VISIONS FOR THE FUTURE

CONDENSED INTERIM REPORT FOR THE NINE MONTHS ENDED 31 March 2019

Crescent Steel

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COMPANY PROFILE

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

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

The Company’s Steel Division operates two Helical Seam Submerged Arc Welded Steel Pipe manufacturing lines and an external coating application line at Nooriabad and, a fabrication facility - Shakarganj Engineering - in Dalowal, Faisalabad. The Pipe Plant manufactures high quality steel pipes in the diameter range of 8” - 120” (219 mm - 3,048 mm) in wall thickness from 4 mm – 25 mm up to lengths of 40 feet per pipe and material grades up to API 5L X-100. The unit has authorization to use API monogram of the American Petroleum Institute (API) - the highest international standard accredited for quality of steel line pipe in the Oil and Gas Sector and also continues to retain the ISO 9001 certification. The Coating Plant is capable of applying various flow efficient and corrosion protection coatings such as Multilayer Polyolefin and Polypropylene coatings, Single Layer Fusion Bonded Epoxy coatings, Liquid Epoxy coatings and High Temperature Heat Shrink Tape coatings on steel pipes ranging from 4” - 60” (114 mm - 1,524 mm), tape coatings on pipe diameter above 60” (1,524 mm) and internal epoxy coatings on diameters ranging from 8”- 60” (219 mm - 1,524 mm).

Crescent Steel is a serious and responsible local line pipe manufacturer that continues to serve as a partner in important national energy projects with demonstrated commitment in terms of quality, experience, financial strength and technical expertise.

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

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

COTTON DIVISION - COTTON YARN SPINNING UNIT

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

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

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

CS ENERGY (PRIVATE) LIMITED

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

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

SOLUTION DE ENERGY (PRIVATE) LIMITED

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

CRESCENT HADEED (PRIVATE) LIMITED

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar
Chairman, Non-Executive Director (Independent)

Ahsan M. Saleem
Chief Executive Officer and Managing Director

Farrukh V. Junaidy
Non-Executive Director (Independent)

Nasir Shafi
Non-Executive Director

S.M. Ehtishamullah
Non-Executive Director

Syed Zahid Hussain
Non-Executive Director

Zahid Bashir
Non-Executive Director

COMPANY SECRETARY

Iesha Fazal

AUDIT COMMITTEE

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

Nasir Shafi
Member, Non-Executive Director

S.M. Ehtishamullah
Member, Non-Executive Director

Syed Zahid Hussain
Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ahmad Waqar
Chairman, Non-Executive Director (Independent)

Ahsan M. Saleem
Chief Executive Officer and Managing Director

Nasir Shafi
Member, Non-Executive Director

Syed Zahid Hussain
Member, Non-Executive Director

GOVERNANCE AND NOMINATION COMMITTEE

Zahid Bashir
Chairman, Non-Executive Director

Ahmad Waqar
Member, Non-Executive Director (Independent)

Ahsan M. Saleem
Member, Chief Executive Officer

RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah
Chairman, Non-Executive Director

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

Zahid Bashir
Non-Executive Director

MANAGEMENT TEAM

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

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

Abdul Rouf - 2000*
BU Head - Cotton Division

Arif Raza - 1985*
BU Head - Steel Division

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

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

Iqbal Abdulla - 2014*
IT Advisor

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

Mushtaque Ahmed - 1985*
Head of Manufacturing - Steel Division

HEAD OF INTERNAL AUDIT

Azeem Sarwar - 2018*

AUDITORS

EXTERNAL AUDITORS
KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITORS
BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISOR

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

BANKERS

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

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

SUBSIDIARIES**

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

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

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

PRINCIPAL OFFICE

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

PRODUCTION SITES

STEEL DIVISION
PIPE AND COATING PLANTS

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

ENGINEERING UNIT

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

CRESCENT HADEED (PRIVATE) LIMITED

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

COTTON DIVISION CRESCENT COTTON PRODUCTS

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

POWER PLANT
CS Energy (Private) Limited

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

PUBLIC INFORMATION

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

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

SHARE REGISTRAR

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

M/s CorpTec Associates (Private) Limited,
503-E Johar Town, Lahore.
Tel: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: info@corptec.com.pk

CORPORATE WEBSITE

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

DIRECTORS' REPORT

Dear Shareholders,

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial statements of the Company and the Group respectively for the nine months period ended 31 March 2019.

ECONOMIC OUTLOOK

FY18 growth of 5.8% was driven by higher consumption demand on the back of accommodative fiscal and monetary policies which resulted in widening macroeconomic imbalances; growing twin deficits and inflationary pressures coupled with increasing oil prices and rupee depreciation.

The new government took steps to address these imbalances; the State Bank of Pakistan has increased the policy rate by 425 bps since July 2018, to 10.75% - the highest in six years. The exchange rate has continued to depreciate, with cumulative depreciation of 15.8 % since July 2018.

Indicators suggest a contraction in demand which is a natural outcome of these measures. Large scale manufacturing contracted by 2.3% between July-January FY19. In agriculture, four of the five major crops have witnessed a y-o-y decline in production. As a result of exchange rate depreciation, demand side pressures and higher fuel prices, inflationary pressures have increased, and average headline inflation reached 6.8 % in the period between July 2018 and March 2019 (as compared to 3.8 % in the same period last year).

Current Account Deficit narrowed to USD 9.58 billion in July – March FY19, an improvement of 30%. Overall imports contracted by 1.6% (y-o-y) but exports also declined by 0.1% (y-o-y) despite the exchange rate depreciation. Over the same period, remittances experienced healthy growth, but foreign direct investment declined. By mid-January international reserves had fallen to USD 6.6 billion (or 1.3 months of imports). With short term bilateral financing and improvement in external balances, reserves increased to USD10.5 billion (or 2.0 months of imports) by end-March 2019. The government continues to negotiate a support package with the International Monetary Fund, which is likely to materialize within this fiscal year.

The fiscal deficit for H1FY19 was higher at 2.7% of GDP when compared with 2.3 % for the same period last year and is expected to remain elevated during FY19.

Growth is projected to decelerate in FY19 and FY20, as the government tightens fiscal and monetary policies. GDP growth for FY19 is estimated at 3.9%.

As macroeconomic conditions improve, and a package of structural reforms in fiscal management and competitiveness is implemented, growth is expected to recover from FY21 onwards.

FINANCIAL AND OPERATIONAL PERFORMANCE

OVERALL FINANCIAL PERFORMANCE

Unconsolidated results for the nine months period ended 31 March 2019 (9MFY19), the Company's after tax loss stood at Rs. 282.4 million as compared to after tax profit of Rs. 900.5 million in the corresponding period last year. Loss per share (LPS) for the current period was Rs. 3.64 as compared to earnings per share (EPS) of Rs. 11.60 in the corresponding period last year. Company's sales revenue stood at Rs. 3,357.7 million (9MFY18: Rs. 6,624.5 million). Steel division and Cotton division generated 63.5 percent and 36.5 percent of the total sales respectively. IID Division reported a loss before tax (LBT) of Rs. 82.8 million

(9MFY18 PBT: Rs. 510.9 million) during the period as the turbulence being faced by the market continues.

Gross Profit (GP) stood at Rs. 176.1 million (9MY18: Rs. 896.0 million). Steel division posted a GP of Rs. 98.5 million (9MFY18: Rs. 901.6 million), whereas Cotton Division reported a GP of Rs. 77.7 million (9MFY18: Gross loss of Rs. 5.6 million). Gross margin for the 9MFY19 reduced to 5.2 percent as compared to 13.5 percent in corresponding period last year. This was due to lack of order intake and higher unabsorbed fixed costs as plants mostly remained idle during the period in Steel Division.

An impairment charge of Rs. 115 million recognized during 9MFY19 against investment in a subsidiary company.

For the third Quarter (Q3FY19), the Steel division recorded revenue of Rs. 84.5 million and gross loss of Rs. 95.5 million. Cotton Division recorded revenue of Rs. 409.6 million and gross profit of Rs. 14.5 million. IID Division posted net income of Rs. 8.8 million.

The Company posted LBT of Rs. 291.7 million (9MFY18: Profit before tax Rs. 1,107.9 million).

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

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

- Sales revenue decreased to Rs. 3,357.7 million as compared to Rs. 6,624.5 million in 9MFY18.
- Loss from Investment amounted to Rs. 53.2 million as compared to profit of Rs. 534.4 million in 9MFY18. No dividends received from equity accounted associates in 9MFY19 whereas Rs. 483.8 million was received in the corresponding period last year.
- Other income decreased to Rs. 74.4 million as compared to Rs. 152.4 million in the 9MFY18.
- GP decreased to Rs. 176.1 million as compared to a GP of Rs. 896.0 million in 9MFY18.
- Loss before interest and tax (LBIT) was Rs. 107.4 million as compared to Earnings before interest and tax (EBIT) Rs. 1,296.1 million in 9MFY18.
- LBITDA was Rs. 21.7 million as compared to EBITDA of Rs. 1,375.4 million in 9MFY18.
- LPS was Rs. 3.64 for the current period, as compared to EPS of Rs. 11.60 for 9MFY18.
- Return on average capital employed (annualized) was -1.7 percent for the current period as compared to 18.1 percent in the corresponding period last year.
- Break-up value per share was Rs. 83.9.

BUSINESS SEGMENTS

STEEL SEGMENT

SEGMENT PERFORMANCE

Steel segment revenue for the nine months period ended 31 March 2019 was lower at Rs. 2,133.2 million vis-à-vis Rs. 6,107.9 million for the corresponding period last year, owing to low order intake during the period, delays in execution of related projects by customers, upward movement in HR coil prices and idling of plants. Squeezed volumes and unavoidable fixed production costs led to marginal gross profit of Rs. 98.4 million for the 9MFY19. Consequently, after impairment charge of Rs 115 million, the bottom-line resulted in LBT of Rs. 262.2 million as compared to PBT of Rs. 609.9 million for the corresponding period last year.

