

**HELPING BUILD A  
SUSTAINABLE  
ENERGY  
INFRASTRUCTURE**



**CRESCENT STEEL AND  
ALLIED PRODUCTS  
LTD.**





# CONTENT

Company Information	2
Company Profile	4
Directors' Review	6

## FINANCIAL INFORMATION

Condensed Interim Unconsolidated Balance Sheet (Unaudited)	10
Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)	11
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)	12
Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)	13
Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)	14
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)	15

## CONSOLIDATED FINANCIAL INFORMATION

Condensed Interim Consolidated Balance Sheet (Unaudited)	36
Condensed Interim Consolidated Profit and Loss Account (Unaudited)	37
Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)	38
Condensed Interim Consolidated Cash Flow Statement (Unaudited)	39
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)	40
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)	41
ڈائریکٹرز کا جائزہ	63

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Ahmad Waqar  
Chairman, Non-Executive  
Director (Independent)

Ahsan M. Saleem  
Chief Executive Officer and  
Managing Director

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

Nasir Shafi  
Non-Executive Director

S.M. Ehtishamullah  
Non-Executive Director

Syed Zahid Hussain  
Non-Executive Director  
(Independent)

Zahid Bashir  
Non-Executive Director

## COMPANY SECRETARY

Muhammad Saad Thaniana

## AUDIT COMMITTEE

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

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

Nasir Shafi  
Member, Non-Executive Director

S.M. Ehtishamullah  
Member, Non-Executive Director

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Zahid Bashir  
Chairman, Non-Executive  
Director

Nasir Shafi  
Member, Non-Executive Director

S.M. Ehtishamullah  
Member, Non-Executive Director

Syed Zahid Hussain  
Member, Non-Executive Director  
(Independent)

## GOVERNANCE AND EVALUATION COMMITTEE

Ahmad Waqar  
Chairman, Non-Executive  
Director (Independent)

Ahsan M. Saleem  
Member, Chief Executive Officer

Zahid Bashir  
Member, Non-Executive Director

## THE MANAGEMENT

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

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

Abdul Rouf – 2000\*  
BU Head – Cotton Division

Arif Raza – 1985\*  
BU Head – Steel Division

Ehsan Durrani – 2008\*  
Human Resource Advisor

Hajerah A. Saleem – 2012\*  
BU Head - Investments and  
Infrastructure Development Division  
and Head of Corporate Affairs

Hasan Altaf Saleem – 2010\*  
Resident Director (CCP)

Iqbal Abdulla – 2014\*  
IT Advisor

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

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

## STOCK EXCHANGE LISTING

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

## PUBLIC INFORMATION

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company should contact Mr. Abdul Wahab at the Company's Principal Office, Karachi.  
Tel: +92 21 3567 4881-85  
Email: [abdul.wahab@crescent.com.pk](mailto:abdul.wahab@crescent.com.pk)

## SHAREHOLDERS' INFORMATION

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to M/s CorpTec Associates (Private) Limited, 503-E Johar Town, Lahore.  
Tel: +92 42 3517 0336-37  
Fax: +92 42 3517 0338  
Email: [info@corptec.com.pk](mailto:info@corptec.com.pk)

# COMPANY INFORMATION

## PRODUCTS

### STEEL DIVISION

Manufacturer of DSAW steel line pipes in diameters ranging from 8" to 120" and applicator of internal and external coating conforming to international standards.

Fabrication of machinery for sugar and cement industry.

### COTTON DIVISION

Manufacturer of quality cotton/synthetic yarn of various counts from 10/s to 31/s, including compact, slub and siro yarn.

### AUDITORS

KPMG Taseer Hadi & Co.

### LEGAL ADVISOR

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

### BANKERS

Al-Baraka Bank Pakistan Limited (Islamic Window)  
Allied Bank Limited  
BankIslami Pakistan Limited (Islamic Window)  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial and Commercial Bank of China  
MCB Bank Limited  
National Bank of Pakistan  
Summit Bank Limited

### REGISTERED OFFICE

10th Floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.  
Tel: +92 42 3578 3801-03  
Fax: +92 42 3578 3811

### LIAISON OFFICE LAHORE

10th Floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.  
Tel: +92 42 3578 3801-03  
Fax: +92 42 3578 3811  
Email: ejaz.ahmed@crecident.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@crecident.com.pk

### STEEL DIVISION

#### PIPE AND COATING PLANTS

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

### SHAKARGANJ ENGINEERING

17 Km Summundri Road, Dalowal, District Faisalabad, Punjab.  
Tel : +92 41 2569 825-26  
Fax: +92 41 2679 825

### CRESCENT HADEED (PRIVATE) LIMITED

59 Kilometer, Jhang Sargodha Road, Bhone, District Jhang  
Tel: +92 48 6889210 – 12  
Email: iqbal.siddiqui@crecident.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@crecident.com.pk

### POWER PLANT SHAKARGANJ ENERGY (PRIVATE) LIMITED

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

### CORPORATE WEBSITE

To visit our website, go to [www.crescent.com.pk](http://www.crescent.com.pk) or scan QR code.



For condensed Interim Report for the first quarter ended 30 September 2016, go to <http://www.crescent.com.pk/wp-content/uploads/2016/10/Quarter-Sep16.pdf> or scan QR code



# COMPANY PROFILE

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

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

The Company's Steel Division operates two Spiral Pipe production lines and a Coating line located at Nooriabad.

The Steel Division also operates an engineering unit located in Faisalabad, capable of fabricating and erecting reliable machinery at par with international standards.

The Spiral Pipe Plant has the capability of manufacturing high quality steel pipes in the diameter range of 8" – 120" (219 mm – 3,048 mm) in wall thickness from 4 mm – 25 mm and material grades up to API 5L X-100. During FY16, a second SP line was installed taking the unit's pipe production capacity to 200,000 tonnes per annum.

The unit has authorization to use API monogram of the American Petroleum Institute (API) – the highest international standard accredited for quality of steel line pipe and also continues to retain the ISO 9001 certification. In addition, Crescent Steel is the first Pakistani company to acquire oil and gas industry specific ISO/TS 29001, Quality Management System Certification from API which it continues to retain.

The Coating Plant is capable of applying various flow efficient and corrosion protection coatings such as Multi-Layer 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).

The division's engineering unit is engaged in fabrication and erection of machinery at par with international standards and designs, especially for sugar and cement industry. The unit specialises in the manufacture and supply of boilers, cane shredders, juice heaters, evaporators, batch and continuous vacuum pans,

centrifugal machines, stainless steel spray clusters and multi-jet condensers, perforated plates and vibro screens, and high voltage transformer tanks.

This ability was leveraged in the commissioning of our steel melting and billet manufacturing unit with the engineering unit supplying key infrastructure and equipment to the plant including the overhead crane.

## **COTTON DIVISION – COTTON YARN SPINNING UNIT**

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

CCP is a division of the company but its operating results are shown separately, CCP as a division holds ISO 9001 Quality Management Credentials, is registered with Ministry of Textile Industry Pakistan and is a member of International Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces quality cotton/synthetic yarn with value addition of Slub, Siro and Compact Attachments. CCP is equipped modern high-tech European and Japanese

# COMPANY PROFILE

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. CCP products are consistently in demand and generally sold at a premium.

## INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

## SUBSIDIARY COMPANIES

### CS CAPITAL (PRIVATE) LIMITED

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

### SHAKARGANJ ENERGY (PRIVATE) LIMITED

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 and to distribution companies, as permitted.

Equipped with a 15MW a co-generation, bagasse fired thermal generation power plant at Bhone, Punjab, the unit commenced commercial operations in December 2014. The generation plant uses bagasse in the combustion process to produce power and process steam.

During FY16 a condensing and extraction turbine was installed at the unit to process steam in off season periods and ensure a steady supply to Crescent Hadeed throughout the year.

### SOLUTION DE ENERGY (PRIVATE) LIMITED

Solution de Energy (Private) Limited was incorporated in Pakistan in October 2013 as a fully owned subsidiary of Shakarganj Energy (Private) Limited. The principal activity of the company is to build, own, operate and maintain 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 is in line with our vision to organically expand in the

steel long products business, the unit's annual production capacity today stands at 42,000 MT of steel billets in various sizes and a standard length of 6 meters.

The billets manufactured at our facility will be used by re-rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors.

The trial production was conducted in two phases; January to February and April to May 2016. During the trial production, electricity was provided by Shakarganj Energy (Private) Limited. Successfully concluding the trial phase, CHL is in commercial production since 1st June 2016.

# DIRECTORS' REVIEW

Dear Shareholders,

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively for the three months period ended September 30, 2016.

## ECONOMIC OUTLOOK

Pakistan's economic turnaround continues, achieving its highest growth rate (4.7%) in the last eight years. Inflation has fallen to its lowest level in decades and is expected to remain below the target of 6%. Current account deficit has been reduced to an average of 1% and the fiscal gap has almost halved to 4.3%. The foreign remittance peaked at \$19.9 billion and the Forex reserves can cover five months import bill of the country. The equity market outperformed regional giants like India and China crossing the 41,000 points mark. Domestic demand growth is expected to remain firm. It should benefit from low oil prices and reasonable remittances inflows. Investment growth may pick up gradually with robust credit growth and solid Foreign Direct Investment (FDI) inflows related to the China-Pakistan Economic Corridor project.

## FINANCIAL AND OPERATIONAL PERFORMANCE

### OVERALL FINANCIAL PERFORMANCE

Unconsolidated results for the period ended September 30, 2016 (Q1FY17), outweighed Q1FY16 as orders in hand for the Steel division as at the end of June 2016 were

executed during the quarter. The Company's profit after tax (PAT) amounted to Rs. 374.9 million, as compared to after tax profit of Rs. 128.8 million in the corresponding period last year. Earnings per share (EPS) for the current period stood at Rs. 4.83 as compared to Rs. 1.85 in the corresponding period last year.

Company's sales revenue stood at Rs. 2,520.6 million (Q1FY16: Rs. 943.5 million) which mainly represents turnover from Steel division. Sales revenue surged 167.2% YoY. Profit on investments from IID division amounted to Rs. 174.2 million (Investment loss Q1FY16: Rs. 31.6 million).

Gross Profits (GP) stood at Rs. 500.5 million (Q1FY16: Rs.310.9 million), contributed entirely by the Steel division which posted a GP of Rs. 513.9 million (Q1FY16: Rs. 335.6 million), while Cotton division reported a gross loss (GL) of Rs. 13.4 million (Q1FY16: Rs. 24.7 million).

The Company posted profit before tax (PBT) of Rs. 479.5 million (Q1FY16: Rs. 195.8 million). The Steel division PBT for the period stood at Rs. 333.6 million (Q1FY16 - PBT: Rs. 263 million) whereas loss before tax (LBT) from Cotton division stood at Rs. 23.6 million (Q1FY16 - LBT: Rs. 31.2 million). IID posted a PBT of Rs. 169.4 million (Q1FY16 - LBT Rs. 36 million)

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

- Sales revenue increased to Rs. 2,520.6 million as compared to

Rs. 943.5 million in Q1FY16.

