال 2019 کے دوران 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی سے متعلق غیر مربوط نتائج کے مطابق کمپنی کا منافع بعد از ٹیکس 4.9 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کی پہلی سہ ماہی کے دوران یہ منافع 113.6 ملین روپے درج کیا گیا تھا۔ زیر نظر سہ ماہی کیلئے آمدن فی حصص 0.05 روپے درج کی گئی ہے جبکہ گزشتہ مالی سال کی پہلی سہ ماہی کیلئے آمدن فی حصص 5.44 روپے درج کی گئی تھی۔ رواں مالی سال کی پہلی سہ ماہی کے دوران آمدن از فروخت 1,645.4 ملین روپے درج کی گئی ہے جبکہ گزشتہ مالی سال 2018 کی پہلی سہ ماہی کے دوران آمدن از فروخت 3,303.6 ملین روپے درج کی گئی تھی۔ اسٹیل اور کاشن کے شعبوں کی جانب سے بالترتیب 77% اور 23% فروخت درج کی گئی ہے۔ آئی ڈی ڈی ڈویژن کی جانب سے 22.2 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا ہے جبکہ مالی سال 2018 کی پہلی سہ ماہی کے دوران اس ڈویژن کی جانب سے 215.2 ملین روپے کا منافع قبل از ٹیکس درج کیا گیا ہے جیسا کہ مارکیٹ میں جاری مندی کا رجحان اس وقت بھی جاری ہے۔

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Balance Sheet
As at 30 September 2018

	Note	Unaudited 30 September 2018	Audited 30 June 2018
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,004,923	1,039,047
Intangible assets		82	151
Investment properties		12,738	13,076
Long term investments	6	4,538,346	4,538,346
Long term deposits	7	222,159	217,233
Deferred taxation		50,975	30,081
		<u>5,829,223</u>	<u>5,837,934</u>
Current assets			
Stores, spares and loose tools		158,884	168,973
Stock-in-trade	8	1,144,978	1,542,650
Trade debts	9	549,012	106,886
Loans and advances	10	532,618	274,713
Trade deposits and short term prepayments		16,121	25,579
Investments	11	420,560	448,371
Mark-up accrued	12	34,210	26,506
Other receivables	13	640,504	553,446
Taxation - net		960,111	960,505
Cash and bank balances		10,688	133,452
		<u>4,467,686</u>	<u>4,241,081</u>
Total assets		<u><u>10,296,909</u></u>	<u><u>10,079,015</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,028,960	1,028,282
Revenue reserves		<u>4,923,380</u>	<u>4,919,160</u>
		<u>6,728,665</u>	<u>6,723,767</u>
Non-current liabilities			
Long term loans	14	250,389	226,746
Liabilities against assets subject to finance lease		118,118	127,419
Deferred income		6,828	8,107
		<u>375,335</u>	<u>362,272</u>
Current liabilities			
Trade and other payables	15	833,854	1,349,139
Unclaimed dividend		21,190	21,520
Mark-up accrued		43,030	16,144
Short term borrowings	16	2,135,735	1,458,195
Current portion of long term loans	14	109,565	96,544
Current portion of liabilities against assets subject to finance lease		44,140	46,010
Current portion of deferred income		5,395	5,424
		<u>3,192,909</u>	<u>2,992,976</u>
Contingencies and commitments	17		
Total equity and liabilities		<u><u>10,296,909</u></u>	<u><u>10,079,015</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)

For the first quarter ended 30 September 2018

		First quarter ended	
		30 September 2018	30 September 2017
		---- (Rupees in '000) ---	
Sales	18	1,851,311	3,862,970
Less: Sales tax		206,073	559,384
		1,645,238	3,303,586
Cost of sales		1,527,110	2,832,549
Gross profit		118,128	471,037
(Loss)/Income from investments - net	19	(14,016)	222,737
		104,112	693,774
Distribution and selling expenses		4,049	5,379
Administrative expenses		55,251	56,761
Other operating expenses	20	4,443	39,976
		63,743	102,116
		40,369	591,658
Other income		25,918	13,522
Operating profit before finance costs		66,287	605,180
Finance costs	21	62,427	79,264
Profit before taxation		3,860	525,916
Taxation			
- current		20,532	113,968
- prior		-	-
- deferred		(20,892)	(10,224)
		(360)	103,744
Profit for the period		4,220	422,172
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Unrealized appreciation during the period on remeasurement of investments classified as FVOCI		678	919
Total comprehensive income for the period		4,898	423,091
		(Rupees)	
Basic and diluted earnings per share	22	0.05	5.44

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



Chief Executive



Director



Chief Financial Officer

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

For the first quarter ended 30 September 2018

	Note	First quarter ended	
		30 September 2018	30 September 2017
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in operations	23	(739,635)	(825,373)
Taxes paid		(20,139)	(300,527)
Finance costs paid		(31,902)	(69,755)
Contribution to gratuity and pension funds		(5,810)	-
Contribution to Workers' Profit Participation Fund		(27,190)	(111)
Infrastructure fee paid		-	(17,008)
Compensated absences paid		-	(285)
10-C bonus paid		-	(1,913)
Long term deposits - net		-	(7,507)
Net cash used in operating activities		(824,676)	(1,222,479)
Cash flows from investing activities			
Capital expenditure		5,733	(33,774)
Acquisition of intangible assets		-	(1)
Proceeds from disposal of operating fixed assets		98	108
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		-	14,995
Investments - net		(5,085)	(296,080)
Dividend income received		1,062	243,548
Interest income received		185	180
Net cash generated from / (used in) investing activities		1,993	(71,024)
Cash flows from financing activities			
Proceeds/(Repayments) of long term loans - net		36,664	(48,784)
Payments against finance lease obligations		(13,955)	(12,816)
Proceeds of short term loans obtained - net		530,474	1,259,579
Dividends paid		(330)	(109,154)
Net cash generated from financing activities		552,853	1,088,825
Net increase / (decrease) in cash and cash equivalents		(269,830)	(204,678)
Cash and cash equivalents at beginning of the period		(172,096)	(219,311)
Cash and cash equivalents at end of the period	24	(441,926)	(423,989)

The annexed notes from 1 to 28 form an integral part of this 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 first quarter ended 30 September 2018

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized appreciation / (diminution) on remeasurement of investments classified as 'FVOCI'	General reserve	Unappropriated profit	
----- (Rupees in '000) -----						
Balance as at 30 June 2017	776,325	1,020,908	12,915	3,642,000	1,367,569	6,819,717
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	422,172	422,172
Other comprehensive income						
<i>Total other comprehensive income for the period</i>	-	-	919	-	-	919
Total comprehensive income for the period	-	-	919	-	422,172	423,091
Balance as at 30 September 2017	776,325	1,020,908	13,834	3,642,000	1,789,741	7,242,808
Balance as at 30 June 2018	776,325	1,020,908	7,374	3,642,000	1,277,160	6,723,767
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	4,220	4,220
Other comprehensive income						
<i>Total other comprehensive income for the period</i>	-	-	678	-	-	678
Total comprehensive income for the period	-	-	678	-	4,220	4,898
Balance as at 30 September 2018	776,325	1,020,908	8,052	3,642,000	1,281,380	6,728,665

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Unconsolidated Financial Information (Unaudited)

For the first quarter ended 30 September 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 25.

2. BASIS OF PREPARATION

2.1 This condensed interim unconsolidated financial information of the Company for the three months ended 30 September 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 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last unconsolidated financial statements.

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

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

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the 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 2018.

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 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 2018.