COTTON SEGMENT

SEGMENT PERFORMANCE

Cotton Division recorded sales revenue of Rs. 1,224.4 million (9MFY18: Rs. 516.5 million). Timely measures were taken to ensure efficient utilization of assets, enhance yield and enable cost saving. Division posted a PBT of Rs. 53.3 million for 9MFY19 as compared to LBT of Rs. 12.9 million for the corresponding period last year.

IID SEGMENT

MARKET REVIEW

Continuing its gradual decline from 2018 through to fiscal year 2019 the KSE-100 index opened at 41,910 points in July this fiscal year (down 10% YoY in FY 2018) to close at 38,649 points on 31 March 2019, losing 3,262 points or 7.8% during the year under review. During the period daily average shares traded stood at 162 million as against 176 million during the same period last year and daily average values traded stood at Rs. 6,884 million as against Rs. 8,359 million last year. Fall in volumes indicates a steep decline in activity on the bourse.

During the fiscal year, as with 2018 foreigners remained net sellers. Foreign selling during the year stood at USD/PKR 372.9 million / 45,779 million, constituting 4.07% of total market capitalization, the highest outflow in 2 years. Local institutions led by Insurance Companies (USD 173.7 million) and individual investors (USD 144.1 million) absorbed most of the foreign selling. Market multiples rerated to 7.53x times from 8.83x times a year ago, indicating capital losses.

On an aggregate basis, the index has lost 27% from its high at 53,000 in May 2017. Today, weak macro-economic fundamentals, weaker corporate sector performance and higher returns in alternate investments is shifting liquidity from equities to fixed income and commodities.

Current KSE-100 valuations with P/E at 7.53x and D/Y at 5.6% and forward P/E at 7.3x appear attractive against regional average P/E of 17.05x, providing a steep discount compared to regional peers, India (23.9x), Malaysia (20.9x), Philippines(19.4x) and Indonesia (12.17x).

SEGMENT PERFORMANCE

During the 9MFY19, the division's HFT segment now Fair Value Through Profit or Loss (FVTPL) segment recorded a negative ROI of 14.4% on weighted average investments of Rs. 413.6 million - during the same period, the benchmark KSE-100 index decreased by 7.8%. On an overall basis, the portfolio ROI on marketable securities stood at negative -2.8% on weighted average cost of investments Rs. 4,652.4 million.

The portfolio's accumulated LBT for the period ended 31 March 2019 stood at Rs. 82.8 million against 9MFY18 (PBT) of Rs. 510.9 million. No dividends received from Equity accounted associates in 9MFY19 whereas Rs. 483.8 million was received in the corresponding period last year. The LBT includes realized and unrealized losses of Rs. 72.1 million on FVTPL investments while finance costs and other operating expenses constitute 33.3% and 22.3% of LBT, respectively.

FINANCIAL POSITION

BALANCE SHEET

Balance sheet footing stood at Rs. 9,259.3 million as of 31 March 2019, compared to Rs. 10,079.0 million as at 30 June 2018.

Current ratio was maintained at 1.4:1, same as at 30 June 2018. Gearing ratio (including short term borrowings) increased to 23.9% as compared to 21.3% on 30 June 2018.

OVERALL FINANCIAL PERFORMANCE –

CONSOLIDATED

On consolidated basis, operating loss before finance cost amounted to Rs. 59.6 million (9MFY18: Profit Rs. 692.5 million). Net share of profit from equity accounted associates amounted to Rs. 354.4 million (9MFY18: Loss Rs. 116.0 million).

Consequently, consolidated loss after tax and LPS of the Group for 9MFY19 amounted to Rs. 316.1 million and Rs. (4.07) per share as compared to Profit after tax of Rs. 113.2 million and EPS of Rs. 1.46 per share respectively in the corresponding period last year.

During 9MFY19 Crescent Hadeed (Private) Limited (CHL) reported net loss of Rs. 355.5 million (9MFY18: loss Rs. 128.6 million), mainly from erosion of margins due to lower demand, high cost of imported scrap that did not translate into corresponding change in billet prices. Moreover, scrap sourcing / blending challenges resulted in idling of plant for approximately three months of the period; hence fixed costs could not be fully absorbed.

During 9MFY19 CS Energy (Private) Limited (CSEL) reported loss of Rs. 68.4 million (9MFY18: loss Rs. 79.9 million). Loss incurred was mainly due to fixed production overheads as a result of underutilization of plant capacity due to CHL being shut down.

FINANCIAL POSITION

BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,317.0 million, compared to Rs. 12,059.0 million as at 30 June 2018. Total shareholders' fund decreased to Rs. 7,359.3 million from Rs. 7,613.7 million as at 30 June 2018.

FUTURE OUTLOOK

As we step into the last quarter of fiscal year 2019, we expect a slowdown in overall economic activity. This slow-down will have an affect on the growth and earnings of all our business units, however, the team at Crescent is well geared to navigate through the challenges faced by our business and tough economic conditions.

Demand for our line pipes is largely driven by infrastructure development in the energy transmission and water and sanitation management segments.

Gas demand-supply gap which was 1,450 mmcfd by the end of June 2018 is expected to rise to 3,720 mmcfd by June 2020. Substantial pent-up demand both in oil and gas segment as well as in the water and sanitation segment will have to be addressed as both are critical to national security.

However, as these are national level projects and any progress on work in these areas depends heavily on the strategic direction of the state as well as timely decision making and follow through.

The performance of the local bourse is heavily dependent on corporate earnings, payouts and on investor sentiment both of which are tied to economic conditions. Higher interest rates and a depreciated Rupee will negatively impact economic growth as businesses will find re-investment and capex more and more expensive; this will also hurt corporate sector revenue growth as well as operating margins. In this context, while current levels do seem to be near an inflection point, the market lacks triggers to generate any substantial gains during CY2019.

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

For and behalf of Board of Directors.

Ahsan M. Saleem
Chief Executive Officer

Ahmad Waqar
Chairman

29 April 2019

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)

As at 31 March 2019

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		----------- (Rupees in '000) ----------	
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	**1,025,442**	1,039,047
Intangible assets		**532**	151
Investment properties		**12,062**	13,076
Long term investments	*6*	**4,623,740**	4,538,346
Long term deposits	*7*	**232,038**	217,233
Deferred taxation		**2,622**	30,081
		5,896,436	5,837,934
Current assets			
Stores, spares and loose tools		**149,233**	168,973
Stock-in-trade	*8*	**812,490**	1,542,650
Trade debts	*9*	**87,746**	106,886
Loans and advances	*10*	**438,233**	274,713
Trade deposits and short term prepayments		**11,161**	25,579
Investments	*11*	**219,775**	448,371
Mark-up accrued	*12*	**58,758**	26,506
Other receivables	*13*	**560,795**	553,446
Taxation - net		**1,016,269**	960,505
Cash and bank balances		**8,361**	133,452
		3,362,821	4,241,081
Total assets		**9,259,257**	10,079,015
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		**776,325**	776,325
Capital reserves		**1,020,908**	1,028,282
Revenue reserves		**4,715,553**	4,919,160
		6,512,786	6,723,767
Non-current liabilities			
Long term loans	*14*	**198,463**	226,746
Liabilities against assets subject to finance lease		**103,038**	127,419
Deferred income		**4,163**	8,107
		305,664	362,272
Current liabilities			
Trade and other payables	*15*	**620,570**	1,349,139
Unclaimed dividend		**26,900**	21,520
Mark-up accrued		**43,693**	16,144
Short term borrowings	*16*	**1,588,292**	1,458,195
Current portion of long term loans	*14*	**113,219**	96,544
Current portion of liabilities against assets subject to finance lease		**42,804**	46,010
Current portion of deferred income		**5,329**	5,424
		2,440,807	2,992,976
Contingencies and commitments	*17*		
Total equity and liabilities		**9,259,257**	10,079,015

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

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

Crescent Steel and Allied Products Limited

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

For the quarter and nine months ended 31 March 2019

	Note	Quarter ended		Nine months ended	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
		---- (Rupees in '000) ----			
Sales	*18*	**527,035**	561,603	**3,721,853**	7,662,282
Less: sales tax		**32,979**	28,801	**364,185**	1,037,762
		494,056	532,802	**3,357,668**	6,624,520
Cost of sales		**575,053**	566,166	**3,181,561**	5,728,504
Gross (loss) / profit		**(80,997)**	(33,364)	**176,107**	896,016
Income / (loss) from investments - net	*19*	**8,820**	82,416	**(53,196)**	534,381
Impairment loss on subsidiary company	*6.1.3*	**-**	-	**(115,000)**	-
		(72,177)	49,052	**7,911**	1,430,397
Distribution and selling expenses		**5,181**	3,899	**11,859**	12,875
Administrative expenses		**48,385**	70,210	**160,699**	192,857
Other operating expenses	*20*	**2,427**	6,404	**17,197**	80,945
		55,993	80,513	**189,755**	286,677
		(128,170)	(31,461)	**(181,844)**	1,143,720
Other income		**23,701**	123,653	**74,416**	152,359
Operating (loss) / profit before finance costs		**(104,469)**	92,192	**(107,428)**	1,296,079
Finance costs	*21*	**65,543**	37,901	**184,237**	188,221
(Loss) / profit before taxation		**(170,012)**	54,291	**(291,665)**	1,107,858
Taxation					
- current	*22*	**(24,514)**	(11,049)	**1,167**	215,411
- prior		**-**	-	**2,050**	750
- deferred		**21,239**	2,420	**(12,472)**	(8,763)
		(3,275)	(8,629)	**(9,255)**	207,398
(Loss) / profit for the period		**(166,737)**	62,920	**(282,410)**	900,460
Other Comprehensive Income					
Items that are reclassified subsequently to profit or loss					
Unrealized appreciation / (diminution) on remeasurement of equity investments classified as 'available for sale'		-	213	-	(3,225)
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		**(2,610)**	-	(1,163)	-
Total comprehensive (loss) / income for the period		**(169,347)**	63,133	**(283,573)**	897,235
		---- (Rupees) ----			
(Loss) / earnings per share - Basic and diluted	*23*	**(2.15)**	0.81	**(3.64)**	11.60