- Gross Profit increased to Rs. 500.5 million as compared to a gross profit of Rs. 310.9 million in Q1FY16.
- Profit from Investment amounted to Rs. 174.2 million as compared to loss of Rs. 31.6 million in Q1FY16.
- Other income increased to Rs. 7 million as compared to Rs. 5.7 million in the corresponding period last year.
- Net profit increased to Rs. 375 million as compared to Rs. 128.8 million in Q1FY16.
- EBIT increased to Rs. 538.1 million as compared to Rs. 225.9 million in Q1FY16.
- EPS increased to Rs. 4.83 for the current period, as compared to EPS of Rs. 1.85 for Q1FY16.
- Return on average capital employed (annualized) was 25.1% for the current period as compared to 17.1% in the corresponding period last year.
- Break-up value per share increased to Rs. 77.7 from Rs. 74.8 as at 30 June 2016.

## BUSINESS SEGMENTS

### STEEL SEGMENT

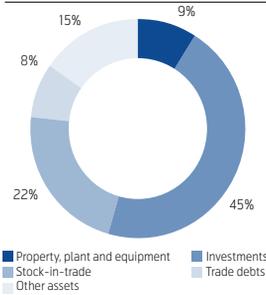
#### Segment performance

The Steel division reported PBT of Rs. 333.6 million (Q1FY16: Rs. 262.9 million) up by 26.9% YoY as order completion picked pace subsequent to the installation of the new spiral pipe machine (SP2). Capacity utilization, therefore remained high throughout the period.

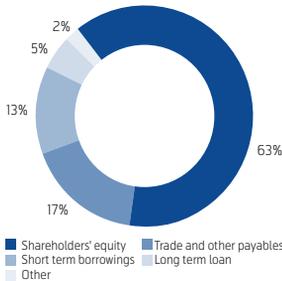
Revenue amounting to Rs. 2,212.2

# DIRECTORS' REVIEW

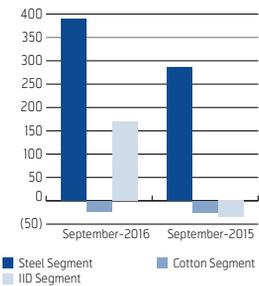
Total Assets



Total Liabilities



Profit from Operations Rupees in million



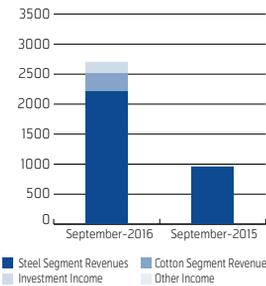
million was generated during the current period, vis-à-vis Rs. 943.4 million during Q1FY16. Gross Profit (GP) of Rs. 513.9 million was registered during the period as compared to Rs. 335.6 million during Q1FY16.

## COTTON SEGMENT

### Segment performance

Production at the cotton plant recommenced after a long hiatus. Market dynamics and deep analysis led to a shift of operation from 100% cotton to polyester cotton (PC) and polyester viscose (PV) blends. Sales revenue for Q1FY17 was Rs. 308.3 million (Q1FY16: Nil). The quarter ended with a LBT of Rs. 23.6 million (Q1FY16: LBT Rs. 31.2 million) mainly representing fixed

Revenue and Income Rupees in million



costs related to production and administrative expenses.

## INVESTMENT AND INFRASTRUCTURE DEVELOPMENT (IID) SEGMENT

### Market Review

The KSE-100 index gained 4% (1,562 points) during July FY17 closing in at around 39,528 points on 31 July 2016. While in the subsequent two months the index crossed a major psychological barrier of 40,000 points closing at around 40,542 points on 30 September 2016. Overall KSE-100 index grew by 7.3% in Q1FY17 against 13% growth in Q4FY16. Moreover volumes picked up, as average daily volume for Q1FY17 were around Rs. 240 million against Rs. 172 million for Q4FY16.

## SEGMENT PERFORMANCE - UNCONSOLIDATED

During the quarter ended 30 September 2016, the Investments and Infrastructure Development (IID) division's CSAPL portfolio of equity investments recorded an ROI of 8.5% on weighted average investments of Rs. 369.6 million (excluding strategic investments) during the same period, the benchmark KSE-100 index increased by 7.3%.

The portfolio's accumulated profit before tax (PBT) for the quarter ended 30 September 2016 stood at Rs. 169.5 million against Q1FY16 loss before tax (LBT) of Rs. 36 million.

Closing position of investment portfolio was Rs. 4,340.5 million as compared to Rs 4,326.9 as of 30 June 2016 .

## OVERALL FINANCIAL PERFORMANCE - CONSOLIDATED

On consolidated basis, operating profit before finance cost amounted to Rs. 367.5 million (Q1FY16: Rs. 283.7 million). Net share of profit from equity accounted associates amounted to Rs. 53.7 million (Q1FY16: Rs. 102.2 million).

Consequently, consolidated profit after tax and EPS of the Group for Q1FY17 amounted to Rs. 201.4 million and Rs. 2.59 per share as compared to profit after tax of Rs. 183.4 million and EPS of Rs. 2.63 per share respectively in the corresponding period last year.

During the period, loss before tax of Shakarganj Energy (Private) Limited amounted to Rs. 85.5 million (Q1FY16: PBT Rs. 9.5

# DIRECTORS' REVIEW

million) on account of fixed production overheads, low activity during off season and high off season bagasse cost.

Crescent Hadeed (Private) Limited (CHL) loss before tax for the quarter stood at Rs. 39.6 million. During the quarter 2,894 tons of billets were produced.

As per consolidated results, profit before taxation for IID Division for the Q1FY17 was Rs. 111.5 million compared to profit before tax of Rs. 35.6 million in Q1FY16. This is mainly attributable to share of profit amounting to Rs. 53.5 million (Q1FY16 share of loss: Rs. 100.4 million) from equity accounted investments in associates.

The value of investment portfolio as of September 30, 2016 was Rs. 3,874.3 million as compared to Rs. 3,982.5 million as of June 30, 2016.

## FINANCIAL POSITION BALANCE SHEET

Balance sheet footing stood at Rs. 9,794.2 million as of September 30, 2016, compared to Rs. 9,484.2 million as of June 30, 2016. Break-up value per share increased to Rs. 77.7 from Rs. 74.8 as at June 30, 2016.

Current ratio as at September 30,

2016 increased slightly to 1.5:1 as at 30 September 2016. Gearing ratio decreased to 26.4% as at September 30, 2016 from 31% as at June 30, 2016.

On a Group basis, the consolidated balance sheet footing increased to Rs. 11,742.4 million, compared to Rs. 11,457.3 million as of June 30, 2016. Total shareholders' fund increased to Rs. 7,366.4 million from Rs. 7,319.2 million as of June 30, 2016. Break-up value per share increased to Rs. 94.9 from Rs. 94.3 as at 30 June 2016.

## FUTURE OUTLOOK

The economy is expected to grow by 5% in FY17. There is an expectation that both public and private consumption will rise. This rise is primarily driven by projects under China Pakistan Economic Corridor (CPEC) and public investment. Projects under CPEC will substantially increase power generation in the country enhancing growth in industry and service sector.

The outlook for the pipeline industry looks good as the gas infrastructure projects are in the finalization stages. The Company has ideally placed itself to participate in these mega infrastructure projects to cater to

the expected large demand of steel pipes owing to addition of the new SP Line, Coating Systems and other ancillary machinery at existing site of Steel division at Nooriabad Industrial Area

Prices of cotton and yarn are currently not in favorable position, until the proposed Rs. 200 billion bailout package for revival of textile sector becomes a reality, the outlook for the industry remains gloomy.

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

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

For and on behalf of the Board of Directors.



**Ahsan M. Saleem**  
Chief Executive Officer  
27 October 2016

**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**CONDENSED INTERIM  
UNCONSOLIDATED  
FINANCIAL  
INFORMATION  
FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2016**

# CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	829,394	822,636
Intangible assets		4,202	3,507
Investment properties	6	18,316	19,316
Long term investments	7	3,956,028	3,934,928
Long term deposits		180,393	176,668
		<b>4,988,333</b>	<b>4,957,055</b>
<b>Current assets</b>			
Stores, spares and loose tools		140,008	111,583
Stock-in-trade	8	1,774,656	2,266,787
Trade debts	9	896,020	322,851
Advances	10	98,648	39,830
Trade deposits and short term prepayments		16,950	16,524
Investments	11	384,499	391,946
Other receivables	12	891,001	785,404
Taxation - net		587,368	529,321
Cash and bank balances		16,730	62,902
		<b>4,805,880</b>	<b>4,527,148</b>
<b>Total assets</b>		<b>9,794,213</b>	<b>9,484,203</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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		1,027,106	1,025,694
Revenue reserves		4,225,414	4,005,706
		<b>6,028,845</b>	<b>5,807,725</b>
<b>Non-current liabilities</b>			
Long term loans	13	343,500	394,250
Liabilities against assets subject to finance lease		36,364	77,145
Deferred taxation		81,656	68,259
Deferred income		8,318	9,179
		<b>469,838</b>	<b>548,833</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,453,828	850,158
Mark-up accrued		33,270	21,023
Short term borrowings	15	1,611,522	2,083,975
Current portion of long term loan	13	140,500	109,250
Current portion of liabilities against assets subject to finance lease		52,155	58,687
Current portion of deferred income		4,255	4,552
		<b>3,295,530</b>	<b>3,127,645</b>
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>9,794,213</b>	<b>9,484,203</b>

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	First quarter ended	
		30 September 2016	30 September 2015
Sales - net	17	2,520,562	943,462
Cost of sales		2,020,023	632,575
Gross profit		500,539	310,887
Income / (loss) from investments - net	18	174,170	(31,571)
		674,709	279,316
Distribution and selling expenses		5,064	2,977
Administrative expenses		48,196	37,368
Other operating expenses	19	90,384	18,807
		143,644	59,152
		531,065	220,164
Other income		7,004	5,704
Operating profit before finance costs		538,069	225,868
Finance costs	20	58,556	30,065
Profit before taxation		479,513	195,803
Taxation			
- current		91,144	70,401
- deferred		13,397	(3,439)
		104,541	66,962
Profit for the period		374,972	128,841
Basic and diluted earnings per share	21	4.83	Restated 1.85

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	First quarter ended	
	30 September 2016	30 September 2015
Profit for the period	374,972	128,841
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Unrealized appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	1,412	(68)
Other comprehensive income for the period	1,412	(68)
<b>Total comprehensive income for the period</b>	<b>376,384</b>	<b>128,773</b>