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 30 September 2018	Audited 30 June 2018
	<i>Note</i>	----- (Rupees in '000) -----	
Operating fixed assets	5.1	909,628	927,045
Capital work-in-progress	5.2	95,295	112,002
		<u>1,004,923</u>	<u>1,039,047</u>

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

	Unaudited First quarter ended 30 September 2018		Unaudited First quarter ended 30 September 2017	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Buildings on freehold land	-	-	19,654	-
Plant and machinery - owned	5,598	-	17,102	12,044
Plant and machinery - leased	-	-	14,995	-
Furniture and fittings	576	-	262	-
Electrical / office equipments and installation	343	160	3,095	-
Computers	144	710	894	-
Motor vehicles - owned	4,439	-	1,463	132
	<u>11,100</u>	<u>870</u>	<u>57,465</u>	<u>12,176</u>

5.2 Net transfers from capital work-in-progress during the period amounted to Rs. 16.707 million (Net additions in 2018: Rs.8.698 million).

6. LONG TERM INVESTMENTS

		Unaudited 30 September 2018	Audited 30 June 2018
		----- (Rupees in '000) -----	
Subsidiary companies			
- at cost	6.1	2,935,000	2,882,000
- share deposit money			
CS Capital (Private) Limited		-	53,000
Crescent Hadeed (Private) Limited		108,142	108,142
Associated companies - at cost	6.2	1,284,596	1,284,596
Other long term investments - FVOCI		210,608	210,608
		<u>4,538,346</u>	<u>4,538,346</u>

6.1 Subsidiary companies - at cost

Unaudited 30 September 2018 (Number of shares)	Audited 30 June 2018	Unquoted	Note	Unaudited 30 September 2018 ----- (Rupees in '000) -----	Audited 30 June 2018
126,000,000	126,000,000	CS Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.1	1,260,000	1,260,000
52,500,000	47,200,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.2	525,000	472,000
115,000,000	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	-	-
				<u>2,935,000</u>	<u>2,882,000</u>

6.1.1 This represents the Company's investment in 100% ordinary shares of CS 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 30 September 2018 (Number of shares)	Audited 30 June 2018	Quoted	Note	Unaudited 30 September 2018 ----- (Rupees in '000) -----	Audited 30 June 2018
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.2.1	593,488	593,488
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	691,108	691,108
				<u>1,284,596</u>	<u>1,284,596</u>

- 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 2018, 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 30 September 2018 is Rs. 3,743.880 million (30 June 2018: Rs. 4,227.382 million).

6.3 Other long term investments - FVOCI

	<i>Note</i>	Unaudited 30 September 2018	Audited 30 June 2018
----- (Rupees in '000) -----			
Investments in related parties	6.3.1	58,946	58,946
Other investments	6.3.2	151,662	151,662
		210,608	210,608

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

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs.186.283 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

Raw materials			
Hot rolled steel coils (HR Coil)		426,741	190,673
Coating materials		117,012	74,068
Others		63,345	90,527
Raw cotton		121,991	205,217
Stock-in-transit		1,141	776,402
		730,230	1,336,887
Work-in-process		131,789	19,713
Finished goods		273,487	180,239
Scrap / cotton waste		9,472	5,811
		414,748	205,763
		1,144,978	1,542,650

8.1

Stock in trade as at 30 September 2018 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. Nil (30 June 2018: Rs. 27.052 million) has been recognised in cost of goods sold.

9. TRADE DEBTS		Unaudited	Audited
	<i>Note</i>	30 September	30 June 2018
		2018	
		----- (Rupees in '000) -----	

Secured

Considered good		469,299	-
-----------------	--	----------------	---

Unsecured

Considered good	<i>9.1</i>	79,713	106,886
Considered doubtful		17,582	16,626
Provision for doubtful trade debts		(17,582)	(16,626)
		79,713	106,886
		549,012	106,886

9.1 This includes following amount due from related parties:

Crescent Hadeed (Private) Limited		68,692	63,595
CS Energy (Private) Limited		26	26
		68,718	63,621

10. LOANS AND ADVANCES

10.1 This includes loan due from following wholly owned subsidiaries:

Crescent Hadeed (Private) Limited	<i>10.1.1</i>	331,000	247,900
CS Energy (Private) Limited	<i>10.1.2</i>	113,000	2,000
		444,000	249,900

10.1.1 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company Crescent Hadeed (Private) Limited on 13 June 2017 for an amount of Rs. 250 million. During the period, maximum limit was further enhanced by Rs. 100 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement ranged between 8.13% to 10.04% per annum (2018: 8.13% to 8.82%).

10.1.2 During year ended 30 June 2017, the Company entered into a short term loan agreement with its wholly owned subsidiary company CS Energy (Private) Limited on 22 April 2017 for an amount of Rs. 125 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement was 8.67% to 9.79% (2018: 8.12% to 8.85%).

11. INVESTMENTS

		Unaudited	Audited
		30 September	30 June 2018
		2018	
		----- (Rupees in '000) -----	

Available for sale	<i>11.1</i>	12,079	11,400
Held for trading		408,481	436,971
		420,560	448,371

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 2018: Rs. Nil).

11.2 Investments having an aggregate market value of Rs. 2,306.719 million (30 June 2018: Rs. 2,411.337 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 2,008.939 million (30 June 2018: Rs. 2,034.12 million) relates to long term investments.

12. MARK-UP ACCRUED

This represents mark-up receivable from the Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited amounting to Rs. 24.395 million (30 June 2018: Rs. 18.132 million) and Rs. 9.814 million (30 June 2018: Rs. 8.374 million) respectively (refer note 10).

13. OTHER RECEIVABLES

	Unaudited 30 September 2018	Audited 30 June 2018
Note	----- (Rupees in '000) -----	
Dividend receivable	3,756	1,061
Receivable against rent from investment property	578	442
Due from related parties	72,956	60,506
Retention money receivable	-	113,162
Sales tax refundable	263,640	106,100
Margin on letter of guarantee	15,359	15,359
Receivable from staff retirement benefits funds	254,774	254,774
Others	5,283	2,042
	<u>640,504</u>	<u>553,446</u>
13.1 Due from related parties		
Shakarganj Limited	1,648	1,645
CS Capital (Private) Limited	1,358	998
CS Energy (Private) Limited	30,076	28,451
Crescent Hadeed (Private) Limited	28,318	17,855
Solution de Energy (Private) Limited	11,504	11,504
Crescent Steel and Allied Products Limited- Pension Fund	53	53
	<u>72,956</u>	<u>60,506</u>

14. LONG TERM LOANS

Secured - Under non-shariah arrangement

Allied Bank Limited	14.1	359,954	323,290
Less: Current portion shown under current liabilities		<u>109,565</u>	96,544
		<u>250,389</u>	<u>226,746</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. 19.5 million (2018: 78 million) . Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the year ended 30 June 2017, Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 4.636 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 156.25 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year, repayable in 12 equal quarterly installments starting after twelve months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the year, mark-up on such arrangements was ranged between 8.37% to 9.41% (2018: 7.64% to 8.35%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

15. TRADE AND OTHER PAYABLES

This includes provision/accrual made for liquidated damages of Rs. 153.695 million (2018: Rs. 153.695 million).

16. SHORT TERM BORROWINGS

	<i>Note</i>	Unaudited 30 September 2018	Audited 30 June 2018
----- (Rupees in '000) -----			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	452,614	305,548
Short term loans	16.2	1,683,121	439,339
Secured from non-banking companies			
Short term finance under mark-up arrangements	16.5	-	713,308
		2,135,735	1,458,195

- 16.1** Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,200 million (30 June 2018: Rs. 1,200 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. Nil (30 June 2018: Rs. Nil) and Rs. 100 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit, finance against import material (FIM) and letter of guarantee facility respectively.