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

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

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the nine months ended 31 March 2019

	Note	**Nine months ended**	
		31 March 2019	31 March 2018
		--------- (Rupees in '000) ---------	
Cash flows from operating activities			
Cash (used in) / generated from operations	*24*	**(91,417)**	2,265,380
Taxes paid		**(27,625)**	(568,647)
Finance costs paid		**(145,692)**	(193,632)
Contribution to gratuity and pension funds		**(16,754)**	(3,831)
Contribution to Workers' Profit Participation Fund		**(27,190)**	(111)
Long term deposits - net		**(88)**	(6,652)
Net cash (used in) / generated from operating activities		**(308,766)**	1,492,507
Cash flows from investing activities			
Capital expenditure		**(73,421)**	(107,302)
Proceeds from disposal of operating fixed assets		**13,919**	47,413
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		**-**	14,995
Investments - net		**220,125**	(303,166)
Dividend income received		**15,558**	545,768
Interest income received		**420**	1,931
Net cash generated from investing activities		**176,021**	199,639
Cash flows from financing activities			
Repayments of long term loans - net		**(11,608)**	(115,555)
Payments against finance lease obligations		**(38,583)**	(37,486)
Repayments of short term loans obtained - net		**(165,465)**	(1,169,425)
Dividends paid		**(72,252)**	(297,820)
Net cash used in financing activities		**(287,908)**	(1,620,286)
Net (decrease) / increase in cash and cash equivalents		**(420,653)**	71,860
Cash and cash equivalents at beginning of the period		**(172,096)**	(219,311)
Cash and cash equivalents at end of the period	*25*	**(592,749)**	(147,451)

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

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

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 31 March 2019

	Issued, subscribed and paid-up capital	Capital reserves Share premium	Revenue reserves Fair Value Reserve	Revenue reserves General reserve	Revenue reserves Unappropriated profit	Total
	----------(Rupees in '000)----------					
Balance as at 30 June 2017	**776,325**	**1,020,908**	**12,915**	**3,642,000**	**1,367,569**	**6,819,717**
Total comprehensive income for the period						
Profit after taxation for the nine months ended 31 March 2018	-	-	-	-	900,460	900,460
Other comprehensive loss for the nine months ended 31 March 2018	-	-	(3,225)	-	-	(3,225)
Total comprehensive income for the period	-	-	(3,225)	-	900,460	897,235
Transaction with owners of the Company - distributions						
Dividend:						
- Final @ 22.5% (i.e. Rs. 2.25 per share) for the year ended 30 June 2017	-	-	-	-	(174,673)	(174,673)
- First interim @ 10% (i.e. Rs. 1 per share) for the year ended 30 June 2018	-	-	-	-	(77,633)	(77,633)
Balance as at 31 March 2018	**776,325**	**1,020,908**	**9,690**	**3,642,000**	**2,015,723**	**7,464,646**
Balance as at 30 June 2018 as previously reported	**776,325**	**1,020,908**	**7,374**	**3,642,000**	**1,277,160**	**6,723,767**
Adjustment on initial application of IFRS 9 - net of tax (refer note 3.5)	**-**	**-**	**-**	**-**	150,224	150,224
Balance as at 30 June 2018 - as restated	**776,325**	**1,020,908**	**7,374**	**3,642,000**	**1,427,384**	**6,873,991**
Total comprehensive loss for the period						
Loss after taxation for the nine months ended 31 March 2019	-	-	-	-	(282,410)	(282,410)
Other comprehensive loss for the nine months ended 31 March 2019	-	-	(1,163)	-	-	(1,163)
Total comprehensive loss for the period	-	-	(1,163)	-	(282,410)	(283,573)
Transaction with owners of the Company - distributions						
Dividend:						
- Final @ 10% (i.e. Re. 1.00 per share) for the year ended 30 June 2018	-	-	-	-	(77,632)	(77,632)
Balance as at 31 March 2019	**776,325**	**1,020,908**	**6,211**	**3,642,000**	**1,067,342**	**6,512,786**

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

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

1. THE COMPANY AND ITS OPERATIONS

Crescent Steel and Allied Products Limited ("the Company") was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 26.

2. BASIS OF PREPARATION

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

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

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

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

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

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

3. ACCOUNTING POLICIES

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

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

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

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

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

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

3.4 CHANGES IN ACCOUNTING POLICIES

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

3.5 IFRS 9 'FINANCIAL INSTRUMENTS'

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

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

3.5.1 Impact on the financial statements

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

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

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

	30 June 2018 - As originally presented	Adjustments	1 July 2018 - Restated
	----------Rs. in '000----------		
Non-current assets			
Equity securities - Other long term investments			
- Investment in Central Depository Company of Pakistan Limited	58,946	103,207	162,153
- Investment in Shakarganj Food Products Limited	151,662	86,952	238,614
Non-current liabilities			
Deferred taxation	-	39,935	39,935
Equity			
Revenue reserves (retained earnings)	1,277,160	150,224	1,427,384

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

	2018 Rupees in '000
Closing retained earnings 30 June - IAS 39	1,277,160
Fair value of unquoted equity investments classified at fair value through profit or loss - net of tax*	150,224
Opening retained earnings 1 July - IFRS 9	1,427,384

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

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

3.5.2 Classification and measurement of financial assets and financial liabilities

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

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

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

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

- amortised cost;

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

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

- fair value through profit or loss (FVTPL)

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

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

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

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

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

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

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

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

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

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

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

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

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Equity securities - Other long term investments			---------Rupees in '000---------	
- Investment in Crescent Bahuman Limited **	Available for sale	Fair value through profit or loss	-	-
- Investment in Central Depository Company of Pakistan Limited **	Available for sale	Fair value through profit or loss	**58,948**	**162,153**
- Investment in Crescent Industrial Chemicals Limited **	Available for sale	Fair value through profit or loss	-	-
- Investment in Shakarganj Food Products Limited **	Available for sale	Fair value through profit or loss	**151,662**	**238,614**
- Investment in Crescent Textile Mills Limited *	Available for sale	Fair value through other comprehensive income	**11,400**	**11,400**
Equity securities - short term investments				
- Investment in Jubliee Spinning and Weaving Mills Limited **	Available for sale	Fair value through profit or loss	-	-
- Investment in Innovative Investment Bank Limited **	Available for sale	Fair value through profit or loss	-	-
Other equity securities - short term	Held for trading	Fair value through profit or loss	**436,971**	**436,971**
Trade and other receivables	Loans and receivables	Amortised cost	**575,864**	**575,864**
Bank balances	Loans and receivables	Amortised cost	**133,367**	**133,452**

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

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

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

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

	Effect on AFS Reserves	Effect on FVOCI Reserves	Effect on AFS Retained Earnings
	----------------------------Rs in '000	----------------------------	----------------------------
Opening balance – IAS 39	7,374	-	1,277,160
Reclassify non-trading equities from available-for-sale to FVOCI	(7,374)	7,374	-
Impact of fair value of unquoted investment classified at FVTPL on adoption of IFRS 9	-	-	150,224
Opening balance - IFRS 9	-	7,374	1,427,384

Impairment of financial assets

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

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

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

3.6 IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

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

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

The Company receives short term advances from its customers (contract liability) and classified it within trade and other payables. The opening balance of advances from customers amounting to Rs. 24.632 million has been recognised as revenue for the nine months period ended 31 March 2019.

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

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	**Unaudited 31 March 2019**	Audited 30 June 2018
		-------- (Rupees in '000) -------	
Operating fixed assets	*5.1*	**874,381**	927,045
Capital work-in-progress	*5.2*	**151,061**	112,002
		1,025,442	1,039,047

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

	Unaudited Nine months ended 31 March 2019		Unaudited Nine months ended 31 March 2018	
	Additions / Transfers	**Disposals**	Additions / Transfers	Disposals
	(Rupees in '000)			
Buildings on freehold land	**761**	**-**	19,654	-
Buildings on leasehold land	**6,304**	**-**	-	-
Plant and machinery - owned	**6,140**	**23,270**	77,031	28,527
Plant and machinery - leased	**-**	**-**	24,353	41,951
Furniture and fittings	**2,835**	**33**	1,139	5
Electrical / office equipments and installation	**1,757**	**862**	3,189	13,591
Computers	**193**	**1,834**	1,957	-
Motor vehicles - owned	**8,687**	**14,787**	25,791	12,199
	26,677	**40,786**	153,114	96,273

5.2 Net additions to capital work-in-progress during the nine months period amounted to Rs. 39.059 million (Net transfers in 2018: Rs. 0.849 million).

6. LONG TERM INVESTMENTS

		Unaudited	Audited
		31 March 2019	30 June 2018
		(Rupees in '000)	
Subsidiary companies			
- at cost	*6.1*	**2,820,000**	2,882,000
- share deposit money			
CS Capital (Private) Limited		**-**	53,000
Crescent Hadeed (Private) Limited		**108,142**	108,142
Associated companies - at cost	*6.2*	**1,284,596**	1,284,596
Other long term investments - available for sale		**-**	210,608
Other long term investments	*6.3*	**411,002**	-
		4,623,740	4,538,346

6.1 Subsidiary companies - at cost

Unaudited	Audited			**Unaudited**	Audited
31 March 2019	30 June 2018		*Note*	**31 March 2019**	30 June 2018
(Number of shares)		**Unquoted**		**(Rupees in '000)**	
126,000,000	126,000,000	CS Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	*6.1.1*	**1,260,000**	1,260,000
52,500,000	47,200,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	*6.1.2*	**525,000**	472,000
115,000,000	115,000,000	Crescent Hadeed (Private) Limited (Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)	*6.1.3*	**1,150,000**	1,150,000
2	2	Crescent Continental Gas Pipelines Limited (US $ 1 each)	*6.1.4*	**-**	-
				2,935,000	2,882,000
		less : Provision for impairment	*6.1.3*	**115,000**	-
				2,820,000	2,882,000

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

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

6.1.3 This represents the Company's investment in 100% ordinary shares of Crescent Hadeed (Private) Limited which was incorporated on 15 May 2013. Decline in construction and development activities around the world as well as ongoing economic uncertainty and price volatility of raw materials lead to decrease in demand of steel billets. Management performed an impairment test as at 31 December 2018 for its investment in underlying subsidiary. Management has used net realisable value of net assets of underlying subsidiary company, by considering its liquidity position and valuation of its operating fixed assets to determine its recoverable amount. As a result, an impairment charge of Rs. 115 million has been recognised in profit or loss account.