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	First quarter ended	
		30 September 2016	30 September 2015
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	22	679,958	(820,783)
Taxes paid		(149,191)	(89,655)
Finance costs paid		(43,214)	(20,508)
Contribution to gratuity and pension funds		(4,466)	(3,821)
Infrastructure fee paid		(3,333)	-
Compensated absences paid		(78)	(70)
10-C bonus paid		(1,778)	-
Long term deposits - net		-	(2,092)
Net cash generated from / (used in) operating activities		477,898	(936,929)
<b>Cash flows from investing activities</b>			
Capital expenditure		(32,395)	(16,585)
Acquisition of intangible assets		(1,571)	-
Proceeds from disposal of operating fixed assets		3,205	5,995
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		-	19,335
Investments - net		15,223	42,356
Dividend income received		142,098	740
Interest income received		262	647
Net cash flow from investing activities		126,822	52,488
<b>Cash flows from financing activities</b>			
(Repayment of) / proceeds from long term loan		(19,500)	268,000
Payments against finance lease obligations		(50,408)	(15,697)
(Repayment of) / proceeds from short term loans obtained - Net		(394,368)	621,958
Dividends paid		(108,531)	(85)
Net cash (used in) / flow from financing activities		(572,807)	874,176
Net increase / (decrease) in cash and cash equivalents		31,913	(10,265)
Cash and cash equivalents at beginning of the period		(116,935)	(259,271)
Cash and cash equivalents at end of the period	23	(85,022)	(269,536)

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	General reserve	Unappropriated profit	
Rupees in '000						
Balance as at 30 June 2015	621,060	293,499	5,542	2,642,000	488,642	4,050,743
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	128,841	128,841
<b>Other comprehensive income</b>						
Total other comprehensive income for the period	-	-	(68)	-	-	(68)
Total comprehensive income for the period	-	-	(68)	-	128,841	128,773
Balance as at 30 September 2015	621,060	293,499	5,474	2,642,000	617,483	4,179,516
Balance as at 30 June 2016	776,325	1,020,908	4,786	2,642,000	1,363,706	5,807,725
Transfer to general reserve	-	-	-	1,000,000	(1,000,000)	-
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	374,972	374,972
<b>Other comprehensive income</b>						
Total other comprehensive income for the period	-	-	1,412	-	-	1,412
Total comprehensive income for the period	-	-	1,412	-	374,972	376,384
<b>Transaction with owners</b>						
Dividend:						
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	(155,264)	(155,264)
Balance as at 30 September 2016	776,325	1,020,908	6,198	3,642,000	583,414	6,028,845

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

## 1. THE COMPANY AND ITS OPERATIONS

Crescent Steel and Allied Products Limited ("the Company") was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is quoted on The Pakistan Stock Exchange. The registered office of the Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 24.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting", Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim unconsolidated financial information of the Company does not include all of the information required for 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 2016.
- 2.3 This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency 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 245 of the Companies Ordinance, 1984.

## 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended 30 June 2016.

## 4. ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 Estimates and judgements made by management in the preparation of this condensed interim unconsolidated financial information are the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2016.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Unaudited First quarter ended 30 September 2016		Unaudited First quarter ended 30 September 2015	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	3,727	–	–	–
Plant and machinery - owned	1,489	–	8,528	48,871
Plant and machinery - leased	–	–	19,271	–
Furniture and fittings	856	–	200	–
Electrical / office equipment and installation	2,682	–	390	70
Computers	380	1,008	795	–
Motor vehicles - owned	–	5,023	64	905
	9,134	6,031	29,248	49,846

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 14.003 million (2015: Rs. 6.631 million).

### 6. INVESTMENT PROPERTIES

Fair value of the investment properties based on recent valuation is Rs. 173.550 million (30 June 2016: Rs. 173.550 million), which is determined by independent valuer on the basis of market value.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>7. LONG TERM INVESTMENTS</b>			
Subsidiary companies			
- at cost	7.1	2,502,000	2,502,000
- share deposit money			
Shakarganj Energy (Private) Limited		22,090	2,090
Crescent Hadeed (Private) Limited		282,750	281,650
Associated companies - at cost	7.2	970,242	970,242
Other long term investments	7.3	178,946	178,946
		3,956,028	3,934,928

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

## 7.1 Subsidiary companies - at cost

Unaudited 30 September 2016	Audited 30 June 2016		Note	Unaudited 30 September 2016	Audited 30 June 2016
Number of shares				Rupees in '000	
<b>Unquoted</b>					
118,000,000	118,000,000	Shakarganj Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	7.1.1	1,180,000	1,180,000
47,199,995	47,199,995	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	7.1.2	472,000	472,000
85,000,000	85,000,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	7.1.3	850,000	850,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	7.1.4	-	-
				2,502,000	2,502,000

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

7.1.2 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.

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

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

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

## 7.2 Associated companies - at cost

Unaudited 30 September 2016	Audited 30 June 2016		Unaudited 30 September 2016	Audited 30 June 2016
Number of shares		Note	Rupees in '000	
<b>Quoted</b>				
60,475,416	60,475,416	7.2.1	593,488	593,488
Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)				
24,119,987	24,119,987	7.2.2	477,315	477,315
Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)				
			1,070,803	1,070,803
Less: Provision for impairment - net			100,561	100,561
			970,242	970,242

7.2.1 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.

7.2.2 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.

7.2.3 This represents provision for diminution in the value of investment in Shakarganj Limited.

7.2.4 The fair value of investments in associates as at 30 September 2016 is Rs. 2,892.969 million (30 June 2016: Rs. 2,593.178 million).

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>7.3 Other long term investments</b>			
<b>Available for sale</b>			
Investments in related parties	7.3.1	58,946	58,946
Other investments		120,000	120,000
		178,946	178,946

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

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>8. STOCK-IN-TRADE</b>			
<u>Raw materials</u>			
Hot rolled steel coils (HR Coil)		962,880	1,390,626
Coating materials		165,145	234,524
Others		107,500	149,098
Raw cotton		18,247	28,332
Stock-in-transit		281,672	220,648
		1,535,444	2,023,228
Work-in-process		136,811	86,922
Finished goods		81,251	145,761
Scrap / cotton waste		21,150	10,876
		239,212	243,559
		1,774,656	2,266,787

### 9. TRADE DEBTS

<u>Secured</u>			
Considered good	9.1	887,860	297,296
<u>Unsecured</u>			
Considered good		8,160	25,555
Considered doubtful		14,271	14,271
Provision for doubtful trade debts		(14,271)	(14,271)
		8,160	25,555
		896,020	322,851

- 9.1 This includes amounting to Rs.76.095 million (30 June 2016: Rs. 59.107 million) and Rs.12.527 million (30 June 2016: Rs. 12.526 million) due from wholly owned subsidiary companies Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited respectively. This also includes Rs.Nil (30 June 2016: Rs. 8.776 million) due from Shakarganj Limited.

### 10. ADVANCES

Includes Rs. 92.578 million (30 June 2016: Rs. 35.007 million) given to suppliers for goods and services.

Rupees in '000		Unaudited 30 September 2016	Audited 30 June 2016
<b>11. INVESTMENTS</b>			
<u>Investments in related parties</u>			
Available for sale - The Crescent Textile Mills Limited		10,224	8,812
<u>Other investments</u>			
Available for sale		-	-
Held for trading		374,275	383,134
		374,275	383,134
		384,499	391,946

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

- 11.1 Investments having an aggregate market value of Rs. 2,498,043 million (30 June 2016: Rs. 2,539,649 million) have been pledged with financial institutions as security against financing facilities (refer note 15.4) out of which Rs. 2,167.135 million (30 June 2016: Rs. 2,216.408 million) relates to long term investments.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>12. OTHER RECEIVABLES</b>			
Dividend receivables		4,843	1,525
Receivable against rent from investment property		610	674
Claim receivable		562	562
Due from related parties	12.1	73,251	64,739
Retention money receivable		195,335	149,163
Sales tax refundable		131,073	90,216
Margin on letter of credit / letter of guarantee		25,398	19,022
Receivable from staff retirement benefits funds		455,829	456,276
Others		4,100	3,227
		891,001	785,404

<b>12.1 Due from related parties</b>			
Shakarganj Limited		1,088	1,273
CS Capital (Private) Limited		332	83
Shakarganj Energy (Private) Limited		21,440	21,319
Crescent Hadeed (Private) Limited		37,987	30,564
Solution de Energy (Private) Limited		12,404	11,500
		73,251	64,739

<b>13. LONG TERM LOANS</b>			
<i>Secured</i>			
Allied Bank Limited	13.1	234,000	253,500
Saudi Pak Industrial and Agricultural Investment Company Limited	13.2	250,000	250,000
		484,000	503,500
Less: Current portion shown under current liabilities		140,500	109,250
		343,500	394,250

- 13.1 During year ended 30 June 2015, the Company entered into 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 1 year, repayable in 16 equal quarterly installments started from December 2015. During the period, Company has made repayment of Rs. 19.5 million. 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 7.56% to 7.60% (2015: 8.33% to 8.44%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

- 13.2 During year ended 30 June 2016, the Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

loan is 5 years from the date of disbursement including a grace period of 1 year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.49% to 8.85% (2015: 9.54%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Company.

#### 14. TRADE AND OTHER PAYABLES

This includes balances due to Premier Insurance Limited and Shakarganj Limited amounting to Rs. 0.05 million (30 June 2016: Rs. 1.074 million) and Rs. 0.08 million (30 June 2016: Rs. Nil) respectively.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
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#### 15. SHORT TERM BORROWINGS

Secured from banking companies

Running finances under mark-up arrangements	15.1	101,752	179,837
Short term loans	15.2	1,509,770	1,904,138
		1,611,522	2,083,975

- 15.1 Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 550 million (30 June 2016: Rs. 550 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 50 million (30 June 2016: Rs 50 million) and Rs. 100 million (30 June 2016: Rs. 100 million) is interchangeable with letter of credit, Finance Against Import Material (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.70% to 8.55% (2015: 8.40% to 8.74%) per annum.
- 15.2 This includes an amount of Rs. 62.248 million (30 June 2016: Rs. 219 million) outstanding against Istisnaa Financing. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 2,945 million (30 June 2016: Rs. 4,662 million) out of which Rs. 2,410 million (30 June 2016: Rs. 3,708 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 200 million (30 June 2016: Rs. 310 million) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.78% to 8.51% (2015: 8.76% to 8.96%) per annum.
- 15.3 The facilities for opening letter of credit amounted to Rs. 3,510 million (30 June 2016: Rs. 4,790 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 2,410 million (30 June 2016: Rs. 3,710 million) and Rs.200 million (30 June 2016: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 15.1 and 15.2 above. The facility for letter of guarantee as at 30 September 2016 amounted to Rs. 1,318 million (30 June 2016: Rs. 1,339 million). Amounts unutilized for letter of credit and guarantees as at 30 September 2016 were Rs. 2,020.29 million and Rs. 107.4 million (30 June 2016: Rs. 2,642 million and Rs. 113 million) respectively.
- 15.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11) and cotton / cotton yarn; and lien over import / export document.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

## 16. CONTINGENCIES AND COMMITMENTS

- 16.1 There is no significant change in the status of contingencies as set out in note 13 to the Company's annual unconsolidated financial statements for the year ended 30 June 2016.
- 16.2 As at 30 September 2016, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 437.209 million (30 June 2016: Rs. 460.220 million), which is payable in quarterly installments of Rs. 23.011 million each.
- 16.3 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Company against various contracts aggregated to Rs. 1,154 million (30 June 2016: Rs. 1,125.110 million).
- 16.4 Commitments in respect of capital expenditure contracted for as at 30 September 2016 amounted to Rs. 58.548 million (30 June 2016: Rs. 41.234 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project.
- 16.5 Commitments under letters of credit (L/C) as at 30 September 2016 amounted to Rs. 230.709 million (30 June 2016: Rs. 578.600 million).