During the period, the mark-up on such arrangements ranged between 8.53% to 10.90% (2018: 7.64% to 8.84%) per annum.

- 16.2** This includes an amount of Rs. 769.2 million (30 June 2018: Rs. 225.9 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 2018: Rs. 4,707 million) out of which Rs. 2,710 million (30 June 2018: Rs. 3,925 million), Rs. 50 million (30 June 2018: Rs. Nil) and Rs. 210 million (30 June 2018: Rs. 210 million) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.78% to 9.78% (2018: 7.83% to 8.67%) per annum.

- 16.3** The facilities for opening letter of credit amounted to Rs. 5,160 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,510 million (30 June 2018: Rs. 2,925 million) and Rs.210 million (30 June 2018: Rs. 210 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 30 September 2018 amounted to Rs. 1,798 million (30 June 2018: Rs. 1,996 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2018 were Rs. 3,844 million and Rs. 168. million (30 June 2018: Rs. 4,330 million and Rs. 96 million) respectively.

- 16.4** The above facilities are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document (refer note 11.2). Further, above facilities (refer note 16.1, 16.2 and 16.3) are also secured against mortgage of land and building, hypothecation of plant and machinery and pledge of shares owned by Subsidiary Companies.

- 16.5** During the period, Company has settled commercial papers issued to non-banking finance companies. The term of the loan was one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up was payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

- 17.2.1** As at 30 September 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 251.878 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

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

- 17.2.3** Commitments in respect of capital expenditure contracted for as at 30 September 2018 amounted to Rs. 34.585 million (30 June 2018: Rs. 25.492 million) including Rs. 7.462 million (30 June 2018: Rs. 7.462 million) representing office premises located in Islamabad payable on completion of project.

- 17.2.4** Commitments under letters of credit (L/C) as at 30 September 2018 amounted to Rs. 63 million (30 June 2018: Rs. 537.34 million).

18. SALES - NET

	Unaudited	
	First quarter ended	
	30 September	30 September
<i>Note</i>	2018	2017
	----- (Rupees in '000) -----	
Local sales		
Bare pipes	29,317	2,986,800
Pipe coating	-	239,506
Pre coated pipes	1,368,785	475,610
Cotton yarn / raw cotton	364,445	-
Others	76,472	46,440
Scrap / waste	12,292	101,494
	1,851,311	3,849,850
Export sales		
Fabric	-	13,120
	1,851,311	3,862,970
Sales tax	(206,073)	(559,384)
	1,645,238	3,303,586

19. INCOME FROM INVESTMENTS - NET

Dividend income	<i>19.1</i>	3,757	253,849
Gain / (loss) on sale of investments - net	<i>19.2</i>	(3,464)	1,846
Unrealized loss on held for trading investments - net	<i>19.3</i>	(26,606)	(33,368)
Unrealized gain on conversion of PICIC Growth and Investment units		11,887	-
Rent from investment properties	<i>19.6</i>	410	410
		(14,016)	222,737

19.1 This includes Rs. 3.679 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 2.688 million incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 7.457 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealized gain amounting to Rs. 0.678 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. 0.497 million (30 September 2017: Rs.0.999 million) . Further, Rs. 0.012 million (30 September 2017: Rs. 0.249 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

Exchange loss	-	11,405
Loss on disposal of operating fixed assets	-	6
Provision for:		
Workers' Profit Participation Fund	1,803	17,558
Workers' Welfare Fund	1,684	6,377
Doubtful trade debts	956	-
Liquidated damages	-	4,630
	4,443	39,976

21. FINANCE COSTS

	Unaudited	
	First quarter ended	
	30 September	30 September
	2018	2017
	----- (Rupees in '000) -----	
Mark-up on short term loans - Shariah arrangement	-	6,931
Interest on - Non - Shariah arrangement		
- finance lease obligations	3,609	2,921
- long term loans	7,907	8,505
- running finances / short term loans including commercial papers	47,715	56,280
Discounting of lease deposit	-	2,844
Bank charges	3,196	1,783
	62,427	79,264

22. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited	
	First quarter ended	
	30 September	30 September
	2018	2017
	----- (Rupees in '000) -----	
Profit for the period	4,220	422,172
	----- (Number of shares) -----	
Weighted average number of ordinary shares in issue during the period	77,632,491	77,632,491
	----- (Rupees) -----	
Basic and diluted earnings per share	0.05	5.44

23. CASH GENERATED FROM OPERATIONS

	Unaudited	
	First quarter ended	
	30 September 2018	30 September 2017
	----- (Rupees in '000) -----	
Profit before taxation	3,860	525,916
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment properties	28,654	25,623
Amortization of intangible assets	69	276
Charge for the period on staff retirement benefit funds	5,810	-
Charge for compensated absences	-	285
Provision for 10-C bonus	-	489
Dividend income	(3,757)	(253,849)
Unrealized loss on held for trading investments - net	14,719	33,368
Loss / (gain) on sale of investments - net	3,464	(1,846)
Provision for doubtful trade debts - net	956	-
Provision for Workers' Welfare Fund	1,675	6,377
Provision for Workers' Profit Participation Fund	1,803	17,558
Return on deposits and loan to wholly owned subsidiary companies	(7,889)	(7,144)
Loss/(gain) on disposal of operating fixed assets	(23)	6
Deferred income	(1,308)	(1,197)
Discounting of long term deposit	-	2,844
Unwinding of discount on long term deposit	(4,926)	(3,795)
Liabilities written back	(469)	(2)
Finance costs	62,427	76,420
Working capital changes	(844,700)	(1,246,702)
	<u>(739,635)</u>	<u>(825,373)</u>

Note

23.1

23.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	10,089	(10,716)
Stock-in-trade	397,672	607,908
Trade debts	(443,082)	(785,911)
Advances	(257,905)	6,260
Trade deposits and short term prepayments	8,603	(3,644)
Other receivables	(59,208)	(555,301)
	<u>(343,831)</u>	<u>(741,404)</u>

(Decrease) / increase in current liabilities

Trade and other payables	(500,869)	(505,298)
	<u>(844,700)</u>	<u>(1,246,702)</u>

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(452,614)	(439,323)
Cash and bank balances	10,688	15,334
	<u>(441,926)</u>	<u>(423,989)</u>

25. SEGMENT REPORTING

25.1 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.

25.2 Segment revenues and results

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

For the first quarter ended 30 September 2018	-----Unaudited-----			Total
	Steel segment	Cotton segment	IID segment	
	----- (Rupees in '000) -----			
Sales - net	1,274,459	370,779	-	1,645,238
Cost of sales	1,199,812	327,298	-	1,527,110
Gross profit	74,647	43,481	-	118,128
Loss from investments- net	-	-	(14,016)	(14,016)
	74,647	43,481	(14,016)	104,112
Distribution and selling expenses	2,494	1,555	-	4,049
Administrative expenses	43,573	8,021	3,657	55,251
Other operating expenses	2,639	1,803	1	4,443
	48,706	11,379	3,658	63,743
	25,941	32,102	(17,674)	40,369
Other income	23,198	2,720	-	25,918
Operating profit / (loss) before finance costs	49,139	34,822	(17,674)	66,287
Finance costs	57,295	575	4,557	62,427
Profit / (loss) before taxation	(8,156)	34,247	(22,231)	3,860
Taxation				(360)
Profit for the period				4,220

**For the first quarter ended
30 September 2017**

	-----Unaudited-----			Total
	Steel segment	Cotton segment	IID segment	
	----- (Rupees in '000) -----			
Sales - net	3,290,228	13,358	-	3,303,586
Cost of sales	2,808,437	24,112	-	2,832,549
Gross profit / (loss)	481,791	(10,754)	-	471,037
Income from investments	-	-	222,737	222,737
	481,791	(10,754)	222,737	693,774
Distribution and selling expenses	3,409	1,970	-	5,379
Administrative expenses	49,120	3,084	4,557	56,761
Other operating expenses	40,075	(105)	6	39,976
	92,604	4,949	4,563	102,116
	389,187	(15,703)	218,174	591,658
Other income	12,568	954	-	13,522
Operating profit / (loss) before finance costs	401,755	(14,749)	218,174	605,180
Finance costs	75,999	244	3,021	79,264
Profit / (loss) before taxation	325,756	(14,993)	215,153	525,916
Taxation				103,744
Profit for the period				422,172

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

25.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2018. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 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 unconsolidated financial information.