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

6.2 Associates - at cost

Unaudited 31 March 2019	Audited 30 June 2018			**Unaudited 31 March 2019**	Audited 30 June 2018
(Number of shares)				**-------- (Rupees in '000) --------**	
		Quoted			
60,475,416	60,475,416	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	*6.2.1*	**593,488**	593,488
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	*6.2.2*	**691,108**	691,108
				1,284,596	1,284,596

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

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

6.2.3 The fair value of investments in associates as at 31 March 2019 is Rs. 3,950.657 million (30 June 2018: Rs. 4,227.382 million).

6.3 Other long term investments

	Note	**Unaudited 31 March 2019**	Audited 30 June 2018
		-------- (Rupees in '000) -------	
Fair value through other comprehensive income (FVOCI)	*6.3.1*	**10,235**	-
Fair Value through Profit or loss (FVTPL)	*6.3.2 & 6.3.3*	**400,767**	-
		411,002	-

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

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

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

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 195.176 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited 31 March 2019	Audited 30 June 2018
	---------- (Rupees in '000) ----------	
Raw materials		
Hot rolled steel coils (HR Coil)	**212,961**	190,673
Coating materials	**142,293**	74,068
Others	**53,994**	90,527
Raw cotton	**197,357**	205,217
Stock-in-transit	**-**	776,402
	606,605	1,336,887
Work-in-process	**17,410**	19,713
Finished goods	**181,460**	180,239
Scrap / cotton waste	**5,731**	5,811
	204,601	205,763
	811,206	1,542,650

8.1 Stock in trade as at 31 March 2019 includes items valued at net realisable value (NRV). Net reversal of charge in respect of stock written down to NRV was amounting to Rs. 23.06 million (30 June 2018: Rs. 27.052 million) has been recognised in cost of goods sold.

9. TRADE DEBTS - Unsecured

	Note	**Unaudited 31 March 2019**	Audited 30 June 2018
		---------- (Rupees in '000) ----------	
Secured			
Considered good		**40,452**	-
Unsecured			
Considered good	*9.1*	**53,215**	106,886
Considered doubtful		**10,161**	16,626
		63,376	123,512
Provision for doubtful trade debts		**(16,082)**	(16,626)
		110,670	230,398
		47,294	106,886

9.1 This includes following amount due from related parties:

Crescent Hadeed (Private) Limited	**77,101**	63,595
CS Energy (Private) Limited	**897**	26
	77,998	63,621

10. LOANS AND ADVANCES

10.1 This includes loan due from following wholly owned subsidiaries:

Crescent Hadeed (Private) Limited	*10.1.1*	**231,800**	247,900
CS Energy (Private) Limited	*10.1.2*	**124,500**	2,000
		356,300	249,900

10.1.1 The Company entered into a short term loan agreement with its wholly owned subsidiary company Crescent Hadeed (Private) Limited on 13 June 2017 for an amount of Rs. 250 million. During the period, maximum limit was further enhanced by Rs. 100 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement ranged between 8.13% to 12.66% (31 March 2018: 8.13% to 8.50%) per annum. The loans are repayable on demand.

10.1.2 The Company entered into a short term loan agreement with its wholly owned subsidiary company CS Energy (Private) Limited on 22 April 2017 for an amount of Rs. 125 million. The mark-up is receivable at the rate of three months KIBOR plus 2% per annum. During the period, mark-up on such arrangement ranged between 8.67% to 12.30% (31 March 2018: 8.12% to 8.19%) per annum. The loans are repayable on demand.

11. INVESTMENTS

		Unaudited 31 March 2019	Audited 30 June 2018
		---------- (Rupees in '000)	**----------**
Available for sale		**-**	11,400
Held for trading		**-**	436,971
Fair value through profit or loss (FVTPL)	*11.1*	**219,775**	-
		219,775	448,371

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

11.2 Investments having an aggregate market value of Rs. 2,133.967 million (30 June 2018: Rs. 2,411.337 million) have been pledged with financial institutions as security against financing facilities (refer note 16.4) out of which Rs. 1,988.750 million (30 June 2018: Rs. 2,034.12 million) relates to long term investments.

12. MARK-UP ACCRUED

This represents mark-up receivable from the Crescent Hadeed (Private) Limited and CS Energy (Private) Limited amounting to Rs. 41.877 million (30 June 2018: Rs. 18.132 million) and Rs. 16.881 million (30 June 2018: Rs. 8.374 million) respectively (refer note 10).

13. OTHER RECEIVABLES

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		------ (Rupees in '000) -----	
Dividend receivable		**2,523**	1,061
Receivable against rent from investment property		**305**	442
Due from related parties	*13.1*	**74,752**	60,506
Retention money receivable		**-**	113,162
Sales tax refundable		**125,651**	106,100
Margin on letter of guarantee		**15,359**	15,359
Receivable from staff retirement benefits funds		**254,052**	254,774
Others		**88,153**	2,042
		560,795	553,446

13.1 Due from related parties

Shakarganj Limited	**3,033**	1,645
CS Capital (Private) Limited	**1,008**	998
CS Energy (Private) Limited	**31,762**	28,451
Crescent Hadeed (Private) Limited	**27,271**	17,855
Solution de Energy (Private) Limited	**11,625**	11,504
Crescent Steel and Allied Products Limited - Pension Fund	**53**	53
	74,752	60,506

14. LONG TERM LOANS

	Note		
Secured - Under non-shariah arrangement			
Allied Bank Limited	*14.1*	**311,682**	323,290
Less: Current portion shown under current liabilities		**113,219**	96,544
		198,463	226,746

14.1 The Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 58.5 million (31 March 2018: Rs. 58.5 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the year ended 30 June 2017, Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 13.908 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

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

The mark-up on such arrangements ranged between 8.37% to 12% (31 March 2018: 8.61% to 8.64%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

15. TRADE AND OTHER PAYABLES

		Unaudited 31 March 2019	Audited 30 June 2018
		------ (Rupees in '000) -----	
Trade creditors		**83,523**	42,426
Bills payable		**-**	767,979
Commission payable		**1,206**	1,253
Accrued liabilities		**269,045**	259,375
Advances from customers		**16,425**	24,632
Provisions		**193,010**	184,858
Due to related parties	*15.1*	**497**	41
Payable to provident fund		**2,052**	2,017
Payable to staff retirement benefit funds		**1,826**	1,899
Retention money		**11,051**	2,949
Sales Tax payable		**13,930**	207
Withholding tax payable		**1,809**	2,272
Derivative financial liability		**-**	306
Workers' Profit Participation Fund		**5,056**	29,443
Workers' Welfare Fund		**4,114**	12,215
Others		**17,026**	17,267
		620,570	1,349,139

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

16. SHORT TERM BORROWINGS

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		------ (Rupees in '000) -----	
Secured from banking companies			
Running finances under mark-up arrangements	*16.1*	**601,110**	305,548
Short term loans	*16.2*	**987,182**	439,339
Unsecured from non-banking companies			
Short term finance under mark-up arrangements	*16.5*	**-**	713,308
		1,588,292	1,458,195

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2018: Rs. 1,200 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million) and Rs. 100 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.53% to 12.76% (30 June 2018: 7.64% to 8.84%) per annum.

16.2 This includes an amount of Rs. 500.622 million (30 June 2018: Rs. 46.8 million) outstanding under shariah compliant financing arrangement. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 5,410 million (30 June 2018: Rs. 4,707 million) out of which Rs. 3,910 million (30 June 2018: Rs. 3,925 million) and Rs. 210 million (30 June 2018: Rs. 210 million) are interchangeable with letter of credit and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.78% to 13.06% (30 June 2018: 78.83% to 89.67%) per annum.

16.3 The facilities for opening letter of credit amounted to Rs. 5,010 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,900 million (30 June 2018: Rs. 2,925 million) and Rs.210 million (30 June 2018: Rs. 210 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 March 2019 amounted to Rs. 1,798 million (30 June 2018: Rs. 1,992 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2019 were Rs. 291.95 million and Rs. 1,244 million (30 June 2018: Rs. 4,249 million) respectively.

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

16.5 During the period, Company has settled commercial papers issued to non-banking finance companies.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

17.2.1 As at 31 March 2019, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 127.005 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,244 million (30 June 2018: Rs. 1,834 million).

17.2.3 Commitments in respect of capital expenditure contracted for as at 31 March 2019 amounted to Rs. 26.224 million (30 June 2018: Rs. 25.492 million) including Rs. 7.462 million (30 June 2018: Rs. 7.462 million) representing office premises located in Islamabad payable on completion of project.

17.2.4 Commitments under letters of credit (L/C) as at 31 March 2019 amounted to Rs. 114.428 million (30 June 2018: Rs. 508.333 million).

18. SALES - NET

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	---- (Rupees in '000) ----			
Local sales				
Bare pipes	**6,623**	17,535	**297,104**	5,502,546
Pipe coating	**52,189**	26,485	**52,189**	742,977
Pre coated pipes	**(327)**	7,467	**1,992,486**	483,077
Cotton yarn / raw cotton	**405,213**	353,686	**1,212,503**	497,632
Others	**18,888**	49,097	**89,414**	165,277
Scrap / waste	**44,449**	107,333	**79,984**	257,653
Sales returns	**-**	-	**(1,827)**	-
	527,035	561,603	**3,721,853**	7,649,162
Export sales				
Fabric	**-**	-	**-**	13,120
	527,035	561,603	**3,721,853**	7,662,282
Sales tax	**(32,979)**	(28,801)	**(364,185)**	(1,037,762)
	494,056	532,802	**3,357,668**	6,624,520

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

19. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
		---- (Rupees in '000) ----			
Dividend income	*19.1*	**2,633**	37,182	**17,020**	545,473
Loss on sale of held for trading investments - net		**-**	-	**-**	(725)
Loss on sale of FVTPL investments - net	*19.2*	**(3,688)**	-	**(11,690)**	-
Unrealized loss on FVTPL investments - net	*19.3*	**9,234**	44,824	**(60,448)**	(11,596)
Rent from investment properties	*19.6*	**641**	410	**1,922**	1,229
		8,820	82,416	**(53,196)**	534,381

19.1 This includes Rs. 11.370 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 12.650 million incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 42.898 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealised loss amounting to Rs. 1.163 million (31 March 2018 unrealised loss of Rs. 3.225 million) on investment in The Crescent Textile Mills Limited - non shariah compliant investee company was recognised in the other comprehensive income during the period. Unlike IAS 39, this gain will never be reclassified to profit or loss.