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2016	30 September 2015
<b>17. SALES - NET</b>			
<i>Local sales</i>			
Bare pipes		2,068,299	653,400
Pipe coating		271,627	160,927
Pre coated pipes		204,121	258,362
Cotton yarn / raw cotton		306,047	-
Others		7,809	24,970
Scrap / waste		37,758	6,527
Sales returns		(1,199)	-
		2,894,462	1,104,186
Sales tax		(373,900)	(160,724)
		2,520,562	943,462
<b>18. INCOME / (LOSS) FROM INVESTMENTS</b>			
Dividend income		145,416	10,986
Gain / (loss) on sale of investment - net		4,912	(11,924)
Unrealized gain / (loss) on held for trading investments - net		22,552	(31,891)
Rent from investment property	18.1	1,290	1,258
		174,170	(31,571)

- 18.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 0.881 million (2015: Rs. 0.953 million). Further, Rs. 0.257 million (2015: Rs. 0.271 million) were incurred against non rented out area.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Unaudited First quarter ended	
	30 September 2016	30 September 2015
<b>19. OTHER OPERATING EXPENSES</b>		
Exchange loss	2,294	278
Provision for Workers' Welfare Fund	5,254	4,857
Provision for Workers' Profit Participation Fund	17,837	13,672
Liquidated damages	64,999	-
	90,384	18,807
<b>20. FINANCE COSTS</b>		
Interest on:		
- finance lease obligations	3,044	2,990
- long term loan	10,334	10,371
- running finances / short term loans	40,917	14,313
Bank charges	4,261	2,391
	58,556	30,065
<b>21. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit for the period	374,972	128,841
		Restated
Weighted average number of ordinary shares in issue		
during the period	77,632,491	69,751,296
		Restated
		(Rupees)
Basic and diluted earnings per share	4.83	1.85

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2016	30 September 2015
<b>22. CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Profit before taxation		479,513	195,803
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		24,433	27,307
Amortization of intangible assets		876	1,884
Charge for the period on staff retirement benefit funds		4,913	(3,193)
Charge for compensated absences		78	70
Provision for 10-C bonus		493	-
Dividend income		(145,416)	(10,986)
Unrealized (gain) / loss on held for trading investments - net		(22,552)	31,891
(Gain) / loss on sale of investments - net		(4,912)	11,924
Provision for Workers' Welfare Fund		5,254	4,857
Provision for Workers' Profit Participation Fund		17,837	13,672
Return on deposits		(262)	(647)
Gain on disposal of operating fixed assets		(1,001)	(121)
Deferred income		(1,157)	(535)
Discount income on long term deposit		(3,725)	-
Liabilities written back		-	(3,786)
Finance costs		58,556	30,065
Working capital changes	22.1	267,030	(1,118,988)
		679,958	(820,783)
<b>22.1 Working capital changes</b>			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(28,425)	7,058
Stock-in-trade		498,797	(909,323)
Trade debts		(573,169)	(356,506)
Advances		(58,818)	(47,043)
Trade deposits and short term prepayments		(426)	(2,514)
Other receivables		(102,726)	(84,656)
		(264,767)	(1,392,984)
Increase in current liabilities			
Trade and other payables		531,797	273,996
		267,030	(1,118,988)
<b>23. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(101,752)	(290,046)
Cash and bank balances		16,730	20,510
		(85,022)	(269,536)

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 24. SEGMENT REPORTING

#### 24.1 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.

#### 24.2 Segment revenues and results

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

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
<b>For the first quarter ended 30 September 2016</b>				
Sales - net	2,212,230	308,332	-	2,520,562
Cost of sales	1,698,271	321,752	-	2,020,023
Gross profit / (loss)	513,959	(13,420)	-	500,539
Income from investments	-	-	174,170	174,170
	513,959	(13,420)	174,170	674,709
Distribution and selling expenses	2,145	2,919	-	5,064
Administrative expenses	37,225	7,188	3,783	48,196
Other operating expenses	90,365	-	19	90,384
	129,735	10,107	3,802	143,644
	384,224	(23,527)	170,368	531,065
Other income	5,988	1,016	-	7,004
Operating profit / (loss) before finance costs	390,212	(22,511)	170,368	538,069
Finance costs	56,550	1,077	929	58,556
Profit / (loss) before taxation	333,662	(23,588)	169,439	479,513
Taxation				104,541
Profit for the period				374,972

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the first quarter ended				
30 September 2015				
Sales - net	943,462	-	-	943,462
Cost of sales	607,827	24,748	-	632,575
Gross profit / (loss)	335,635	(24,748)	-	310,887
Loss from investments	-	-	(31,571)	(31,571)
	335,635	(24,748)	(31,571)	279,316
Distribution and selling expenses	2,540	437	-	2,977
Administrative expenses	28,979	5,350	3,039	37,368
Other operating expenses	18,777	11	19	18,807
	50,296	5,798	3,058	59,152
	285,339	(30,546)	(34,629)	220,164
Other income	724	4,980	-	5,704
Operating profit / (loss) before finance costs	286,063	(25,566)	(34,629)	225,868
Finance costs	23,072	5,656	1,337	30,065
Profit / (loss) before taxation	262,991	(31,222)	(35,966)	195,803
Taxation				66,962
Profit after taxation				128,841

24.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2015: Rs. Nil).

24.2.2 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 2016. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

### 24.3 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 17 to this condensed interim unconsolidated financial information.

### 24.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 2,156.822 million (2015: Rs. 918.226 million) of total Steel segment revenue of Rs. 2,212.230 million (2015: Rs. 943.462 million). Further, revenue from major customers of Cotton segment represents an aggregate amount of Rs. 99.059 million (2015: Rs. Nil) of total Cotton segment revenue of Rs. 308.332 million (2015: Rs. Nil).

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 24.5 Geographical information

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

Rupees in '000	Unaudited First quarter ended	
	30 September 2016	30 September 2015
Pakistan	2,520,562	943,462

24.5.2 All non-current assets of the Company as at 30 September 2016 and 30 June 2016 were located and operating in Pakistan.

### 24.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
<b>As at 30 September 2016 - (Unaudited)</b>				
Segment assets for reportable segments	5,277,133	430,096	3,287,595	8,994,824
Unallocated corporate assets				799,389
Total assets as per unconsolidated balance sheet				9,794,213
Segment liabilities for reportable segments	1,089,749	148,398	1,704	1,239,851
Unallocated corporate liabilities				2,525,517
Total liabilities as per unconsolidated balance sheet				3,765,368
<b>As at 30 June 2016 - (Audited)</b>				
Segment assets for reportable segments	4,981,453	448,478	3,292,742	8,722,673
Unallocated corporate assets				761,530
Total assets as per unconsolidated balance sheet				9,484,203
Segment liabilities for reportable segments	611,078	108,262	1,923	721,263
Unallocated corporate liabilities				2,955,215
Total liabilities as per unconsolidated balance sheet				3,676,478

24.6.1 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

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

- 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.

### 24.7 Other segment information

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
<b>For the first quarter ended</b>				
<b>30 September 2016</b>				
Capital expenditure	28,640	953	178	29,771
Depreciation and amortization	13,275	10,794	1,240	25,309
Non-cash items other than depreciation and amortization - net	78,355	1,573	(171,745)	(91,817)
<b>For the first quarter ended</b>				
<b>30 September 2015</b>				
Capital expenditure	8,166	7,070	-	15,236
Depreciation and amortization	11,225	16,771	1,195	29,191
Non-cash items other than depreciation and amortization - net	38,331	846	34,061	73,238

### 25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary and associated companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. 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	
			30 September 2016	30 September 2015
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	7,421	2,285
		Sale of finished goods	29,623	3,575
		Share deposit money	1,100	39,500
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	249	205

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited First quarter ended	
			30 September 2016	30 September 2015
Shakargarj Energy (Private) Limited	Subsidiary company	Share deposit money	20,000	-
		Reimbursable expenses	120	37,726
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	903	1,453
Altern Energy Limited	Associated company	Dividend received	140,908	-
Shakargarj Limited	Associated company	Dividend Paid	4,488	-
		Services received	302	663
		Reimbursable expenses	360	383
Central Depository Company				
of Pakistan Limited	Related party	Services received	331	293
		Dividend received	550	5,809
The Citizens' Foundation *	Related party	Donation given	85	-
CSAP Foundation *	Related party	Donation given	735	1,038
Muhammad Amin				
Muhammad Bashir Limited *	Related party	Dividend paid	1	-
Premier Insurance Limited *	Related party	Insurance premium	3,694	1,867
		Dividend paid	166	-
The Crescent Textile Mills Limited *	Related party	Dividend paid	12,807	-
Crescent Cotton Products - Staff				
Provident Fund	Retirement benefit fund	Contribution made	245	195
		Dividend paid	112	-
Crescent Steel and Allied Products				
Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,356	1,129
		Dividend paid	2,207	-
Crescent Steel and Allied Products				
Limited - Pension Fund	Retirement benefit fund	Contribution made	3,557	2,835
		Dividend paid	4,845	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited First quarter ended	
			30 September 2016	30 September 2015
Crescent Steel and Allied Products				
Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	1,892	1,559
		Dividend paid	1,250	-
Key management personnel				
	Related parties	Remuneration and benefits	19,881	15,982
		Dividend paid	948	-

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

- 25.1 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.
- 25.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 25.3 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.

## 26. FINANCIAL RISK MANAGEMENT

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:

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 30 September 2016 (Unaudited)

	Carrying Amount		Fair Value			
	Investments	Loans and receivables	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	384,499	-	384,499	-	-	384,499
Financial assets not measured at fair value						
Investment						
- unlisted equity securities	178,946	-	-	178,946	-	-
- associates	970,242	-	-	970,242	-	-
Trade debts	-	896,020	-	896,020	-	-
Other receivables	-	304,099	-	304,099	-	-
Bank balances	-	13,780	-	13,780	-	-
	1,149,188	1,213,899	-	2,363,087	-	-
Financial liabilities not measured at fair value						
Long term loans	-	-	484,000	-	-	-
Liabilities against assets subject to finance lease	-	-	-	88,519	-	-
Trade and other payables	-	-	-	965,796	-	-
Mark-up accrued	-	-	-	33,270	-	-
Short term borrowings	-	-	-	1,611,522	-	-
	-	-	-	3,183,107	-	-

30 June 2016 (Audited)

	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
On-balance sheet								
Financial instruments								
Financial assets								
measured at fair value								
Investment								
- listed equity securities	391,946	-	-	391,946	391,946	-	-	391,946
Financial assets not measured at fair value								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
- associates	970,242	-	-	970,242	-	-	-	-
Trade debts	-	322,851	-	322,851	-	-	-	-
Other receivables	-	238,912	-	238,912	-	-	-	-
Bank balances	-	61,756	-	61,756	-	-	-	-
	1,149,188	623,519	-	1,772,707	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	503,500	503,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	135,832	135,832	-	-	-	-
Trade and other payables	-	-	607,200	607,200	-	-	-	-
Mark-up accrued	-	-	21,023	21,023	-	-	-	-
Short term borrowings	-	-	2,083,975	2,083,975	-	-	-	-
	-	-	3,351,530	3,351,530	-	-	-	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

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

The investments in subsidiaries and associates are stated at cost.