25.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 1,182.519 million (2017: Rs. 3,148.946 million) of total Steel segment revenue of Rs. 1,274.459 million (2017: Rs. 3,290.228 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 124.633 (2017: Rs. 13.120 million) of total Cotton segment revenue of Rs. 370.779 million (2017: Rs. 13.358 million).

25.5 Geographical information

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

	Unaudited	
	First quarter ended	
	30 September 2018	30 September 2017
	----- (Rupees in '000) -----	
Pakistan	1,645,238	3,290,466
South and North America	-	13,120
	<u>1,645,238</u>	<u>3,303,586</u>

25.5.2 All non-current assets of the Company as at 30 September 2018 and 30 June 2018 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	Total
	----- (Rupees in '000) -----			
As at 30 September 2018 - (Unaudited)				
Segment assets for reportable segments	4,252,520	506,015	3,776,584	8,535,119
Unallocated corporate assets				<u>1,761,790</u>
Total assets as per unconsolidated balance sheet				<u>10,296,909</u>
Segment liabilities for reportable segments	803,816	102,760	11,029	917,605
Unallocated corporate liabilities and deferred income				<u>2,650,639</u>
Total liabilities as per unconsolidated balance sheet				<u>3,568,244</u>
As at 30 June 2018 - (Audited)				
Segment assets for reportable segments	4,103,680	531,879	3,778,357	8,413,916
Unallocated corporate assets				<u>1,665,099</u>
Total assets as per unconsolidated balance sheet				<u>10,079,015</u>
Segment liabilities for reportable segments	1,345,671	99,215	2,262	1,447,148
Unallocated corporate liabilities and deferred income				<u>1,908,100</u>
Total liabilities as per unconsolidated balance sheet				<u>3,355,248</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 Company's central treasury function.

25.7 Other segment information

	-----Unaudited-----			
	Steel segment	Cotton segment	IID segment	Total
	----- (Rupees in '000) -----			
For the first quarter ended				
30 September 2018				
Capital expenditure	4,114	1,659	-	5,773
Depreciation and amortization	19,796	8,344	583	28,723
Non-cash items other than depreciation and amortization - net	50,847	2,441	19,194	72,482
For the first quarter ended				
30 September 2017				
Capital expenditure	92,599	498	201	93,298
Depreciation and amortization	16,778	7,908	1,213	25,899
Non-cash items other than depreciation and amortization - net	91,419	235	(219,296)	(127,642)

26. 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	
			First quarter ended	
			30 September 2018	30 September 2017
----- (Rupees in '000) -----				
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	11,175	10,150
		Sale of finished goods	4,357	92,240
		Share deposit money	-	31,966
		Short term loan provided	83,100	208,000
		Short term loan repayment	-	208,000
		Mark-up income	6,098	4,773
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	11	277
CS Energy (Private) Limited	Subsidiary company	Short term loan provided	111,000	10,000
		Short term loan repayment	-	18,000
		Mark-up income	635	2,191
		Reimbursable expenses	1,625	1,497

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			First quarter ended	
			30 September 2018	30 September 2017
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend received	-	241,902
Shakarganj Limited	Associated company	Dividend Paid	-	270
		Services received	-	300
		Reimbursable expenses	370	375
		Expenses incurred on behalf of Company	367	-
		Right shares subscribed	-	213,791
The Citizens' Foundation *	Related party	Donation given	188	535
CSAP Foundation *	Related party	Donation given	-	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	-	1
Crescent Cotton Mills Limited *	Related party	Dividend paid	-	1
Premier Insurance Limited *	Related party	Insurance premium	1,075	1,362
		Dividend paid	-	220
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	400	400
		Dividend paid	-	112
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,642	-
		Dividend paid	-	2,207
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	4,277	-
		Dividend paid	-	4,845
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,447	2,108
		Dividend paid	-	1,250
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	54

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			First quarter ended	
			30 September 2018	30 September 2017
----- (Rupees in '000) -----				
Key management personnel	Related parties	Remuneration and benefits	<u>24,894</u>	<u>21,441</u>
		Dividend paid	<u>-</u>	<u>907</u>
Directors and their spouse	Related parties	Dividend paid	<u>-</u>	<u>191</u>
		Meeting fee	<u>1,165</u>	<u>1,060</u>

* These entities are / have been related parties of the Company 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 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.

27. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statement of the Company as at and the year ended 30 June 2018.

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

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:

30 September 2018 (Un-audited)

Investments	Carrying amount			Fair value			
	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	420,560	-	-	420,560	420,560	-	-	420,560

Financial assets not measured at fair value

Investments								
- unlisted equity securities	210,608	-	-	210,608	-	-	-	-
- associates	1,284,596	-	-	1,284,596	-	-	-	-
Deposits	-	227,864	-	227,864	-	-	-	-
Trade debts	-	549,012	-	549,012	-	-	-	-
Loan to subsidiaries	-	444,000	-	444,000	-	-	-	-
Mark-up accrued	-	34,210	-	34,210	-	-	-	-
Other receivables	-	122,090	-	122,090	-	-	-	-
Bank balances	-	8,364	-	8,364	-	-	-	-
	1,495,204	1,385,540	-	2,880,744	-	-	-	-

Financial liabilities not measured at fair value

Long term loans	-	-	359,954	359,954	-	-	-	-
Liabilities against assets subject to finance lease	-	-	162,258	162,258	-	-	-	-
Trade and other payables	-	-	507,039	507,039	-	-	-	-
Mark-up accrued	-	-	43,030	43,030	-	-	-	-
Short term borrowings	-	-	2,135,735	2,135,735	-	-	-	-
Unclaimed dividend	-	-	21,190	21,190	-	-	-	-
	-	-	3,229,206	3,229,206	-	-	-	-

30 June 2018 (Audited)

Investments	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

On-balance sheet Financial instruments

Financial assets measured at fair value

Investments								
- listed equity securities	448,371	-	-	448,371	448,371	-	-	448,371

Financial assets not measured at fair value

Investments								
- unlisted equity securities	210,608	-	-	210,608	-	-	-	-
- associates	1,284,596	-	-	1,284,596	-	-	-	-
Deposits	-	234,023	-	234,023	-	-	-	-
Trade debts	-	106,886	-	106,886	-	-	-	-
Loan to subsidiaries	-	249,900	-	249,900	-	-	-	-
Mark-up accrued	-	26,506	-	26,506	-	-	-	-
Other receivables	-	192,572	-	192,572	-	-	-	-
Bank balances	-	133,367	-	133,367	-	-	-	-
	1,495,204	943,254	-	2,438,458	-	-	-	-

Financial liabilities not measured at fair value

Long term loans	-	-	323,290	323,290	-	-	-	-
Liabilities against assets subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payables	-	-	1,095,512	1,095,512	-	-	-	-
Mark-up accrued	-	-	16,144	16,144	-	-	-	-
Short term borrowings	-	-	1,458,195	1,458,195	-	-	-	-
Unclaimed dividend	-	-	21,520	21,520	-	-	-	-
	-	-	3,088,090	3,088,090	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or 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.