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

19.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 0.389 million (31 March 2018: Rs. 2.247 million). Further, Rs. 1.615 million (31 March 2018: Rs. 0.378 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	---- (Rupees in '000) ----			
Exchange loss	**-**	466	**-**	13,072
Provision for:				
Workers' Profit Participation Fund	**438**	(2,345)	**2,803**	32,489
Workers' Welfare Fund	**(1,738)**	(1,049)	**474**	12,507
Doubtful trade debts	**-**	-	**956**	-
Slow moving stores, spares and loose tools	**-**	-	**9,237**	8,915
Liquidated damages	**3,727**	9,332	**3,727**	13,962
	2,427	6,404	**17,197**	80,945

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	---- (Rupees in '000) ----			
Profit on short term loans - Shariah arrangement	**-**	2,404	**27,837**	21,656
Interest on - Non - Shariah arrangement				
- finance lease obligations	**3,723**	2,131	**10,800**	7,152
- long term loans	**10,129**	7,461	**27,324**	24,806
- running finances / short term loans including commercial papers	**49,383**	25,293	**112,488**	128,587
Discounting of lease deposit	**-**	-	**-**	2,708
Bank charges	**2,308**	612	**5,788**	3,312
	65,543	37,901	**184,237**	188,221

22. TAXATION

22.1 Excess of minimum tax liability over normal tax amounting to Rs. 41.97 million (2018: nil) has not been recognized in view of expectation of increase in taxable profits during the next few months resulting in tax liability under normal tax regime.

22.2 Order under section 161/205 of the Income Tax Ordinance 2001 has been issued by the Assistant Commissioner Inland Revenue, whereby demand aggregating to Rs. 16.153 million (inclusive of default surcharge) has been raised in respect of tax year 2017. Prima facie errors have been rectified after which the Company has filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] which is yet to be fixed for hearing.

23. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	---- (Rupees in '000) ----			
(Loss) / profit for the period	**(166,737)**	62,920	**(282,410)**	900,460
	---- (Number of shares) ----			
Weighted average number of ordinary shares in issue during the period	**77,632,491**	77,632,491	**77,632,491**	77,632,491
	---- (Rupees) ----			
(Loss) / earnings per share - Basic and diluted	**(2.15)**	0.81	**(3.64)**	11.60

24. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited Nine months ended 31 March 2019	Unaudited Nine months ended 31 March 2018
		------- (Rupees in '000) -------	
(Loss) / profit before taxation		**(291,665)**	1,107,858
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		**85,568**	78,594
Amortisation of intangible assets		**199**	757
Charge for the period on staff retirement benefit funds		**17,476**	5,792
Dividend income		**(17,020)**	(545,473)
Unrealized loss on held for trading investments - net		**-**	11,596
Unrealized loss on FVTPL investments - net		**60,448**	-
Loss on sale of FVTPL investments - net		**11,690**	-
Provision for stores, spares and loose tools - net		**9,237**	8,915
Reversal for doubtful trade debts - net		**(544)**	(4,073)
Provision for Workers' Welfare Fund		**474**	12,507
Provision for Workers' Profit Participation Fund		**2,803**	32,489
Return on deposits and loan to wholly owned subsidiary companies		**(32,672)**	(19,959)
Gain on disposal of operating fixed assets		**(11,446)**	(24,638)
Deferred income		**(4,039)**	(3,269)
Discounting of long term deposit		**-**	2,708
Unwinding of discount on long term deposit		**(14,717)**	(11,888)
Liabilities written back		**(475)**	(23)
Finance costs		**184,237**	185,513
Working capital changes	*24.1*	**(90,971)**	1,427,249
		(91,417)	2,265,380

24.1 Working capital changes

	31 March 2019	31 March 2018
Decrease / (increase) in current assets		
Stores, spares and loose tools	**10,503**	(21,050)
Stock-in-trade	**730,160**	1,830,192
Trade debts	**19,684**	551,714
Advances	**(163,520)**	15,918
Trade deposits and short term prepayments	**14,418**	825
Other receivables	**(6,609)**	341,337
	604,636	2,718,936
Decrease in current liabilities		
Trade and other payables	**(695,607)**	(1,291,687)
	(90,971)	1,427,249

25. CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018
Running finances under mark-up arrangements	**(601,110)**	(169,647)
Cash and bank balances	**8,361**	22,196
	(592,749)	(147,451)

26. SEGMENT REPORTING

26.1 Reportable segments

The Company's reportable segments are as follows:

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

Information regarding the Company's reportable segments is presented below.

26.2 Segment revenues and results

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

For the nine months ended 31 March 2019	**Unaudited**			
	Steel segment	**Cotton segment**	**IID segment**	**Total**
	(Rupees in '000)			
Sales - net	2,133,227	1,224,441	-	**3,357,668**
Cost of sales	2,034,770	1,146,791	-	**3,181,561**
Gross profit	98,457	77,650	-	**176,107**
Impairment loss	(115,000)	-	-	**(115,000)**
Loss from investments - net	-	-	(53,196)	**(53,196)**
	(16,543)	77,650	(53,196)	**7,911**
Distribution and selling expenses	9,655	2,204	-	**11,859**
Administrative expenses	123,892	24,966	11,841	**160,699**
Other expenses	14,394	2,803	-	**17,197**
	147,941	29,973	11,841	**189,755**
	(164,484)	47,677	(65,037)	**(181,844)**
Other income	67,499	6,917	-	**74,416**
Operating (loss) / profit before finance costs	(96,985)	54,594	(65,037)	**(107,428)**
Finance costs	165,184	1,332	17,721	**184,237**
(Loss) / profit before taxation	**(262,169)**	**53,262**	**(82,758)**	**(291,665)**
Taxation				**(9,255)**
Loss for the period				**(282,410)**

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

26.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (31 March 2018: Rs. Nil).

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

26.3 Revenue from major products and services

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

26.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,966.828 million (March 31, 2018: Rs. 5,693.456 million) of total Steel segment revenue of Rs. 2,133.227 million (March 31, 2018: Rs. 6,107.985 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 117.346 (March 31, 2018: Rs. 473.461 million) of total Cotton segment revenue of Rs. 1,224.441 million (March 31, 2018: Rs. 516.535 million).

26.5 Geographical information

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	-------- (Rupees in '000) --------		-------- (Rupees in '000) --------	
	---------- (Rupees in '000) ----------			
Pakistan	**494,056**	532,802	**3,357,668**	6,611,400
South and North America	**-**	-	**-**	13,120
	494,056	532,802	**3,357,668**	6,624,520

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

26.5.2 All non-current assets of the Company as at 31 March 2019 and 30 June 2018 were located and operating in Pakistan.

26.6 Segment assets and liabilities

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

	Steel segment	**Cotton segment**	**IID segment**	**Total**
	----------(Rupees in '000)----------			
As at 31 March 2019 - (Unaudited)				
Segment assets for reportable segments	3,232,742	586,926	3,748,057	**7,567,725**
Unallocated corporate assets				**1,691,532**
Total assets as per unconsolidated statement of financial position				**9,259,257**
Segment liabilities for reportable segments	602,432	133,913	620	**736,965**
Unallocated corporate liabilities and deferred income				**2,009,506**
Total liabilities as per unconsolidated statement of financial position				**2,746,471**

	Steel segment	Cotton segment	IID segment	Total
	------(Rupees in '000)------			
As at 30 June 2018 - (Audited)				
Segment assets for reportable segments	4,103,680	531,879	3,778,357	8,413,916
Unallocated corporate assets				1,665,099
Total assets as per unconsolidated statement of financial position				10,079,015
Segment liabilities for reportable segments	1,345,671	99,215	2,262	1,447,148
Unallocated corporate liabilities and deferred income				1,908,100
Total liabilities as per unconsolidated statement of financial position				3,355,248

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

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

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

26.7 Other segment information

	Unaudited			
	Steel segment	Cotton segment	IID segment	Total
	------(Rupees in '000)------			
	------ (Rupees in '000) ------			
For the nine months ended 31 March 2019				
Capital expenditure	94,040	3,977	-	**98,017**
Depreciation and amortisation	59,297	24,733	1,737	**85,767**
Non-cash items other than depreciation and amortisation - net	135,666	3,130	73,400	**212,196**
For the nine months ended 31 March 2018				
Capital expenditure	66,428	26,438	2,394	95,260
Depreciation and amortisation	52,999	23,812	2,540	79,351
Non-cash items other than depreciation and amortisation - net	186,113	(12,400)	(522,791)	(349,078)

27. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited Nine months ended 31 March 2019	31 March 2018
			---------- (Rupees in '000) ----------	
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	**35,197**	31,245
		Sale of finished goods	**16,212**	225,233
		Share deposit money	**-**	35,446
		Short term loan provided	**182,100**	686,500
		Short term loan repayment	**198,200**	694,500
		Mark-up income	**23,745**	12,939
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	**1,008**	1,037
CS Energy (Private) Limited	Subsidiary company	Transfer of Pressure reducing desuper heating system	**-**	3,249
		Short term loan provided	**123,000**	89,600
		Short term loan repayment	**500**	114,000
		Mark-up income	**8,507**	6,291
		Reimbursable expenses	**4,819**	5,431
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	**121**	36
Altern Energy Limited	Associated company	Dividend received	**-**	483,803
Shakarganj Limited	Associated company	Dividend Paid	**180**	675
		Dividend received	**-**	34,261
		Sales of finished goods	**1,537**	618
		Services received	**-**	1,032
		Reimbursable expenses	**1,114**	1,117
		Expenses incurred on behalf of Company	**1,113**	-
		Right shares subscribed	**-**	213,791
The Citizens' Foundation *	Related party	Donation given	**1,121**	15,201
CSAP Foundation *	Related party	Donation given	**-**	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	**1**	3
Crescent Cotton Mills Limited *	Related party	Dividend paid	**-**	1