Investment properties fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 6. 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. These values are adjusted to reflect the current condition of the 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.

## 27. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 27 October 2016.

  
Chief Executive

  
Director

  
Chief Financial Officer



**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL  
INFORMATION  
FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2016**

# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,458,250	2,467,814
Intangible assets		115,711	112,685
Investment properties	6	58,930	60,548
Investment in equity accounted investees	7	2,768,197	2,882,395
Other long term investments	8	220,717	220,717
Long term deposits		193,235	189,049
		5,815,040	5,933,208
<b>Current assets</b>			
Stores, spares and loose tools		157,647	130,244
Stock-in-trade	9	2,090,894	2,531,238
Trade debts	10	1,043,110	472,121
Advances	11	121,491	44,994
Trade deposits and short term prepayments		44,433	37,650
Investments	12	885,402	879,380
Mark-up accrued		166	37
Other receivables	13	918,541	799,501
Taxation - net		619,544	555,016
Cash and bank balances		46,089	73,887
		5,927,317	5,524,068
<b>Total assets</b>		<b>11,742,357</b>	<b>11,457,276</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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		1,140,206	1,139,136
Revenue reserves		5,449,883	5,403,730
		7,366,414	7,319,191
<b>Non-current liabilities</b>			
Long term loan	14	343,500	394,250
Liabilities against assets subject to finance lease		36,364	77,145
Deferred income		8,318	9,179
Deferred taxation		237,908	228,544
		626,090	709,118
<b>Current liabilities</b>			
Trade and other payables	15	1,704,986	954,129
Mark-up accrued		37,066	23,419
Short term borrowings	16	1,810,891	2,278,930
Current portion of long term loans	14	140,500	109,250
Current portion of liabilities against assets subject to finance lease		52,155	58,687
Current portion of deferred income		4,255	4,552
		3,749,853	3,428,967
Contingencies and commitments	17		
<b>Total equity and liabilities</b>		<b>11,742,357</b>	<b>11,457,276</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	First quarter ended	
		30 September 2016	30 September 2015
Sales - net	18	2,660,505	939,887
Cost of sales		2,271,291	638,952
Gross profit		389,214	300,935
Income / (loss) from investments	19	66,128	(64,334)
		455,342	236,601
Distribution and selling expenses		5,323	2,977
Administrative expenses		53,417	40,041
Other operating expenses	20	90,682	18,823
		149,422	61,841
		305,920	174,760
Other income		7,855	6,819
Operating profit before finance costs		313,775	181,579
Finance costs	21	63,518	30,760
Share of profit in equity accounted investees - net of taxation		53,687	102,165
Profit before taxation		303,944	252,984
Taxation - current		93,162	71,455
- deferred		9,364	(1,808)
		102,526	69,647
Profit for the period		201,418	183,337
Basic and diluted earnings per share	22	2.59	Restated 2.63

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

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	First quarter ended	
	30 September 2016	30 September 2015
Profit for the period	201,418	183,337
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Unrealized appreciation / (diminution) during the period		
on remeasurement of investments classified as 'available for sale'	19,911	(657)
Proportionate share of other comprehensive		
loss of equity accounted investees	(18,841)	(139)
Other comprehensive income for the period	1,070	(796)
<b>Total comprehensive income for the period</b>	<b>202,488</b>	<b>182,541</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	First quarter ended	
		30 September 2016	30 September 2015
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	23	656,225	(822,336)
Taxes paid		(157,691)	(92,032)
Finance costs paid		(46,775)	(21,746)
Contribution to gratuity and pension funds		(4,466)	(3,821)
Infrastructure fee paid		(3,333)	-
Compensated absences paid		(78)	(70)
10-C bonus paid		(1,778)	-
Long term loans and deposits - net		-	(2,092)
Net cash generated from / (used in) operating activities		442,104	(942,097)
<b>Cash flows from investing activities</b>			
Capital expenditure		(42,832)	(176,200)
Acquisition of intangible assets		(4,585)	(6,900)
Proceeds from disposal of operating fixed assets		3,205	5,995
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		-	19,335
Investments - net		69,469	113,497
Dividend income received		150,798	2,133
Interest income received		524	1,043
Net cash flow from / (used in) investing activities		176,579	(41,097)
<b>Cash flows from financing activities</b>			
(Repayment of) / proceeds from long term loan		(19,500)	268,000
Payments against finance lease obligations		(50,408)	(15,697)
(Repayments of) / proceed from short term loans obtained - net		(349,399)	621,958
Dividends paid		(108,531)	(85)
Net cash (used in) / flow from financing activities		(527,838)	874,176
Net increase / (decrease) in cash and cash equivalents		90,845	(109,018)
Cash and cash equivalents at beginning of the period		(233,308)	(200,413)
Cash and cash equivalents at end of the period	24	(142,463)	(309,431)

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	Other*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 30 June 2015	621,060	293,499	25,809	76,226	2,642,000	1,731,623	5,390,217
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	183,337	183,337
Other comprehensive income							
Total other comprehensive income for the period	-	-	(657)	(139)	-	-	(796)
Total comprehensive income for the period	-	-	(657)	(139)	-	183,337	182,541
Balance as at 30 September 2015	621,060	293,499	25,152	76,087	2,642,000	1,914,960	5,572,758
Balance as at 30 June 2016	776,325	1,020,908	22,120	96,108	2,642,000	2,761,730	7,319,191
Transfer to general reserve	-	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	201,418	201,418
Other comprehensive income							
Total other comprehensive income for the period	-	-	19,911	(18,841)	-	-	1,070
Total comprehensive income for the period	-	-	19,911	(18,841)	-	201,418	202,488
Transactions with Owners							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	-	(155,265)	(155,265)
Balance as at 30 September 2016	776,325	1,020,908	42,031	77,267	3,642,000	1,807,883	7,366,414

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

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; Shakarganj Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2 The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.
- 1.3 Shakarganj Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.
- 1.4 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5 Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the Companies Ordinance, 1984. The principal activity of the Subsidiary Company is to manufacture and sale 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 7 to this condensed interim consolidated financial information.

### 2. BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Group for the three months period ended 30 September 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting", Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.
- 2.2 This condensed interim consolidated financial information of the Group does not include all of the information required for annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 30 June 2016.
- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

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 245 of the Companies Ordinance, 1984.

### 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 2016, except for the following standards which became effective during the period.

### 4. ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2016.

### 5. PROPERTY, PLANT AND EQUIPMENT

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

Rupees in '000	Unaudited First quarter ended 30 September 2016		Unaudited First quarter ended 30 September 2015	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	4,443	–	–	–
Plant and machinery - owned	2,219	–	8,528	48,871
Plant and machinery - leased	–	–	19,271	–
Furniture and fittings	856	–	200	–
Electrical / office equipment and installation	2,906	–	390	70
Computers	380	1,008	795	–
Motor vehicles - owned	–	5,023	64	905
	10,804	6,031	29,248	49,846

### 6. INVESTMENT PROPERTIES

Fair value of investment properties based on recent valuation is Rs. 248.550 million (30 June 2016: Rs. 248.550 million), which is determined by independent valuer on the basis of market value.

### 7. 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'.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Unaudited 30 September 2016	Audited 30 June 2016		Note	Unaudited 30 September 2016	Audited 30 June 2016
Number of shares				Rupees in '000	
<b>Quoted</b>					
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	7.1	2,698,974	2,772,227
30,809,987	30,809,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	7.2	61,177	96,515
<b>Unquoted</b>					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	7.3	8,046	13,653
				2,768,197	2,882,395

- 7.1 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.

Share of profit and reserves from associates recognized during the period amounted to Rs. 76.023 million and Rs. (0.232) million respectively. Further group has also recognized the dividend received during the period amounted to Rs. 149.044 million.

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

Share of loss and reserves from associates recognized during the period amounted to Rs. 16.729 million and Rs. (18.609) million respectively.

- 7.3 During the period, share of loss from associate recognized amounted to Rs. 5.607 million (2015: Rs. 2.175 million).
- 7.4 The above figures are based on financial statements / information of these companies as at 30 June 2016.
- 7.5 The fair value of investments in associates as at 30 September 2016 is Rs. 3,201.032 million (30 June 2016: Rs. 2,825.661 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>8. OTHER LONG TERM INVESTMENTS</b>			
<i>Available for sale</i>			
Investments in related parties	8.1	60,717	60,717
Other investments		160,000	160,000
		220,717	220,717

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

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>9. STOCK-IN-TRADE</b>			
<i>Raw materials</i>			
Hot rolled steel coils (HR Coil)		962,880	1,390,626
Coating materials		165,145	234,524
Remelting scrap		199,126	106,455
Others		140,812	167,238
Raw cotton		18,247	28,332
Bagasse		25,518	59,031
Stock-in-transit		281,672	289,215
		1,793,400	2,275,421
Work-in-process		143,069	86,922
Finished goods		133,275	158,019
Scrap / cotton waste		21,150	10,876
		297,494	255,817
		2,090,894	2,531,238

<b>10. TRADE DEBTS</b>			
<i>Secured</i>			
Considered good	10.1	843,181	341,854
<i>Unsecured</i>			
Considered good		199,929	130,267
Considered doubtful		16,818	16,818
Provision for doubtful trade debts		(16,818)	(16,818)
		199,929	130,267
		1,043,110	472,121

10.1 This includes an amount of Rs. 189.223 million (30 June 2016: Rs. 113.488 million) due from Shakarganj Limited - a related party.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 11. ADVANCES

This includes amounting to Rs. 115.421 million (30 June 2016: Rs. 40.171 million) advances given to suppliers for goods and services.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
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### 12. INVESTMENTS

#### Investments in related parties

Available for sale - The Crescent Textile Mills Limited		144,228	124,316
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#### Other investments

Available for sale		-	-
Held for trading		725,485	740,332
Investment in term deposit receipt		13,575	12,875
Investment in commodity		2,114	1,857
		741,174	755,064
		885,402	879,380

- 12.1 Investments having an aggregate market value of Rs. 2,716.710 million (30 June 2016: Rs. 2,884.080 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 2,167.135 million (30 June 2016: Rs. 2,337.353 million) relates to long term investments.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
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### 13. OTHER RECEIVABLES

Dividend receivables		8,213	1,608
Receivable against rent from investment property		613	674
Claim receivable		562	562
Due from related parties	13.1	1,090	1,273
Retention money receivable		195,335	149,163
Sales tax refundable		227,401	164,628
Margin on letter of credit / letter of guarantee		25,398	22,067
Receivable from staff retirement benefits funds		455,829	456,276
Others		4,100	3,250
		918,541	799,501

- 13.1 This represents balances due from Shakarganj Limited.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>14. LONG TERM LOANS</b>			
<i>Secured</i>			
Allied Bank Limited	14.1	234,000	253,500
Saudi Pak Industrial and Agricultural Investment Company Limited	14.2	250,000	250,000
		484,000	503,500
Less: Current portion shown under current liabilities		140,500	109,250
		343,500	394,250

14.1 During the year ended 30 June 2015, the Holding Company entered into 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 1 year, repayable in 16 equal quarterly installments started from December 2015. During the period, Holding Company has made repayment of Rs. 19.5 million. 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 7.56% to 7.60% (2015: 8.33% to 8.44%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

14.2 During the year ended 30 June 2016, the Holding Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of 1 year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.49% to 8.85% (2015: 9.54%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Holding Company.