28. DATE OF AUTHORIZATION FOR ISSUE

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



Chief Executive



Director



Chief Financial Officer


CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION


FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Balance Sheet
As at 30 September 2018

	Note	Unaudited 30 September 2018	Audited 30 June 2018
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,533,270	2,596,034
Intangible assets		136,468	137,005
Investment properties		48,401	49,358
Investment in equity accounted investees	6	3,197,269	3,088,233
Other long term investments	7	262,933	262,933
Long term deposits	8	222,159	217,233
		6,400,500	6,350,796
Current assets			
Stores, spares and loose tools		189,981	211,513
Stock-in-trade	9	1,668,146	2,268,108
Trade debts	10	624,702	82,320
Advances	11	329,450	29,897
Trade deposits and short term prepayments		56,308	71,774
Investments	12	974,994	1,054,848
Mark-up accrued		42	155
Other receivables	13	748,406	630,648
Taxation - net		1,189,372	1,165,309
Cash and bank balances		30,005	193,655
		5,811,406	5,708,227
Total assets		12,211,906	12,059,023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital			
		776,325	776,325
Capital reserves			
		1,166,435	1,158,663
Revenue reserves			
		5,614,080	5,678,701
		7,556,840	7,613,689
Non-current liabilities			
Long term loans	14	250,389	226,746
Liabilities against assets subject to finance lease		118,118	127,419
Deferred income		6,828	8,107
Deferred taxation		115,633	128,663
		490,968	490,935
Current liabilities			
Trade and other payables	15	1,134,338	1,805,207
Unclaimed dividend		21,190	21,520
Mark-up accrued		54,569	23,569
Short term borrowings	16	2,794,901	1,956,125
Current portion of long term loans	14	109,565	96,544
Current portion of liabilities against assets subject to finance lease		44,140	46,010
Current portion of deferred income		5,395	5,424
		4,164,098	3,954,399
Contingencies and commitments	17		
Total equity and liabilities		12,211,906	12,059,023

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


Chief Executive


Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Consolidated Statement of Profit or Loss and
 Other Comprehensive Income (Unaudited)
 For the first quarter ended 30 September 2018

	Note	First quarter ended	
		30 September 2018	30 September 2017
----- (Rupees in '000) -----			
Sales	18	3,034,513	4,776,594
Less: Sales tax		715,098	693,213
		<u>2,319,415</u>	<u>4,083,381</u>
Cost of sales		<u>2,317,725</u>	<u>3,718,396</u>
Gross profit		1,690	364,985
Loss from investments	19	<u>(23,460)</u>	<u>(35,494)</u>
		(21,770)	329,491
Distribution and selling expenses		4,485	5,713
Administrative expenses		62,010	64,005
Other operating expenses	20	14,965	41,459
		81,460	111,177
		<u>(103,230)</u>	<u>218,314</u>
Other income		14,902	7,867
Operating (loss)/profit before finance costs		<u>(88,328)</u>	<u>226,181</u>
Finance costs	21	78,829	88,082
Share of profit in equity accounted investees - net of taxation		110,837	42,718
(Loss)/Profit before taxation		<u>(56,320)</u>	<u>180,817</u>
Taxation - current		21,195	113,911
- prior		134	-
- deferred		(13,028)	(22,679)
		8,301	91,232
(Loss)/Profit for the period		<u>(64,621)</u>	<u>89,585</u>
Other comprehensive income			
<i>Items that shall not be reclassified subsequently to profit and loss</i>			
Unrealized appreciation during the period on remeasurement of investments classified as FVOCI'		9,572	12,955
<i>Items that will be reclassified subsequently to profit and loss</i>			
Proportionate share of other comprehensive income / (loss) of equity accounted investees		(1,800)	(1,023)
Other comprehensive income for the period		7,772	11,932
Total comprehensive income for the period		<u>(56,849)</u>	<u>101,517</u>
----- (Rupees) -----			
Basic and diluted earnings per share	22	<u>(0.83)</u>	<u>1.15</u>

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


 Chief Executive


 Director


 Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the first quarter ended 30 September 2018

	Note	First quarter ended	
		30 September 2018	30 September 2017
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in operations	23	(1,143,075)	(741,933)
Taxes paid		(45,393)	(351,940)
Finance costs paid		(44,188)	(77,628)
Contribution to gratuity and pension funds		(5,810)	-
Contribution to Workers' Profit Participation Fund		(27,190)	(111)
Infrastructure fee paid		-	(17,008)
Compensated absences paid		-	(285)
10-C bonus paid		-	(1,913)
Long term deposits - net		-	(7,507)
Net cash used in operating activities		<u>(1,265,655)</u>	<u>(1,198,325)</u>
Cash flows from investing activities			
Capital expenditure		5,436	(37,480)
Proceeds from disposal of operating fixed assets		98	108
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		-	14,995
Investments - net		36,522	(298,984)
Dividend income received		2,393	258,839
Interest income received		302	447
Net cash generated from/(used in) investing activities		<u>44,751</u>	<u>(62,075)</u>
Cash flows from financing activities			
Proceeds/(Repayment) of long term loan - net		36,664	(48,784)
Payments against finance lease obligations		(13,955)	(12,816)
Proceeds of short term loans obtained - net		887,375	1,171,310
Dividends paid		(330)	(109,154)
Net cash generated from financing activities		<u>909,754</u>	<u>1,000,556</u>
Net decrease in cash and cash equivalents		<u>(311,150)</u>	<u>(259,844)</u>
Cash and cash equivalents at beginning of the period		<u>(260,322)</u>	<u>(312,997)</u>
Cash and cash equivalents at end of the period	24	<u><u>(571,472)</u></u>	<u><u>(572,841)</u></u>

The annexed notes from 1 to 28 form an integral part of this 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 first quarter ended 30 September 2018

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized appreciation on remeasurement of investments classified as 'FVOCI'	Others *	General reserve	Unappropriated profit	
----- (Rupees in '000) -----							
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	-	-	-	-	-	89,585	89,585
Other comprehensive income							
Total other comprehensive income for the period	-	-	12,955	(1,023)	-	-	11,932
Total comprehensive income for the period	-	-	12,955	(1,023)	-	89,585	101,517
Balance as at 30 September 2017	<u>776,325</u>	<u>1,020,908</u>	<u>149,755</u>	<u>84,032</u>	<u>3,642,000</u>	<u>3,029,864</u>	<u>8,702,884</u>
Balance as at 30 June 2018	776,325	1,020,908	58,623	79,132	3,642,000	2,036,701	7,613,689
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	(64,621)	(64,621)
Other comprehensive income							
Total other comprehensive income for the period	-	-	9,572	(1,800)	-	-	7,772
Total comprehensive income for the period	-	-	9,572	(1,800)	-	(64,621)	(56,849)
Balance as at 30 September 2018	<u>776,325</u>	<u>1,020,908</u>	<u>68,195</u>	<u>77,332</u>	<u>3,642,000</u>	<u>1,972,080</u>	<u>7,556,840</u>

* 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 consolidated financial information.