Name of entity	Nature of relationship	Nature of transaction	Unaudited Nine months ended 31 March 2019	31 March 2018
			---------- (Rupees in '000) ----------	
Premier Insurance Limited *	Related party	Insurance premium	**8,088**	7,332
		Dividend paid	**142**	549
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	**3,242**	1,458
		Dividend paid	**75**	281
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	**4,943**	1,637
		Dividend paid	**68**	5,517
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	**12,204**	4,265
		Dividend paid	**68**	12,113
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	**13,406**	6,598
		Dividend paid	**124**	3,126
CSAP - Staff Benevolent Fund	Staff Walfare Fund	Contribution made	**-**	-
		Dividend paid	**36**	136
Key management personnel	Related parties	Remuneration and benefits	**80,286**	79,468
		Dividend paid	**605**	907
Directors and their spouse	Related parties	Dividend paid	**127**	191
		Meeting fee	**2,935**	3,455

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

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

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

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

27.4 Balances with subsidiaries and associates are disclosed in the respective receivable and payable notes in these condensed interim unconsolidated financial statements

28. FINANCIAL RISK MANAGEMENT

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

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorized into different levels in a fair value hierarchy based on the

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

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

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

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

	31 March 2019 (Un-audited)								
	Carrying amount					Fair value			
	Fair value through profit or loss	Fair value through comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	--(Rupees in '000)---								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- listed equity securities	**219,775**	**10,235**	**-**	**-**	**230,010**	**230,010**	**-**	**-**	**230,010**
- unlisted equity securities	**400,767**	**-**	**-**	**-**	**400,767**	**-**	**-**	**400,767**	**400,767**
	620,542	**10,235**	**-**	**-**	**630,777**	**230,010**	**-**	**400,767**	**630,777**
Financial assets not measured at fair value									
Deposits			**234,611**	**-**	**234,611**	**-**	**-**	**-**	**-**
Trade debts	**-**	**-**	**47,294**	**-**	**47,294**	**-**	**-**	**-**	**-**
Loan to subsidiaries	**-**	**-**	**356,300**	**-**	**356,300**	**-**	**-**	**-**	**-**
Mark-up accrued	**-**	**-**	**58,758**	**-**	**58,758**	**-**	**-**	**-**	**-**
Other receivables	**-**	**-**	**181,092**	**-**	**181,092**	**-**	**-**	**-**	**-**
Bank balances	**-**	**-**	**7,028**	**-**	**7,028**	**-**	**-**	**-**	**-**
	-	**-**	**885,083**	**-**	**885,083**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Long term loans	**-**	**-**	**-**	**311,682**	**311,682**	**-**	**-**	**-**	**-**
Liabilities against assets									**-**
subject to finance lease	**-**	**-**	**-**	**145,842**	**145,842**	**-**	**-**	**-**	**-**
Trade and other payables	**-**	**-**	**-**	**386,226**	**386,226**	**-**	**-**	**-**	**-**
Mark-up accrued	**-**	**-**	**-**	**43,693**	**43,693**	**-**	**-**	**-**	**-**
Short term borrowings	**-**	**-**	**-**	**1,588,292**	**1,588,292**	**-**	**-**	**-**	**-**
Unclaimed dividend	**-**	**-**	**-**	**26,900**	**26,900**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**2,502,635**	**2,502,635**	**-**	**-**	**-**	**-**

	30 June 2018 (Audited)							
	Carrying amount				Fair value			
	Investments	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	---(Rupees in '000)---							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	448,371	-	-	448,371	448,371	-	-	448,371
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	210,608	-	-	210,608	-	-	-	-
Deposits	-	234,023	-	234,023	-	-	-	-
Trade debts	-	106,886	-	106,886	-	-	-	-
Loan to subsidiaries	-	249,900	-	249,900	-	-	-	-
Mark-up accrued	-	26,506	-	26,506	-	-	-	-
Other receivables	-	192,572	-	192,572	-	-	-	-
Bank balances	-	133,367	-	133,367	-	-	-	-
	210,608	943,254	-	1,153,862	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	323,290	323,290	-	-	-	-
Liabilities against assets								
subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payables	-	-	1,095,512	1,095,512	-	-	-	-
Mark-up accrued	-	-	16,144	16,144	-	-	-	-
Short term borrowings	-	-	1,458,195	1,458,195	-	-	-	-
Unclaimed dividend			21,520	21,520				
	-	-	3,088,090	3,088,090	-	-	-	-

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

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

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

28.1 Valuation techniques and significant unobservable inputs

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

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

28.2 Level 3 fair values

Reconciliation of Level 3 fair values

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

	(Rupees in '000)
Balance at 30 June 2018*	
- Shakarganj Food Products Limited	151,662
- Central Depository Company of Pakistan Limited	58,946
	210,608
Fair value included in opening unappropriated profits (retained earnings)	
- Shakarganj Food Products Limited	86,952
- Central Depository Company of Pakistan Limited	103,207
	190,159
Balance at 01 July 2018	
- Shakarganj Food Products Limited	238,614
- Central Depository Company of Pakistan Limited	162,153
	400,767

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

Sensitivity Analysis

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

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

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial statements was authorized for issue in the Board of Directors meeting held on 29 April 2019.

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Financial Position (Unaudited)

As at 31 March 2019

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		----------- (Rupees in '000) -----------	
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	**2,503,963**	2,596,034
Intangible assets		**136,269**	137,005
Investment properties		**46,488**	49,358
Investment in equity accounted investees	*6*	**3,425,257**	3,088,233
Other long term investments	*7*	**624,724**	262,933
Long term deposits	*8*	**232,038**	217,233
		6,968,739	6,350,796
Current assets			
Stores, spares and loose tools		**178,244**	211,513
Stock-in-trade	*9*	**1,253,930**	2,268,108
Trade debts	*10*	**362,824**	82,320
Advances	*11*	**103,802**	29,897
Trade deposits and short term prepayments		**48,887**	71,774
Investments	*12*	**525,104**	1,054,848
Mark-up accrued		**-**	155
Other receivables	*13*	**550,101**	630,648
Taxation - net		**1,300,512**	1,165,309
Cash and bank balances		**24,883**	193,655
		4,348,287	5,708,227
Total assets		**11,317,026**	12,059,023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		**1,000,000**	1,000,000
Issued, subscribed and paid-up capital		**776,325**	776,325
Capital reserves		**1,082,698**	1,158,663
Revenue reserves		**5,500,283**	5,678,701
		7,359,306	7,613,689
Non-current liabilities			
Long term loans	*14*	**198,463**	226,746
Liabilities against assets subject to finance lease		**103,038**	127,419
Deferred income		**4,163**	8,107
Deferred taxation		**179,534**	128,663
		485,198	490,935
Current liabilities			
Trade and other payables	*15*	**1,016,536**	1,805,207
Unclaimed dividend		**26,900**	21,520
Mark-up accrued		**65,131**	23,569
Short term borrowings	*16*	**2,202,603**	1,956,125
Current portion of long term loans	*14*	**113,219**	96,544
Current portion of liabilities against assets subject to finance lease		**42,804**	46,010
Current portion of deferred income		**5,329**	5,424
		3,472,522.00	3,954,399
Contingencies and commitments	*17*		
Total equity and liabilities		**11,317,026**	12,059,023

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

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

Crescent Steel and Allied Products Limited

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

For the quarter and nine months ended 31 March 2019

	Note	**Quarter ended**		**Nine months ended**	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
		------- (Rupees in '000) -------			
Sales	*18*	**1,571,431**	1,724,022	**6,604,001**	10,029,628
Less: Sales tax		**32,979**	197,700	**873,210**	1,381,736
		1,538,452	1,526,322	**5,730,791**	8,647,892
Cost of sales		**1,700,150**	1,535,673	**5,847,717**	7,909,858
Gross (loss) / profit		**(161,698)**	(9,351)	**(116,926)**	738,034
Gain / (loss) from investments - net	*19*	**21,479**	139,516	**(101,792)**	72,784
		(140,219)	130,165	**(218,718)**	810,818
Distribution and selling expenses		**5,535**	4,325	**13,117**	14,086
Administrative expenses		**54,678**	80,999	**179,720**	217,674
Other operating expenses	*20*	**4,788**	8,112	**36,754**	84,998
		65,001	93,436	**229,591**	316,758
		(205,221)	36,729	**(448,309)**	494,060
Other income		**8,429**	119,326	**34,340**	138,475
Operating (loss) / profit before finance costs		**(196,792)**	156,055	**(413,969)**	632,535
Finance costs	*21*	**92,784**	45,571	**245,639**	210,641
Share of profit / (loss) in equity accounted investees - net of taxation		**34,554**	(62,667)	**354,366**	(116,045)
(Loss) / profit before taxation		**(255,022)**	47,817	**(305,242)**	305,849
Taxation - current	*22*	**(23,710)**	(8,751)	**3,983**	222,375
- prior		**-**	-	**2,050**	807
- deferred		**21,677**	8,922	**4,853**	(30,509)
		(2,033)	171	**10,886**	192,673
(Loss) / profit for the period		**(252,989)**	47,646	**(316,128)**	113,176
Other comprehensive income for the period					
Items that will not be reclassified subsequently to profit or loss					
Unrealized (loss) / appreciation during the period on remeasurement of investments classified as FVOCI		**(36,822)**	3,002	**(16,401)**	(45,501)
Items that will be reclassified subsequently to profit or loss					
Proportionate share of other comprehensive loss of equity accounted investees		**(1,057)**	154	**(17,342)**	(6,055)
		(37,879)	3,156	**(33,743)**	(51,556)
Total comprehensive (loss) / income for the period		**(290,868)**	50,802	**(349,871)**	61,620
		-------------------------------- (Rupees) --------------------------------			
(Loss) / earnings per share - Basic and diluted	*23*	**(3.26)**	0.61	**(4.07)**	1.46