### 15. TRADE AND OTHER PAYABLES

This includes balances due to Premier Insurance Limited and Shakarganj Limited amounting to Rs. 0.05 million (30 June 2016: Rs. 1.074 million) and Rs. 0.08 million (30 June 2016: Rs. Nil) respectively.

Rupees in '000	Note	Unaudited 30 September 2016	Audited 30 June 2016
<b>16. SHORT TERM BORROWINGS</b>			
<i>Secured from banking companies</i>			
Running finances under mark-up arrangements	16.1	188,553	307,193
Short term loans	16.2	1,622,338	1,971,737
		1,810,891	2,278,930

16.1 Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 750 million (30 June 2016: Rs. 750 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 100 million (30 June 2016: Rs. 100 million) is interchangeable with letter of credit, Finance Against Import Margin (FIM) and letter

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.70% to 8.55% (2015: 8.40% to 8.74%) per annum.

- 16.2 This includes an amount of Rs. 62.248 million (30 June 2016: Rs. 219 million) outstanding against Istisnaa Financing. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 3,145 million (30 June 2016: Rs. 4,862 million) out of which Rs. 2,610 million (30 June 2016: Rs. 3,908 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 200 million (30 June 2016: Rs. 310 million) is interchangeable with letters of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.78% to 8.51% (2015: 8.76% to 8.96%) per annum.
- 16.3 The facilities for opening letters of credit amounted to Rs. 3,710 million (30 June 2016: Rs. 4,990 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 2,610 million (30 June 2016: Rs. 3,710 million) and Rs. 200 million (30 June 2016: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 30 September 2016 amounted to Rs. 1,364 million (30 June 2016: Rs. 1,385 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2016 were Rs. 2,059,204 million and Rs. 107,400 million (30 June 2016: Rs. 2,692 million and Rs. 113 million) respectively.
- 16.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2) and cotton / cotton yarn; and lien over import / export document.

### 17. CONTINGENCIES AND COMMITMENTS

- 17.1 There is no significant change in the status of contingencies set out in note 13 to the Group's annual consolidated financial statements for the year ended 30 June 2016.
- 17.2 As at 30 September 2016, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 437,209 million (30 June 2016: Rs. 460,220 million), which is payable in quarterly installments of Rs. 23,011 million each.
- 17.3 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,197 million (30 June 2016: Rs. 1,168,440 million).
- 17.4 Commitments in respect of capital expenditure contracted for by Group as at 30 September 2016 amounted to Rs. 72,224 million (30 June 2016: Rs. 53,899 million) which includes Rs. 7,462 million representing office premises located in Islamabad payable on completion of project. This also includes commitment contracted by the subsidiary companies aggregating to Rs. 13,676 million (30 June 2016: Rs. 12,665 million) in respect of civil work and capital expenditure to acquire plant and machinery.
- 17.5 Commitments under letters of credit as at 30 September 2016 amounted to Rs. 271,194 million (30 June 2016: Rs. 661,221 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2016	30 September 2015
<b>18. SALES - net</b>			
<i>Local sales</i>			
Bare pipes		2,068,299	846,221
Steel billets		197,783	-
Pre coated pipes		271,627	212,208
Pipe coating		204,121	-
Cotton yarn / raw cotton		306,047	-
Electricity sales		521	-
Others		7,509	39,230
Scrap / waste		8,435	2,344
Sales returns		(1,199)	-
		3,063,143	1,100,003
Sales tax		(402,638)	(160,116)
		2,660,505	939,887
<b>19. INCOME / (LOSS) FROM INVESTMENTS</b>			
Dividend income		8,358	15,852
Unrealized gain on commodity		257	29
Gain / (loss) on sale of investments - net		10,643	(15,973)
Unrealized gain / (loss) on held for trading investments		44,680	(66,475)
Rent from investment property	19.1	2,190	2,233
		66,128	(64,334)

- 19.1 Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.503 million (2015: Rs. 1.643 million). Further, Rs. 0.257 million (2015: Rs. 0.743 million) were incurred against non rented out area.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2016	30 September 2015
<b>20. OTHER OPERATING EXPENSES</b>			
Exchange loss		2,578	278
Provision for Workers' Welfare Fund		5,268	4,873
Provision for Workers' Profit Participation Fund		17,837	13,672
Liquidated damages		64,999	-
		90,682	18,823
<b>21. FINANCE COSTS</b>			
Incurred on			
- finance lease obligations		3,044	2,990
- long term loan		10,334	10,371
- running finances / short term loans		45,272	14,945
Bank charges		4,868	2,454
		63,518	30,760
<b>22. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		201,418	183,337
			Restated
			(Number of shares)
Weighted average number of ordinary shares in issue during the period		77,632,491	69,751,296
			Restated
			(Rupees)
Basic and diluted earnings per share		2.59	2.63

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Note	Unaudited First quarter ended	
		30 September 2016	30 September 2015
<b>23. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation for the period		303,944	252,984
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment property		51,803	36,768
Amortization of intangible assets		1,558	1,884
Charge / (reversal) for the period on staff retirement benefit funds		4,913	(3,193)
Charge for compensated absences		78	70
Provision for 10-C bonus		493	-
Dividend income		(8,358)	(15,852)
Unrealized (gain) / loss on held for trading investments - net		(44,680)	66,475
(Gain) / loss on sale of investments - net		(10,643)	15,973
Unrealized gain on commodity - Silver		(257)	(29)
Provision for Workers' Welfare Fund		5,254	4,857
Provision for Workers' Profit Participation Fund		17,837	13,672
Return on deposits		(652)	(1,714)
Gain on disposal of operating fixed assets		(1,001)	(121)
Deferred income		(1,157)	(535)
Discount on long term deposit		(4,186)	-
Liabilities written back		-	(3,786)
Finance costs		63,518	30,761
Share of profit from equity accounted investees - net of taxation		(53,687)	(102,165)
Working capital changes	23.1	331,448	(1,118,385)
		656,225	(822,336)
<b>23.1 Working capital changes</b>			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(27,403)	7,058
Stock-in-trade		451,244	(909,323)
Trade debts		(588,219)	(348,422)
Advances		(76,498)	(47,043)
Trade deposits and short term prepayments		(3,739)	(3,080)
Other receivables		(116,177)	(80,762)
		(360,792)	(1,381,572)
Increase in current liabilities			
Trade and other payables		692,240	263,187
		331,448	(1,118,385)
<b>24. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(188,552)	(354,625)
Cash and bank balances		46,089	45,194
		(142,463)	(309,431)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 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:

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segment Eliminations /adjustments	
Rupees in '000						
<b>For the first quarter ended 30 September 2016</b>						
Sales	2,381,275	308,332	-	42,572	(71,674)	2,660,505
Cost of sales	1,900,882	321,752	-	128,185	(79,528)	2,271,291
Gross profit / (loss)	480,393	(13,420)	-	(85,613)	7,854	389,214
Income from investments	-	-	66,128	-	-	66,128
	480,393	(13,420)	66,128	(85,613)	7,854	455,342
Distribution and selling expenses	2,404	2,919	-	-	-	5,323
Administrative expenses	40,219	7,188	4,960	1,050	-	53,417
Other operating expenses	90,649	-	33	-	-	90,682
	133,272	10,107	4,993	1,050	-	149,422
	347,121	(23,527)	61,135	(86,663)	7,854	305,920
Other income	5,988	1,016	-	851	-	7,855
Operating profit / (loss) before						
finance costs	353,109	(22,511)	61,135	(85,812)	7,854	313,775
Finance costs	59,291	1,077	3,126	24	-	63,518
Share of profit in equity accounted investees - net of taxation	-	-	53,463	224	-	53,687
Profit / (loss) before taxation	293,818	(23,588)	111,472	(85,612)	7,854	303,944
Taxation						102,526
Profit for the period						201,418

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segment Eliminations /adjustments	
Rupees in '000						
<b>For the first quarter ended 30 September 2015</b>						
Sales - net	943,462	-	-	-	(3,575)	939,887
Cost of sales	607,827	24,748	-	11,066	(4,689)	638,952
<b>Gross profit / (loss)</b>	<b>335,635</b>	<b>(24,748)</b>	<b>-</b>	<b>(11,066)</b>	<b>1,114</b>	<b>300,935</b>
Loss from investments	-	-	(58,565)	(5,769)	-	(64,334)
	335,635	(24,748)	(58,565)	(16,835)	1,114	236,601
Distribution and selling expenses	2,540	437	-	-	-	2,977
Administrative expenses	29,624	5,350	4,217	850	-	40,041
Other operating expenses	18,777	11	35	-	-	18,823
	50,941	5,798	4,252	850	-	61,841
	284,694	(30,546)	(62,817)	(17,685)	1,114	174,760
Other income	772	4,980	6	1,061	-	6,819
<b>Operating profit / (loss) before finance costs</b>	<b>285,466</b>	<b>(25,566)</b>	<b>(62,811)</b>	<b>(16,624)</b>	<b>1,114</b>	<b>181,579</b>
Finance costs	23,125	5,656	1,969	10	-	30,760
Share of profit in equity accounted investees - net of taxation	-	-	100,404	1,761	-	102,165
<b>Profit / (loss) before taxation</b>	<b>262,341</b>	<b>(31,222)</b>	<b>35,624</b>	<b>(14,873)</b>	<b>1,114</b>	<b>252,984</b>
Taxation	-	-	-	-	-	69,647
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,337</b>

25.2.1 Revenue reported above represents revenue generated from external customers and through inter-segment sales.

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 2016. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

### 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 this condensed interim consolidated financial information.

### 25.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 2,325.867 million (2015: Rs. 918.226 million) of total Steel segment revenue of Rs. 2,351.652 million (2015: Rs. 939.887 million). Revenue from major customers of Cotton segment represent an aggregate amount of Rs. 99.059 million (2015: Rs. Nil) of total Cotton segment revenue of Rs. 308.332 million (2015: Rs. Nil).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

### 25.5 Geographical information

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

Rupees in '000	Unaudited First quarter ended	
	30 September 2016	30 September 2015
Pakistan	2,660,505	939,887

25.5.2 All non-current assets of the Group as at 30 September 2016 and 30 June 2016 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:

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
<b>As at 30 September 2016 - Unaudited</b>					
Segment assets for reportable segments	5,405,035	428,500	1,236,967	1,160,239	8,230,741
Investment in equity accounted investees	-	-	2,555,961	212,236	2,768,197
Unallocated corporate assets					743,419
Total assets as per consolidated balance sheet					11,742,357
Segment liabilities for reportable segments	1,274,326	148,398	92,606	178,841	1,694,171
Unallocated corporate liabilities					2,681,772
Total liabilities as per consolidated balance sheet					4,375,943
<b>As at 30 June 2016 - Audited</b>					
Segment assets for reportable segments	5,060,823	447,198	1,227,819	1,112,457	7,848,297
Investment in equity accounted investees	-	-	2,662,684	219,711	2,882,395
Unallocated corporate assets					726,584
Total assets as per consolidated balance sheet					11,457,276
Segment liabilities for reportable segments	732,084	108,259	132,340	49,892	1,022,575
Unallocated corporate liabilities					3,115,510
Total liabilities as per consolidated balance sheet					4,138,085

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.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

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

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
<b>For the first quarter ended 30 September 2016</b>					
Capital expenditure	35,990	953	178	3,087	40,208
Depreciation and amortization	25,670	10,794	1,859	14,881	53,204
Non-cash items other than depreciation and amortization - net	81,096	1,573	(114,069)	(894)	(32,294)
<b>For the first quarter ended 30 September 2015</b>					
Capital expenditure	65,428	7,070	-	102,353	174,851
Depreciation and amortization	11,225	16,771	1,814	8,842	38,652
Non-cash items other than depreciation and amortization - net	38,384	846	(37,747)	2,957	4,440

## 25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, companies where directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. 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 2016	30 September 2015
Altern Energy Limited	Associated company	Dividend received	149,045	-
Shakarganj Limited	Associated company	Dividend paid	4,488	-
		Sale of finished goods	521	-
		Services received	302	663
		Purchase of asset	2,651	-
		Reimbursable expenses	360	383

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited First quarter ended	
			30 September 2016	30 September 2015
Central Depository Company				
of Pakistan Limited	Related party	Services received	366	293
		Dividend received	550	5,809
CSAP Foundation *	Related party	Donation given	735	1,038
Muhammad Amin Muhammad				
Bashir Limited *	Related party	Dividend paid	1	-
Premier Insurance Limited *	Related party	Insurance premium	3,694	1,867
		Dividend paid	166	-
The Citizens' Foundation *	Related party	Donation given	85	-
The Crescent Textile Mills Limited *	Related party	Dividend paid	12,807	-
Crescent Cotton Products - Staff				
Provident Fund	Retirement benefit fund	Contribution made	245	195
		Dividend paid	112	-
Crescent Steel and Allied Products				
Limited - Gratuity Fund	Retirement benefit fund	Contribution made	1,356	1,129
		Dividend paid	2,207	-
Crescent Steel and Allied Products				
Limited - Pension Fund	Retirement benefit fund	Contribution made	3,557	2,835
		Dividend paid	4,845	-
Crescent Steel and Allied Products				
Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	1,892	1,559
		Dividend paid	1,250	-
Key management personnel	Related parties	Remuneration and benefits	19,881	15,982
		Dividend paid	948	-

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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

- 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. FAIR VALUES

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:

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

30 September 2016 (Unaudited)

	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	869,713	-	-	869,713	869,713	-	-	869,713
- commodity	2,114	-	-	2,114	2,114	-	-	2,114
	871,827	-	-	871,827	871,827	-	-	871,827
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- equity	2,768,197	-	-	2,768,197	2,408,796	-	-	2,408,796
- term deposit receipts	-	13,575	-	13,575	13,575	-	-	13,575
Trade debts	-	1,043,110	-	1,043,110	-	-	-	-
Other receivables	-	231,211	-	231,211	-	-	-	-
Bank balance	-	42,422	-	42,422	-	-	-	-
	2,988,914	1,330,318	-	4,319,232	2,422,371	-	-	2,422,371
Financial liabilities not measured at fair value								
Long term loans	-	-	484,000	484,000	-	-	-	-
Liabilities against assets subject to finance lease	-	-	88,519	88,519	-	-	-	-
Trade and other payable	-	-	1,187,946	1,187,946	-	-	-	-
Mark-up accrued	-	-	37,066	37,066	-	-	-	-
Short term borrowings	-	-	1,810,891	1,810,891	-	-	-	-
	-	-	3,608,422	3,608,422	-	-	-	-

30 June 2016 (Unaudited)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

Rupees in '000	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
- listed equity securities	864,648	-	-	864,648	864,648	-	-	864,648
- commodity	1,857	-	-	1,857	1,857	-	-	1,857
	866,505	-	-	866,505	866,505	-	-	866,505
Financial assets not measured at fair value								
Investments	220,717	-	-	220,717	-	-	-	-
- unlisted equity securities	2,882,395	-	-	2,882,395	-	-	-	-
- equity	12,875	-	-	12,875	-	-	-	-
- term deposit receipts	-	472,121	-	472,121	-	-	-	-
Trade debts	-	175,347	-	175,347	-	-	-	-
Other receivables	-	72,052	-	72,052	-	-	-	-
Bank balance	3,115,987	719,520	-	3,835,507	-	-	-	-
Financial liabilities not measured at fair value								
Long term loan	-	-	503,500	503,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	135,832	135,832	-	-	-	-
Trade and other payable	-	-	687,798	687,798	-	-	-	-
Mark-up accrued	-	-	23,419	23,419	-	-	-	-
Short term borrowings	-	-	2,278,930	2,278,930	-	-	-	-
	-	-	3,629,479	3,629,479	-	-	-	-

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

## FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

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

Investment property fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 6. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these Condensed interim consolidated financial information.

### 28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 27 October 2016.

  
Chief Executive

  
Director

  
Chief Financial Officer

## ڈائریکٹرز کا جائزہ

### مستقبل کا منظر نامہ

FY2017 تک معیشت میں 5% افزائش کی توقع ہے۔ امید ہے کہ پبلک اور پرائیویٹ دونوں کھتوں میں اضافہ ہوگا۔ اس اضافے کی بنیادی وجہ پاکستان چین اقتصادی راہداری (CPEC) کے منصوبے اور پبلک انویسٹمنٹ ہے۔ CPEC کے تحت شروع کیے جانے والے منصوبے بجلی کی پیداوار میں خاطر خواہ اضافہ کریں گے، جس سے صنعت اور خدمات کے شعبے میں ترقی آگے بڑھے گی۔

پائپ لائن کی صنعت کا منظر نامہ بہتر نظر آتا ہے، کیونکہ گیس کے انفراسٹرکچر منصوبے حتیٰ مراحل میں ہیں۔ کچھ نئے نوری آباد انڈسٹریل ایریا میں اسٹیل ڈویژن کی موجودہ سائٹ پر نئی الٹن پی لائن، کوئٹہ سسٹمز اور دوسری معاون مشینری کے اضافہ کی وجہ سے، اسٹیل پائپس کی بڑے پیمانے پر متوقع مانگ کو پورا کرنے کے لیے ان انفراسٹرکچر منصوبوں میں شامل ہونے کا بہترین فیصلہ کیا ہے۔

فی الوقت کاٹن اور یارن کی قیمتیں موافق پوزیشن میں نہیں ہیں، جب تک پلسٹائل سیکٹرز کی بحالی کے لیے 200 بلین روپے کا مجوزہ نئی آڈٹ کیلج حقیقت کا روپ نہیں دھار لیتا، اس انڈسٹری کا منظر نامہ دھندلا رہے گا۔

ایک نئی مارکیٹ کا منظر نامہ مثبت چلا آ رہا ہے، جو کم شرح سود، کم افراط زر اور تیل کی کم قیمتوں سمیت مثبت میکر و اکنامک اعشاریوں کے مطابق ہے۔ سکیورٹی اور سیاسی صورت حال کے ساتھ غیر ملکی سرمایہ کاری اور خام مال کی قیمتیں، ایک نئی مارکیٹ میں اہم کردار ادا کرتی رہیں گی۔

آخر میں، میں تمام اسٹیک ہولڈرز کا ان کی سرپرستی پر شکریہ ادا کرنا چاہوں گا، اور ان کی مسلسل حمایت کی امید رکھتا ہوں۔

برائے اور از طرف بورڈ ڈائریکٹرز



احسان ایم ٹالیم

چیف ایگزیکٹو آفیسر

2016 اکتوبر 27

## ڈائریکٹرز کا جائزہ

سیکھٹ پر فارمز - غیر مربوط

30 ستمبر 2016 کو ختم ہونے والے سال کے دوران، انویسٹمنٹس اینڈ انفراسٹرکچر ڈیولپمنٹ (آئی آئی ڈی) ڈویژن کے ایکٹیو انویسٹمنٹس کے سی ایس اے پی ایس پورٹ فولیو نے اسی مدت کے دوران 369.6 ملین روپے کی (اسز-ٹیل انویسٹمنٹس کو چھوڑ کر) weighted average انویسٹمنٹس پر %8.5 کا آراو آئی ریکارڈ کیا۔ جبکہ KSE-100 انڈیکس کے شیئرمارک میں %7.3 کا اضافہ ہوا۔

30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے دوران پورٹ فولیو کا معنی شدہ عمل از نیٹس منافع (پی پی ٹی) Q1FY16 میں 36 ملین روپے کے قبل از نیٹس خسارہ (ایلی پی ٹی) کے مقابلے میں 169.5 ملین روپے تھا۔ 30 ستمبر 2016 کو 4,326.9 روپے کے مقابلے میں انویسٹمنٹ پورٹ فولیو کی گلوڈنگ پوزیشن 4,340.5 روپے تھی۔

مجموعی مالیاتی کارکردگی - مربوط

مربوط بنیادوں پر فنانس لاکٹ سے قبل آپریٹنگ منافع 367.5 ملین روپے تھا۔ (Q1FY16: 283.7 ملین روپے)۔ equity accounted۔ (Q1FY16: 283.7 ملین روپے)۔ انویسٹمنٹس شیئرز کا خاص منافع 53.7 ملین روپے تھا (Q1FY16: 102.2 ملین روپے)۔ نتیجتاً بعد از نیٹس مربوط منافع اور Q1FY17 کے لیے گروپ کا ای پی ایس 201.4 ملین اور 259.9 روپے فی شیئر ہو گیا۔ اس کے مقابلے میں اس سے پچھلے سال اسی مدت کے دوران بعد از نیٹس منافع 183.4 ملین اور ای پی ایس 2.63 روپے فی شیئر تھا۔

اس مدت کے دوران گلسڈ پراڈکشن اور ہیلز آف بیزنس میں کم سرگرمی اور ہائی آف بیزنس bagasse لاکٹ کی وجہ سے شکر سٹیج انرجی (پرائیویٹ) لمیٹڈ کا خسارہ عمل از نیٹس 85.5 ملین روپے تھا (Q1FY16: 9.5 ملین روپے)۔ اس سہ ماہی میں کریسٹل حدیہ (پرائیویٹ) لمیٹڈ (سی ایچ ایل) کا قبل از نیٹس خسارہ 39.6 ملین روپے تھا۔ سہ ماہی میں 2,894 ٹن بٹ تیار کیا گیا۔