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Consolidated Financial Information (Unaudited)

For the first quarter ended 30 September 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; CS Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2** The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the repealed Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, SIDCO Avenue Centre, 264 R.A. Lines, Karachi.
- 1.3** CS Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.
- 1.4** CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5** Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Companies Act, 2017). The principal activity of the Subsidiary Company is to manufacture steel billets.
- 1.6** Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7** Details regarding the Group's associates are given in note 6 to this consolidated financial information.

2. BASIS OF PREPARATION

- 2.1** This condensed interim consolidated financial information of the Group for the three months ended 30 September 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 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last consolidated financial statements.

2.3 This 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 2018.

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 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 2018.

5. PROPERTY, PLANT AND EQUIPMENT

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

	First quarter ended 30 September 2018		First quarter ended 30 September 2017	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Buildings on freehold land	-	-	19,654	-
Plant and machinery - owned	42,211	-	18,774	12,044
Plant and machinery - leased	-	-	14,995	-
Furniture and fittings	851	-	279	-
Electrical / office equipment and installation	3,594	160	3,194	-
Computers	370	710	894	-
Motor vehicles - owned	4,439	-	1,463	132
	<u>51,465</u>	<u>870</u>	<u>59,253</u>	<u>12,176</u>

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 30 September 2018 (Number of shares)	Audited 30 June 2018		Note	Unaudited 30 September 2018 (Rupees in '000)	Audited 30 June 2018
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,889,085	2,777,126
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1	308,184	311,107
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<u>3,197,269</u>	<u>3,088,233</u>

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

Description	30 September 2018			Total
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----				
Opening balance as at 30 June 2018	2,777,126	311,107	-	3,088,233
Share of profit / (loss) 6.2	111,977	(1,141)	-	110,836
Share of equity 6.2	(18)	(1,782)	-	(1,800)
Closing balance as at 30 September 2018	2,889,085	308,184	-	3,197,269

Description	30 June 2018			Total
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----				
Opening balance as at 30 June 2017	2,973,681	317,925	-	3,291,606
Share of profit / (loss)	315,444	(230,479)	-	84,965
Share of equity	(259)	(5,664)	-	(5,923)
Dividend received	(511,740)	(43,764)	-	(555,504)
Right shares subscribed	-	273,089	-	273,089
Closing balance as at 30 June 2018	2,777,126	311,107	-	3,088,233

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

6.3 Percentage of holding of equity in associates is as follows

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

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

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

6.4 The fair value of investments in associates as at 30 September 2018 is Rs. 4,291.142 million (30 June 2018: Rs. 4,895.867 million).

7. OTHER LONG TERM INVESTMENTS - Available for sale		Unaudited 30 September 2018	Audited 30 June 2018
	<i>Note</i>	(Rupees in '000)	
Investments in related parties	7.1	-	-
Other investments	7.2	262,933	262,933
		262,933	262,933

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

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

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 186.283 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

9. STOCK-IN-TRADE		Unaudited 30 September 2018	Audited 30 June 2018
		(Rupees in '000)	
Raw materials			
Hot rolled steel coils (HR Coil)		426,741	190,673
Coating materials		117,012	74,068
Remelting scrap		300,555	126,466
Others		168,006	149,149
Raw cotton		121,991	205,217
Bagasse		2,806	5,414
Stock-in-transit		1,141	1,075,007
		1,138,252	1,825,994
Work-in-process		131,789	19,713
Finished goods	9.1	388,633	416,590
Scrap / cotton waste		9,472	5,811
		529,894	442,114
		1,668,146	2,268,108

9.1 Stock in trade as at 30 September 2018 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Nil (30 June 2018: Rs. 32.020 million) has been recognised in cost of goods sold.

10. TRADE DEBTS

	<i>Note</i>	Unaudited 30 September 2018	Audited 30 June 2018
(Rupees in '000)			
Secured			
Considered good		469,299	-
Unsecured			
Considered good	<i>10.1</i>	155,403	82,320
Considered doubtful		22,219	21,263
Provision for doubtful trade debts		(22,219)	(21,263)
		155,403	82,320
		624,702	82,320

10.1 This includes an amount of Rs. 13.75 million (30 June 2018: Rs. 8.28 million) due from Shakarganj Limited - a related party.

11. ADVANCES

This includes amounting to Rs. 328.271 million (30 June 2018: Rs. 29.897 million) advances given to suppliers for goods and services.

12. INVESTMENTS

	<i>Note</i>	Unaudited 30 September 2018	Audited 30 June 2018
(Rupees in '000)			
Investment classified as FVOCI	<i>12.1</i>	170,392	160,820
Investment classified as FVPL		804,602	866,028
Investment in term deposit receipts - Conventional		-	28,000
		974,994	1,054,848

12.1 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 2018: Rs. Nil per share).

12.2 Investments having an aggregate market value of Rs. 2,870.608 million (30 June 2018: Rs. 3,005.775 million) have been pledged with financial institutions as security against financing facilities (refer note 16.5) out of which Rs. 2,127 million (30 June 2018: Rs. 2,147.97 million) relates to long term investments.

13. OTHER RECEIVABLES

		Unaudited	Audited
		30 September	30 June 2018
	<i>Note</i>	2018	
		(Rupees in '000)	
Dividend receivable		7,613	2,377
Receivable against sale of investments		42,720	17,723
Provision there against		(17,723)	(17,723)
		24,997	-
Receivable against rent from investment property		592	442
Due from related parties	<i>13.1</i>	71,308	53
Retention money receivable		-	113,162
Sales tax refundable		350,757	239,394
Margin on letter of credit and guarantee		15,359	18,404
Receivable from staff retirement benefits funds		254,774	254,774
Others		5,283	2,042
		730,683	630,648

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

14. LONG TERM LOANS

		Unaudited	Audited
		30 September	30 June 2018
		2018	
		----- (Rupees in '000) -----	
Secured - Under non-shariah arrangement			
Allied Bank Limited	<i>14.1</i>	359,954	323,290
Less: Current portion shown under current liabilities		109,565	96,544
		250,389	226,746

14.1 The Holding Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 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 year ended 30 June 2018, Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 156.25 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year, repayable in 12 equal quarterly installments starting after twelve months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period, mark-up on such arrangements ranged between 8.37% to 9.41% (2018: 7.64% to 8.35%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

15. TRADE AND OTHER PAYABLES

		Unaudited 30 September 2018	Audited 30 June 2018
	<i>Notes</i>	----- (Rupees in '000) -----	
Trade creditors		466,090	201,473
Bills payable		-	940,333
Commission payable		1,159	1,253
Customer's security deposits		-	2,150
Accrued liabilities		297,089	291,182
Advances from customers		21,548	70,782
Provisions		209,402	201,805
Due to related parties	<i>15.1</i>	(69,048)	2,498
Payable against purchase of investments		2,070	-
Payable to provident fund		2,097	2,384
Payable to staff retirement benefit funds		3,675	3,773
Retention money		2,949	2,949
Sales tax payable		115,275	1,832
Withholding tax payable		4,513	5,780
Advance income tax		39,258	16,904
Workers' Profit Participation Fund		4,056	29,443
Workers' Welfare Fund		13,886	12,215
Derivative Financial Liability		-	306
Others		20,319	18,145
		1,134,338	1,805,207

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

16. SHORT TERM BORROWINGS

		Unaudited 30 September 2018	Audited 30 June 2018
		----- (Rupees in '000) -----	
Secured from banking companies			
Running finances under mark-up arrangements	<i>16.1</i>	601,477	453,977
Short term loans	<i>16.2</i>	2,193,424	788,840
Unsecured from non-banking companies			
Short term finance under mark-up arrangements	<i>16.5</i>	-	713,308
		2,794,901	1,956,125

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,050 million (30 June 2018: Rs. 1,400 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 50 million (30 June 2018: Nil) and Rs. 100 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit, finance against import margin (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.64% to 8.55% (2017: 0.00% to 0.00%) per annum.