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

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

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended 31 March 2019

	Note	**Nine months ended**	
		31 March 2019	31 March 2018
		------- (Rupees in '000) -------	
Cash flows from operating activities			
Cash (used in) / generated from operations	*24*	**(223,174)**	2,286,950
Taxes paid		**(103,779)**	(663,018)
Finance costs paid		**(193,060)**	(215,436)
Contribution to gratuity and pension funds		**(16,754)**	(3,831)
Contribution to Workers' Profit Participation Fund		**(27,190)**	(111)
Long term deposits - net		**(88)**	(6,652)
Net cash (used in) / generated form operating activities		**(564,045)**	1,397,902
Cash flows from investing activities			
Capital expenditure		**(77,541)**	(152,817)
Proceeds from disposal of operating fixed assets		**13,918**	47,413
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		**-**	14,995
Investments - net		**8,878**	(318,335)
Dividend income received		**29,790**	603,773
Interest income received		**749**	2,369
Net cash (used in) / generated from investing activities		**(24,786)**	197,398
Cash flows from financing activities			
Repayments of long term loan - net		**(11,608)**	(115,555)
Payments against finance lease obligations		**(38,583)**	(37,486)
Proceeds / (repayment) of short term loans obtained - net		**303,167**	(1,116,325)
Dividends paid		**(72,252)**	(297,820)
Net cash generated from / (used in) financing activities		**180,724**	(1,567,186)
Net (decrease) / increase in cash and cash equivalents		**(408,107)**	28,114
Cash and cash equivalents at beginning of the period		**(260,322)**	(313,213)
Cash and cash equivalents at end of the period	*25*	**(668,429)**	(285,099)

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

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

Crescent Steel and Allied Products Limited

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 31 March 2019

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves			Total
		Share premium	Others *	Fair value reserves	General reserve	Unappropriated profit	
	(Rupees in '000)						
Balance as at 30 June 2017	**776,325**	**1,020,908**	**136,800**	**85,055**	**3,642,000**	**2,940,279**	**8,601,367**
Total comprehensive (loss) / income for the period							
Profit after taxation for the period	-	-	-	-	-	113,176	113,176
Other comprehensive loss for the period	-	-	(45,501)	(6,055)	-	-	(51,556)
Total comprehensive income for the period	-	-	(45,501)	(6,055)	-	113,176	61,620
Transaction with owners of the Holding Company - distributions							
Dividend:							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2017	-	-	-	-	-	(174,673)	(174,673)
- First interim @ 10% (i.e. Rs. 1 per share) for the year ended 30 June 2018	-	-	-	-	-	(77,633)	(77,633)
Balance as at 31 March 2018	**776,325**	**1,020,908**	**91,299**	**79,000**	**3,642,000**	**2,801,149**	**8,410,681**
Balance as at 30 June 2018 as perviously reported	**776,325**	**1,020,908**	**79,132**	**58,623**	**3,642,000**	**2,036,701**	**7,613,689**
Adjustment on initial application of IFRS 9 - net of tax (refer note 3.5)	**-**	**-**	**-**	**-**	**-**	173,121	173,121
Balance as at 30 June 2018 - as restated	**776,325**	**1,020,908**	**79,132**	**58,623**	**3,642,000**	**2,209,822**	**7,786,810**
Total comprehensive loss for the period							
Loss after taxation for the period	-	-	-	-	-	(316,129)	(316,129)
Other comprehensive loss for the period	-	-	(17,342)	(16,401)	-	-	(33,743)
Total comprehensive loss for the period	-	-	(17,342)	(16,401)	-	(316,129)	(349,872)
Transactions with owners of the Holding Company - distrbutions							
Dividend							
- Final @ 10% (i.e. Rs 1 per share) for the year ended 30 June 2018	-	-	-	-	-	(77,632)	(77,632)
Balance as at 31 March 2019	**776,325**	**1,020,908**	**61,790**	**42,222**	**3,642,000**	**1,816,061**	**7,359,306**

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

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

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

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; CS Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (Private) Limited and Crescent Continental Gas Pipelines Limited.

1.2 The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the repealed Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, SIDCO Avenue Centre, 264 R.A. Lines, Karachi.

1.3 CS Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.

1.4 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).

1.5 Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Companies Act, 2017). The principal activity of the Subsidiary Company is to manufacture steel billets.

1.6 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.

1.7 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

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

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

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

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

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

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

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

3. ACCOUNTING POLICIES

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

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

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

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

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

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

3.4 CHANGES IN ACCOUNTING POLICIES

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

3.5 IFRS 9 'FINANCIAL INSTRUMENTS'

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

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

3.5.1 Impact on the financial statements

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

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

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

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

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

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

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

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

3.5.2 Classification and measurement of financial assets and financial liabilities

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

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

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

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

- amortised cost;

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

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

- fair value through profit or loss (FVTPL)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

3.6 IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

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

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

The Group receives short term advances from its customers (contract liability) and classified it within trade and other payables. The opening balance of advances from customers amounting to Rs. 24.632 million has been recognised as revenue for the nine months period ended 31 March 2019.

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

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	Unaudited Nine months ended 31 March 2019		Unaudited Nine months ended 31 March 2018	
	Additions / Transfers	**Disposals**	Additions / Transfers	Disposals
	(Rupees in '000)			
Buildings on leasehold land	**6,304**	-	-	-
Buildings on freehold land	**761**	**-**	19,654	-
Plant and machinery - owned	**8,539**	**23,270**	113,644	28,527
Plant and machinery - leased	**-**	**-**	24,353	41,951
Furniture and fittings	**3,274**	**33**	1,414	5
Electrical / office equipment and installation	**1,930**	**862**	6,440	13,591
Computers	**243**	**1,834**	2,183	-
Motor vehicles - owned	**8,687**	**14,787**	25,791	12,199
Motor vehicles - leased	**-**	**-**	-	-
	29,738	**40,786**	193,479	96,273

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

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

Unaudited 31 March 2019	Audited 30 June 2018		*Note*	**Unaudited 31 March 2019**	Audited 30 June 2018
(Number of shares)				**(Rupees in '000)**	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	*6.1*	**3,060,652**	2,777,125
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	*6.1*	**364,605**	311,108
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	*6.1*	**-**	-
				3,425,257	3,088,233

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

Description		31 March 2019			
		Altern Energy Limited	**Shakarganj Limited**	**Crescent Socks (Private) Limited**	**Total**
		---------- Rupees in '000 ----------			
Opening balance as at 30 June 2018		**2,777,125**	**311,108**	**-**	**3,088,233**
Share of profit	*6.2*	**283,545**	**70,821**	**-**	**354,366**
Share of equity	*6.2*	**(18)**	**(17,324)**	**-**	**(17,342)**
Closing balance as at 31 March 2019		**3,060,652**	**364,605**	**-**	**3,425,257**

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

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

6.3 Percentage of holding of equity in associates is as follows

		Unaudited 31 March 2019	Audited 30 June 2018
Altern Energy Limited	*6.3.1*	**17.60**	17.60
Shakarganj Limited	*6.3.2*	**28.01**	28.01
Crescent Socks (Private) Limited		**48.99**	48.99

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

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

6.4 The fair value of investments in associates as at 31 March 2019 is Rs. 4,555.007 million (30 June 2018: Rs. 4,895.867 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	*7.1*	**144,419**	-
Fair value through profit or loss (FVTPL)	*7.2 & 7.3*	**480,305**	262,933
		624,724	262,933

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

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

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

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 195.176 million (30 June 2018: Rs. 181.788 million) under Ijarah financing arrangement.

9. STOCK-IN-TRADE

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		(Rupees in '000)	
Raw materials			
Hot rolled steel coils (HR Coil)		**212,961**	190,673
Coating materials		**142,293**	74,068
Remelting scrap		**101,840**	126,466
Others		**146,595**	149,149
Raw cotton		**197,357**	205,217
Bagasse		**-**	5,414
Stock-in-transit		**1,284**	1,075,007
		802,330	1,825,994
Work-in-process		**17,410**	19,713
Finished goods	*9.1*	**428,459**	416,590
Scrap / cotton waste		**5,731**	5,811
		451,600	442,114
		1,253,930	2,268,108

9.1 Stock in trade as at 31 March 2019 includes item valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Rs. 23.06 million (30 June 2018: Rs. 28.829 million) has been recognised in cost of goods sold.

10. TRADE DEBTS - Unsecured

	Note	**Unaudited 31 March 2019**	Audited 30 June 2018
		(Rupees in '000)	
Considered good	*10.1*	**323,656**	82,320
Considered doubtful		**19,435**	21,263
		343,091	103,583
Provision for doubtful trade debts		**(20,719)**	(21,263)
		362,824	82,320

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

11. ADVANCES

This includes amounting to Rs. 102.833 million (30 June 2018: Rs. 29.897 million) advances given to suppliers for goods and services.

12. INVESTMENTS

	Note	**Unaudited 31 March 2019**	Audited 30 June 2018
		(Rupees in '000)	
Available for sale		**-**	160,820
Held for trading		**-**	866,028
Fair Value through Profit or loss (FVTPL)	*12.1*	**525,104**	-
Investment in term deposit receipts - Conventional		**-**	28,000
		525,104	1,054,848

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

12.2 Investments having an aggregate market value of Rs. 2,133.967 million (30 June 2018: Rs. 3,005.775 million) have been pledged with financial institutions as security against financing facilities (refer note 16.5) out of which Rs. 1,989 million (30 June 2018: Rs. 2,147.97 million) relates to long term investments.