مربوط نتائج کے مطابق Q1FY17 میں آئی آئی ڈی ڈویژن کا قبل از نیٹس منافع Q1FY16 میں 35.6 ملین روپے کے قبل از نیٹس منافع کے مقابلے میں 111.5 ملین روپے تھا۔ اس کی بڑی وجہ ایسوی ایس میں ایکٹیو انویسٹمنٹس سے 53.6 ملین روپے منافع کا شیئر ہے (Q1FY16 share of loss: 100.4 ملین روپے)۔ 30 ستمبر 2016 کو ڈیویڈنڈ انویسٹمنٹ پورٹ فولیو 3,874.3 ملین روپے تھی جبکہ 30 جون 2016 کو یہ 3,982.5 ملین روپے تھی۔

## مالی حالت

### بیلنس شیٹ

30 جون 2016 کو 9,484.2 ملین روپے کے مقابلے میں 30 ستمبر 2016 کو بیلنس شیٹ 9,794.2 ملین روپے تھی۔ فی شیئر ایک اپ ڈیو 30 جون 2016 کو 74.8 روپے سے بڑھ کر 77.7 روپے ہو گئی۔ 30 جون 2016 کا کرنٹ ریٹو 30 ستمبر 2016 کو معمولی بڑھ کر 1.5:1 ہو گیا کیونکہ ریٹو جو 30 جون 2016 کو 31% تھا، 30 ستمبر 2016 کو کم ہو کر 26.4% ہو گیا۔

گروپ بنیاد پر مربوط بیلنس شیٹ 30 جون 2016 کو 11,457.3 ملین روپے کے مقابلے میں بڑھ کر 11,742.4 ملین روپے پر آ گئی۔ کل شیئر ہولڈرز فنڈ 30 جون 2016 کے 7,319.2 ملین روپے سے بڑھ کر 7,366.4 ملین روپے ہو گیا۔ فی شیئر ایک اپ ڈیو جو 30 جون 2016 کو 94.3 روپے تھی، بڑھ کر 94.9 روپے ہو گئی۔

## ڈائریکٹرز کا جائزہ

کھنٹی کی فیمریٹو مالیتی انعامیشن کے مطابق آپریٹنگ نتائج کا خلاصہ

- سٹیل ریونیو Q1FY16 کے 943.5 ملین روپے کے مقابلے میں بڑھ کر 2,520.6 ملین روپے ہو گیا۔
- مجموعی منافع Q1FY16 کے 310.9 ملین روپے کے مقابلے میں بڑھ کر 500.5 ملین روپے ہو گیا۔
- سرمایہ کاری سے منافع Q1FY16 کے 31.6 ملین روپے کے مقابلے میں 174.2 ملین روپے ہو گیا۔
- دیکھ کر مدنی جو سال گزشتہ کی اسی مدت میں 5.7 ملین روپے تھی بڑھ کر 7 ملین روپے ہو گئی۔
- خالص منافع Q1FY16 کے 128.8 ملین روپے کے مقابلے میں بڑھ کر 375 ملین روپے ہو گیا۔
- ای بی آئی ٹی Q1FY16 کے 225.9 ملین روپے کے مقابلے میں بڑھ کر 538.1 ملین روپے ہو گیا۔
- ای بی ایس Q1FY16 میں 1.85 روپے کے ای بی ایس کے مقابلے میں بڑھ کر رواں مدت کے لیے 4.83 روپے ہو گئی۔

- ایوریج کھول اہلچالائیڈ (سالانہ) پریٹرن، جو سال گزشتہ میں 17.1% تھا، رواں سال کی اس مدت میں 25.1% تھا
- بریک اپ و لیونٹی شیئر، جو 30 جن 2016 کو 74.8 روپے تھی بڑھ کر 77.7 روپے ہو گئی۔

## پرنس سیکمیٹس

### اسٹیل سیکمیٹ

### سیکیٹس پر فائز

اسٹیل ڈویژن نے 333.6 ملین روپے کا قبل از ٹیکس منافع (نی بی ٹی) (Q1FY16: 262.9 ملین روپے) کمایا، جو YoY 26.9% زیادہ ہے، کیونکہ نئی اسپارٹل پائپ مشین (SP2) کی تحصیب کے نتیجہ میں آرڈررز کی تکمیل میں تیزی آئی۔ چنانچہ اس ساری مدت کے دوران پیداواری صلاحیت کا استعمال زیادہ رہا۔ رواں مدت کے دوران 2,212.2 ملین روپے کا ریونیو حاصل کیا گیا، Q1FY16 کے دوران یہ ریونیو 943.4 ملین روپے تھا۔ اس عرصے کے دوران 513.9 ملین روپے کا مجموعی منافع (نتی بی) کمایا گیا جبکہ Q1FY16 کے دوران یہ 335.6 ملین روپے تھا۔

## کاش سیکمیٹ

### سیکیٹس پر فائز

ایک ملویل فنڈل کے بعد کاش پلانٹ پر پراڈکشن دو بار شروع کی گئی مارکیٹ کی حرکیات اور بغور تجزیہ کے باعث 100% کاش سے پوائنٹس کاٹن (نی بی) اور پوائنٹس وکوس (نی وی) پلانٹرز کی تہہ ملی کارسٹا اختیار کیا گیا۔ Q1FY17 کے لیے سٹیل ریونیو 308.3 ملین (Q1FY16: Nil) تھا۔ اس سماہی کا اختتام 23.6 ملین روپے کے ای بی ٹی (31.2 ملین روپے LBT: Q1FY16) کے ساتھ ہوا، جو زیادہ تر پیداوار اور انتظامی اخراجات سے متعلق لگسٹ لاگت کی عکاسی کرتا ہے۔

## سرمایہ کاری اور اساسی ڈھانچے کی ترقی (IID) کا سیکمیٹ

### مارکیٹ کا جائزہ

جولائی FY17 کے دوران KSE-100 انڈیکس نے 4% (1,562 points) کی بہتری حاصل کی اور 31 جولائی 2016 کو پوائنٹس پر بند ہوا۔ اگلے دو مہینوں میں انڈیکس نے 40,000 پوائنٹس کی ایک بڑی تھیلیاتی حد عبور کر لی اور 30 ستمبر 2016 کو 40,542 پوائنٹس پر بند ہوا۔ جبکہ KSE-100 انڈیکس سے Q1FY17 میں مجموعی طور پر 7.3% بہتری حاصل کی۔ Q1FY16 میں یہ بہتری 13% تھی۔ مزید برآں، ولیم میں اضافہ ہوا۔ Q1FY17 میں اوسط روزانہ ولیم 240 ملین روپے کے قریب تھا، جبکہ Q1FY16 میں یہ 172 ملین روپے رہا۔

## ڈائریکٹرز کا جائزہ

عزیز شہینز بولڈر صاحبان،

30 ستمبر 2016 کو ختم ہونے والی تین ماہ کی مدت کے لیے با ترتیب کھٹی اور گروپ کی فی رآڈ شدہ غیر مربوط اور مربوط عبوری مالیاتی معلومات پیش کرتے ہوئے، مجھے خوشی محسوس ہو رہی ہے۔

### معاشی منظر نامہ

گزشتہ آٹھ سالوں کے دوران بلند ترین شرح افزائش (4.7%) حاصل کرتے ہوئے پاکستان کی معاشی بحالی کا عمل جاری ہے۔ افرط زرکئی دہائیوں کی کم ترین سطح پر آگیا ہے اور توقع ہے کہ یہ 6% کے چرف سے نیچے رہے گا۔ اخراجات جاریہ کا خسارہ کم ہو کر 1% کی اوسط تک آگیا ہے اور مالیاتی خلا تقریباً آدھا یعنی کم 4.3% تک رو گیا ہے۔ غیر ملکی ترسیلات 19.9 بلین ڈالر کی بلند سطح پر ہیں اور زر مبادلہ کے ذخائر پانچ ماہ کے لیے ملک کے درآمدی اخراجات کو پورا کر سکتے ہیں۔ ایکویٹی مارکیٹ نے 41,00C پوائنٹ کی حد کو عبور کرتے ہوئے بھارت اور چین جیسے بڑے علاقائی ملکوں پر نسبت حاصل کر لی۔ توقع ہے کہ داخلی مانگ کی افزائش مستحکم رہے گی۔ تیل کی کم قیمتوں اور ترسیلات کے معقول بہاؤ سے اسے فائدہ ہوتا چاہیے۔ چین پاکستان اقتصادی راہداری منصوبے سے متعلق کریڈٹ کی منظوٹ افزائش اور ٹھوس غیر ملکی ڈائریکٹ انویسٹمنٹ (ایف ڈی آئی) کے بہاؤ کے باعث سرمایہ کاری کی افزائش میں رفتہ رفتہ اضافہ ہو سکتا ہے۔

### مالیاتی اور آپریشنل پرفارمنس

#### مجموعی مالیاتی کارکردگی

30 ستمبر 2016 (Q1FY16) کو ختم ہونے والی مدت کے فی رمریوٹا نائج 15 Q1FY15 کو چھپے چھوڑ یا اسٹیل ڈویژن کے آرڈرز ان ہینڈز جو جون 2016 کے آخر تک مل چکے تھے، اس سماہی میں ان پر کام کیا گیا۔ کھٹی کا بعد از نگیس منافع (پی اے نی) اس سے پچھلے سال کے 128.8 ملین روپے کے بعد از نگیس منافع کے مقابلے میں 374.9 ملین روپے ہو گیا۔ موجودہ مدت کے لیے فی شیئر آمدنی (ای نی ایس)، اس سے پچھلے سال کی مدت میں 1.85 روپے کے مقابلے میں 4.83 روپے پر آگئی۔

سکلر ہونے والا کھٹی کار یونٹ 2,520.6 ملین روپے (943.5 ملین روپے: Q1FY16) تھا، جزو یادہ تر اسٹیل ڈویژن سے ٹرن اور کی نمائندگی کرتا ہے۔ سکلر یونٹ میں YoY 167.2% اضافہ ہوا۔ آئی ڈی ڈویژن سے سرمایہ کاری پر منافع 174.2 ملین روپے (سرمایہ کاری کی آمدنی میں نقصان 31.6 ملین روپے: Q1FY16) تھا۔

مجموعی منافع (سی پی) 500.5 ملین روپے (310.9 ملین روپے: Q1FY16) پر رہا، اس میں سارا کردار اسٹیل ڈویژن کا تھا جس نے 513.96 ملین روپے (335.6 ملین روپے: Q1FY16) کا مجموعی منافع کمایا، جبکہ کائن ڈویژن کو 13.4 ملین روپے (24.7 ملین روپے: Q1FY16) کا مجموعی خسارہ (سی پی) دیا۔

کھٹی نے 479.5 ملین روپے (195.8 ملین روپے: Q1FY16) کا قفل از نگیس منافع (پی بی نی) کمایا۔ اس مدت کے لیے اسٹیل ڈویژن کا پی بی نی 333.6 ملین (263 ملین روپے: PBT - Q1FY16) تھا، جبکہ کائن ڈویژن کا قفل از نگیس خسارہ (ای بی نی) 23.6 ملین روپے (31.2 ملین روپے: Q1FY16 - LBT) تھا۔ آئی ڈی ڈی نے 169.4 ملین روپے (36 ملین روپے: Q1FY16 - LBT) کا پی بی نی پوسٹ کیا۔