16.2 This includes an amount of Rs. 209.9 million (30 June 2018: Rs. 225.9 million) outstanding under shariah complied financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 3,805 million (30 June 2018: Rs. 5,457 million) out of which Rs. 3,260 million (30 June 2018: Rs. 3,925 million), Rs. 50 million (30 June 2018: Rs. Nil) and Rs. 310 million (30 June 2018: Rs. 210 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: 7.83% to 8.85%) per annum.

- 16.3** The facilities for opening letters of credit amounted to Rs. 4,860 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,260 million (30 June 2018: Rs. 2,925 million) and Rs. 210 million (30 June 2018: Rs. 210 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 30 September 2018 amounted to Rs. 1,874 million (30 June 2018: Rs. 1,996 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2018 were Rs. 3,980 million and Rs. 63 million (30 June 2018: Rs. 4,330 million and Rs. 96 million) respectively.
- 16.4** 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.
- 16.5** During the period, the Holding Company has settled commercial papers issued to non-banking finance companies. The term of the loan was one year from the date of issuance and redeemable at face value of Rs. 719.5 million. Mark-up was payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no significant change in the status of contingencies set out in note 16 to the Group's annual consolidated financial statements for the year ended 30 June 2018.

17.2 Commitments

- 17.2.1** As at 30 September 2018, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 251.878 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).
- 17.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,501 million (30 June 2018: Rs. 1,834 million).
- 17.2.3** Commitments in respect of capital expenditure contracted for by the Holding Company as at 30 September 2018 amounted to Rs. 34.585 million (30 June 2018: Rs. 25.492 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.
- 17.2.4** Commitments under letters of credit as at 30 September 2018 amounted to Rs. 189.237 million (30 June 2018: Rs. 799.173 million).

18. SALES - net	Unaudited	
	First quarter ended	
	30 September 2018	30 September 2017
	<i>Notes</i>	(Rupees in '000)
Local sales		
Bare pipes	29,317	2,986,800
Steel billets	1,167,875	1,016,709
Pipe coating	-	239,506
Pre coated pipes	1,368,785	475,610
Cotton yarn / raw cotton	364,445	-
Electricity sales	2,147	4,881
Steam Sales	18,278	-
Others	71,374	39,730
Scrap / waste	12,292	238
	3,034,513	4,763,474
Export sales		
Fabric	-	13,120
	3,034,513	4,776,594
Sales tax	(715,098)	(693,213)
	2,319,415	4,083,381

19. LOSS FROM INVESTMENTS

Dividend income	<i>19.1</i>	7,629	15,357
(Loss) / gain on sale of investments - net	<i>19.2</i>	(5,367)	1,904
Unrealized loss on held for trading investments	<i>19.3</i>	(32,146)	(53,915)
Rent from investment property	<i>19.6</i>	1,370	1,160
		(23,460)	(35,494)

19.1 This includes Rs. 3.679 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 2.688 million earned on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 7.457 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealized gain amounting to Rs. 9.572 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. 0.497 million (30 September 2017: Rs.0.999 million) . Further, Rs. 0.012 million (30 September 2017: Rs. 0.249 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

Unaudited

First quarter ended

30 September 2018	30 September 2017
----------------------	----------------------

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

Exchange loss	5,348	12,888
Loss on disposal of operating fixed assets	-	6
Provision for:		
Workers' Profit Participation Fund	1,803	17,558
Workers' Welfare Fund	1,684	6,377
Liquidated damages	-	4,630
Slow moving stores, spares and loose tools	5,174	-
	<u>14,965</u>	<u>41,459</u>

21. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	5,018	10,575
Interest on - Non - Shariah arrangement		
- finance lease obligations	3,609	2,921
- long term loan	7,907	8,505
- running finances / short term loans	56,902	61,224
Discounting of lease deposit	-	2,844
Bank charges	5,393	2,013
	<u>78,829</u>	<u>88,082</u>

22. BASIC AND DILUTED EARNINGS PER SHARE

(Loss)/Profit for the period	<u>(64,621)</u>	<u>89,585</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>
	(Rupees)	
Basic and diluted earnings per share	<u>(0.83)</u>	<u>1.15</u>

23. CASH GENERALTED FROM OPERATIONS

	Unaudited	
	First quarter ended	
	30 September 2018	30 September 2017
	----- (Rupees in '000) -----	
(Loss)/Profit before taxation for the period	(56,320)	180,817
Adjustments for non cash charges and other items		
Depreciation on operating fixed assets and investment properties	57,995	54,028
Amortization of intangible assets	752	959
Charge for the period on staff retirement benefit funds	5,810	-
Charge for compensated absences	-	285
Provision for 10-C bonus	-	489
Dividend income	(7,629)	(15,357)
Unrealized loss on held for trading investments - net	32,146	53,915
Loss / (gain) on sale of investments - net	5,367	(1,904)
Reversal of provision for doubtful trade debts - net	956	-
Provision for Workers' Welfare Fund	1,675	6,357
Provision for Workers' Profit Participation Fund	1,803	17,558
Return on deposits	(245)	(367)
(Gain)/Loss on disposal of operating fixed assets	(23)	6
Deferred income	(1,308)	(1,197)
Discounting on long term deposit	-	2,844
Unwinding of discount on long term deposit	(4,926)	(3,795)
Liabilities written back	(469)	(2)
Finance costs	78,828	85,236
Share of profit from equity accounted investees - net of taxation	(110,837)	(42,718)
Working capital changes	(1,146,650)	(1,079,087)
	(1,143,075)	(741,933)

Notes

23.1

23.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	21,533	(14,962)
Stock-in-trade	599,961	918,688
Trade debts	(524,383)	(766,329)
Advances	(437,764)	(19,027)
Trade deposits and short term prepayments	17,657	4,521
Other receivables	(142,731)	(634,511)
	(465,727)	(511,620)

(Decrease) / increase in current liabilities

Trade and other payables	(680,923)	(567,467)
	(1,146,650)	(1,079,087)

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(601,477)	(605,749)
Cash and bank balances	30,005	32,908
	(571,472)	(572,841)

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 first quarter ended 30 September 2018	----- Unaudited -----					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
	----- (Rupees in '000) -----					
Sales - net	1,950,847	370,779	-	58,098	(60,309)	2,319,415
Cost of sales	1,945,304	327,298	-	107,271	(62,148)	2,317,725
Gross profit / (loss)	5,543	43,481	-	(49,173)	1,839	1,690
Income from investments	-	-	75,443	-	(98,903)	(23,460)
	5,543	43,481	75,443	(49,173)	(97,064)	(21,770)
Distribution and selling expenses	2,930	1,555	-	-	-	4,485
Administrative expenses	47,773	8,021	4,968	1,248	-	62,010
Other operating expenses	13,161	1,803	1	-	-	14,965
	63,864	11,379	4,969	1,248	-	81,460
	(58,321)	32,102	70,474	(50,421)	(97,064)	(103,230)
Other income	19,826	2,720	-	60	(7,704)	14,902
Operating profit / (loss) before finance costs	(38,495)	34,822	70,474	(50,361)	(104,768)	(88,328)
Finance costs	75,124	575	7,944	2,890	(7,704)	78,829
Share of (loss) / profit in equity accounted investees - net of taxation	-	-	111,648	330	(1,141)	110,837
Profit / (loss) before taxation	(113,619)	34,247	174,178	(52,921)	(98,205)	(56,320)
Taxation						8,301
Loss for the period						(64,621)

For the first quarter ended
30 September 2017

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	
(Rupees in '000)						
Sales - net	4,159,210	13,358	-	126,315	(215,502)	4,083,381
Cost of sales	3,696,650	24,112	-	214,976	(217,342)	3,718,396
Gross profit / (loss)	462,560	(10,754)	-	(88,661)	1,840	364,985
Income from investments	-	-	218,910	712	(255,116)	(35,494)
	462,560	(10,754)	218,910	(87,949)	(253,276)	329,491
Distribution and selling expenses	3,743	1,970	-	-	-	5,713
Administrative expenses	53,902	3,084	5,756	2,093	(830)	64,005
Other operating expenses	41,558	(105)	6	-	-	41,459
	99,203	4,949	5,762	2,093	(830)	111,177
	363,357	(15,703)	213,148	(90,042)	(252,446)	218,314
Other income	13,690	954	-	187	(6,964)	7,867
Operating profit / (loss) before finance costs	377,047	(14,749)	213,148	(89,855)	(259,410)	226,181
Finance costs	86,429	244	6,163	2,210	(6,964)	88,082
Share of profit in equity accounted investees - net of taxation	-	-	42,494	224	-	42,718
Profit / (loss) before taxation	290,618	(14,993)	249,479	(91,841)	(252,446)	180,817
Taxation						91,232
Profit for the period						89,585

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 2018. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

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 18 to these consolidated financial information.

25.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 1,182.519 million (2017: Rs. 3,148.946 million) of total Steel segment revenue of Rs. 1,274.459 million (2017: Rs. 3,290.228 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 124.633 (2017: Rs. 13.120 million) of total Cotton segment revenue of Rs. 370.779 million (2017: Rs. 13.358 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 58.098 million of total Energy segment revenue of Rs. 58.098 million (2017: Rs. 126.315 million).

25.5 Geographical information

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

	Unaudited	
	First quarter ended	30 September
	2018	2017
(Rupees in '000)		
Pakistan	2,319,415	4,070,261
South and North America	-	13,120
	2,319,415	4,083,381

25.5.2 All non-current assets of the Group as at 30 September 2018 and 30 June 2018 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 30 September 2018 - Unaudited					
Segment assets for reportable segments	4,929,130	506,015	1,370,819	976,068	7,782,032
Investment in equity accounted investees	-	-	3,188,763	8,506	3,197,269
Unallocated corporate assets					1,232,605
Total assets as per consolidated balance sheet					<u>12,211,906</u>
Segment liabilities for reportable segments	1,452,515	102,760	165,117	170,052	1,890,444
Unallocated corporate liabilities and deferred income					2,764,622
Total liabilities as per consolidated balance sheet					<u>4,655,066</u>
As at 30 June 2018 - Audited					
Segment assets for reportable segments	4,811,697	528,790	1,376,546	935,261	7,652,294
Investment in equity accounted investees	-	-	2,831,055	257,178	3,088,233
Unallocated corporate assets					1,318,496
Total assets as per consolidated balance sheet					<u>12,059,023</u>
Segment liabilities for reportable segments	2,043,914	101,745	154,620	111,465	2,411,744
Unallocated corporate liabilities and deferred income					2,033,591
Total liabilities as per consolidated balance sheet					<u>4,445,335</u>

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

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

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

25.7 Other segment information

	Steel segment	Cotton segment	IID segment	Energy segment	Total
----- Unaudited -----					
----- (Rupees in '000) -----					
For the first quarter ended					
30 September 2018					
Capital expenditure	4,196	1,658	(1,219)	215	4,850
Depreciation and amortization	34,730	7,735	961	15,321	58,747
Non-cash items other than depreciation and amortization	71,565	2,441	(72,468)	(390)	1,148
For the first quarter ended					
30 September 2017					
Capital expenditure	35,362	498	201	114	36,175
Depreciation and amortization	30,662	7,908	1,832	14,585	54,987
Non-cash items other than depreciation and amortization	101,196	235	311	(392)	101,350

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	
			First quarter ended	
			30 September 2018	30 September 2017
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend received	-	255,870
Shakarganj Limited	Associated company	Dividend paid	-	270
		Sale of finished goods	-	3,053
		Services received	-	300
		Reimbursable expenses	370	375
		Rent expenses	-	156
		Expense incurred on behalf of Company	367	-
		Right shares subscribed	-	213,791
The Citizens' Foundation *	Related party	Donation given	188	535
CSAP Foundation *	Related party	Donation given	-	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	-	1
Premier Insurance Limited *	Related party	Insurance premium	1,075	1,362
		Dividend paid	-	220
Crescent Cotton Mills Limited *	Related party	Dividend paid	-	1
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Dividend paid	-	54
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	400	400
		Dividend paid	-	112
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,642	-
		Dividend paid	-	2,207
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	4,277	-
		Dividend paid	-	4,845
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,447	2,108
		Dividend paid	-	1,250
Key management personnel	Related parties	Remuneration and benefits	24,894	21,441
		Dividend paid	-	907
Directors and their spouse	Related parties	Dividend paid	-	191
		Meeting fee	1,165	1,060

* 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 2018.

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

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:

30 September 2018 (Unaudited)								
Investments	Carrying amount			Fair value				
	Loan and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	974,994	-	-	974,994	974,994	-	-	974,994
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	262,933	-	-	262,933	-	-	-	-
- equity	3,197,269	-	-	3,197,269	-	-	-	-
- term deposit receipt	-	-	-	-	-	-	-	-
Deposits		235,230		235,230				
Trade debts	-	624,702	-	624,702	-	-	-	-
Other receivables	-	125,152	-	125,152	-	-	-	-
Bank balances	-	27,224	-	27,224	-	-	-	-
	3,460,202	1,012,308	-	4,472,510	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	359,954	359,954	-	-	-	-
Liabilities against assets subject to finance lease	-	-	162,258	162,258	-	-	-	-
Trade and other payable	-	-	726,400	726,400	-	-	-	-
Mark-up accrued	-	-	54,569	54,569	-	-	-	-
Short term borrowings	-	-	2,794,901	2,794,901	-	-	-	-
	-	-	4,098,082	4,098,082	-	-	-	-

30 June 2018 (Audited)

	Carrying amount			Fair value				
	Investments	Loan and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	1,026,848	-	-	1,026,848	1,026,848	-	-	1,026,848
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	262,933	-	-	262,933	-	-	-	-
- equity	3,088,233	-	-	3,088,233	-	-	-	-
- term deposit receipt	28,000	-	-	28,000	-	-	-	-
Deposits		279,164		279,164				
Trade debts	-	82,320	-	82,320	-	-	-	-
Other receivables	-	136,480	-	136,480	-	-	-	-
Bank balances	-	193,445	-	193,445	-	-	-	-
	3,379,166	691,409	-	4,070,575	-	-	-	-
Financial liabilities not measured at fair value								
Long term loan	-	-	323,290	323,290	-	-	-	-
Liabilities against assets subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payable	-	-	1,466,446	1,466,446	-	-	-	-
Mark-up accrued	-	-	23,569	23,569	-	-	-	-
Short term borrowings	-	-	1,956,125	1,956,125	-	-	-	-
	-	-	3,942,859	3,942,859	-	-	-	-

The Group has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or 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 consolidated financial information was authorized for issue in the Board of Directors meeting held on 29 October 2018.



Chief Executive



Director



Chief Financial Officer

**Crescent Steel &
Allied Products Limited**

crescent.com.pk