13. OTHER RECEIVABLES

	Note	Unaudited 31 March 2019	Audited 30 June 2018
		---------- (Rupees in '000) ----------	
Dividend receivable		**5,450**	2,377
Receivable against sale of investments		**-**	17,723
Provision there against		**-**	(17,723)
		-	-
Receivable against rent from investment property		**320**	442
Due from related parties	13.1	**53**	53
Retention money receivable		**-**	113,162
Sales tax refundable		**186,714**	239,394
Margin on letter of credit and guarantee		**15,359**	18,404
Receivable from staff retirement benefits funds		**254,052**	254,774
Others		**88,153**	2,042
		550,101	630,648

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

14 LONG TERM LOANS

	Note	Unaudited 31 March 2019	Audited 30 June 2018
Secured - Under non-shariah arrangement			
Allied Bank Limited	*14.1*	**311,682**	323,290
Less: Current portion shown under current liabilities		**113,219**	96,544
		198,463	226,746

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

During year ended 30 June 2017, Holding Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 13.908 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

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

During the period, mark-up on such arrangements ranged between 8.37% to 12% (31 March 2018: 8.61% to 8.64%). The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

15. TRADE AND OTHER PAYABLES

	Notes	Unaudited 31 March 2019	Audited 30 June 2018
		-------- (Rupees in '000) -------	
Trade creditors		**355,551**	201,473
Bills payable		**-**	940,333
Commission payable		**1,206**	1,253
Customer's security deposits		**-**	2,150
Accrued liabilities		**301,132**	291,182
Advances from customers		**16,425**	70,782
Provisions		**209,958**	201,805
Due to related parties	*15.1*	**-**	2,498
Payable against purchase of investments		**4**	-
Payable to provident fund		**2,052**	2,384
Payable to staff retirement benefit funds		**1,826**	3,773
Retention money		**11,051**	2,949
Sales tax payable		**36,359**	1,832
Withholding tax payable		**4,152**	5,780
Advance income tax		**45,959**	16,904
Workers' Profit Participation Fund		**5,056**	29,443
Workers' Welfare Fund		**4,114**	12,215
Derivative financial liability		**-**	306
Others		**21,691**	18,145
		1,016,536	1,805,207

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

16. SHORT TERM BORROWINGS

	Notes	Unaudited 31 March 2019	Audited 30 June 2018
		-------- (Rupees in '000) -------	
Secured from banking companies			
Running finances under mark-up arrangements	*16.1*	**693,312**	453,977
Short term loans	*16.2*	**1,509,291**	788,840
Unsecured from non-banking companies			
Short term finance under mark-up arrangements	*16.5*	**-**	713,308
		2,202,603	1,956,125

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,625 million (30 June 2018: Rs. 1,400 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million) and Rs. 225 million (30 June 2018: Rs. 100 million) are interchangeable with letter of credit and letter of guarantee faculity respectively. During the period, the mark-up on such arrangements ranged between 8.53% to 12.76% (30 June 2018: 7.64% to 8.84%) per annum.

16.2 This includes an amount of Rs. 811.91 million (30 June 2018: Rs. 225.904 million) outstanding under shariah complianed financing arrangement. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 5,410 million (30 June 2018: Rs. 5,457 million) out of which Rs. 3,910 million (30 June 2018: Rs. 3,925 million) and Rs. 210 million (30 June 2018: Rs. 260 million) are interchangeable with letters of credit and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 8.78% to 13.06% (2018: 8.78% to 13.06%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 5,010 million (30 June 2018: Rs. 5,525 million) out of which Rs. 250 million (30 June 2018: Rs. 250 million), Rs. 3,900 million (30 June 2018: Rs. 2,925 million) and Rs. 210 million (30 June 2018: Rs. 210 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 March 2019 amounted to Rs. 1,830 million (30 June 2018: Rs. 1,996 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2019 were Rs. 291.95 million and Rs. 1,244 million (30 June 2018: Rs. 4,330 million and Rs. 96 million) respectively.

16.4 The above facilities (refer note 16.1 to 16.3) are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2) and cotton / cotton yarn; and lien over import / export document.

16.5 During the period, the Holding Company has settled commercial papers issued to non-banking finance companies. The term of the loan was one year from the date of issuance and redeemable on 15 August 2018 at face value of Rs. 719.5 million. Mark-up was payable at the rate of six months KIBOR plus 1.35% per annum. During the period, mark-up on such arrangement was 7.50% per annum.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no significant change in the status of contingencies set out in note 16 to the Group's annual consolidated financial statements for the year ended 30 June 2018 except for as stated in note 22 of these financial statements.

17.2 Commitments

17.2.1 As at 31 March 2019, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 127.005 million (30 June 2018: Rs. 274.776 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2018: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,274 million (30 June 2018: Rs. 1,834 million).

17.2.3 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 March 2019 amounted to Rs. 26.224 million (30 June 2018: Rs. 25.492 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project.

17.2.4 Commitments under letters of credit as at 31 March 2019 amounted to Rs. 114.428 million (30 June 2018: Rs. 799.173 million).

18. SALES - net	Notes	Unaudited Quarter ended 31 March 2019	31 March 2018	Unaudited Nine months ended 31 March 2019	31 March 2018
		---------- (Rupees in '000) ----------			
Local sales					
Bare pipes		**6,623**	17,535	**297,104**	5,502,546
Revenue from conversion		**-**	-	**-**	-
Steel billets		**887,958**	1,014,572	**2,714,148**	2,372,063
Pipe coating		**52,189**	26,485	**52,189**	742,977
Pre coated pipes		**(327)**	7,467	**1,992,486**	483,077
Cotton yarn / raw cotton		**405,213**	353,686	**1,212,503**	497,632
Electricity sales		**156,437**	136,049	**160,358**	140,218
Steam Sales		**-**	124,742	**18,279**	124,742
Others		**18,888**	31,792	**78,777**	141,262
Scrap / waste		**44,450**	11,695	**79,984**	11,992
Sales returns		**-**	-	**(1,827)**	-
		1,571,431	1,724,022	**6,604,001**	10,016,508
Export sales					
Fabric		**-**	-	**-**	13,120
		1,571,431	1,724,022	**6,604,001**	10,029,628
Sales tax		**(32,979)**	(197,700)	**(873,210)**	(1,381,736)
		1,538,452	1,526,322	**5,730,791**	8,647,892

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

19. LOSS FROM INVESTMENTS - NET					
Dividend income	*19.1*	**6,837**	51,060	**32,863**	92,546
Loss on sale of investments - net	*19.2*	**(341)**	(9)	**(14,224)**	(4,039)
Unrealized loss on held for trading investments	*19.3*	**13,352**	87,155	**(125,293)**	(19,452)
Rent from investment property	*19.6*	**1,631**	1,310	**4,862**	3,729
		21,479	139,516	**(101,792)**	72,784

19.1 This includes Rs. 12.89 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 4.56 million incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 54.331 million on investment in Shariah Compliant Investee Companies.

19.4 Unrealised loss amounting to Rs. 15.238 million on investment in The Crescent Textile Mills Limited - non shariah compliant investee company was recognised in the other comprehensive income during the period. Unlike IAS 39, this gain will never be reclassified to profit or loss.

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

19.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 0.389 million (31 March 2018: Rs. 4.298 million). Further, Rs. 1.615 (31 March 2018: Rs. 0.378 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

		Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
		---- (Rupees in '000) ----			
Exchange loss		**2,361**	2,174	**14,383**	17,125
Provision for:					
Workers' Profit Participation Fund		**438**	(2,345)	**2,803**	32,489
Workers' Welfare Fund		**(1,738)**	(1,049)	**474**	12,507
Doubtful trade debts		**-**	-	**956**	-
Liquidated damages		**-**	9,332	**-**	13,962
Slow moving stores, spares and loose tools		**-**	-	**14,411**	8,915
		4,788	8,112	**36,754**	84,998

21. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	**-**	1,394	**32,855**	29,158
Interest on - Non - Shariah arrangement				
- finance lease obligations	**3,723**	2,131	**10,800**	7,152
- long term loan	**10,129**	7,461	**27,324**	24,806
- running finances / short term loans	**43,032**	33,723	**110,976**	143,284
Discounting of lease deposit	**-**	-	**-**	2,708
Bank charges	**35,900**	862	**63,684**	3,533
	92,784	45,571	**245,639**	210,641

22. TAXATION

22.1 Excess of minimum tax liability over normal tax amounting to Rs. 41.97 million (2018: nil) has not been recognized in view of expectation of increase in taxable profits during the next few months resulting in tax liability under normal tax regime.

22.2 Order under section 161/205 of the Income Tax Ordinance 2001 has been issued by the Assistant Commissioner Inland Revenue, whereby demand aggregating to Rs. 16.153 million (inclusive of default surcharge) has been raised in respect of tax year 2017. Prima facie errors have been rectified after which the Company has filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] which is yet to be fixed for hearing.

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

(Loss) / profit for the period		**(252,989)**	47,646	**(316,128)**	113,176
		(Number of shares)		**(Number of shares)**	
Weighted average number of ordinary shares in issue during the period	*23.1*	**77,632,491**	77,632,491	**77,632,491**	77,632,491
		(Rupees)		**(Rupees)**	
Basic and diluted (loss) / earnings per share		**(3.26)**	0.61	**(4.07)**	1.46

24. CASH GENERALTED FROM OPERATIONS

	Notes	Unaudited Nine months ended 31 March 2019	31 March 2018
		--------- (Rupees in '000) ---------	
(Loss) / profit before taxation for the period		**(305,243)**	305,849
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		**154,059**	170,216
Amortization of intangible assets		**1,916**	2,806
Charge for the period on staff retirement benefit funds		**17,476**	6,434
Dividend income		**(32,863)**	(92,547)
Unrealized loss on held for trading investments - net		**102,396**	19,452
Loss on sale of investments - net		**17,571**	4,039
Provision for stores, spares and loose tools - net		**9,237**	8,915
Reversal of provision for doubtful trade debts - net		**(544)**	(4,073)
Provision for Workers' Welfare Fund		**474**	12,507
Provision for Workers' Profit Participation Fund		**2,803**	32,489
Return on deposits		**(553)**	(1,090)
Gain on disposal of operating fixed assets		**(11,446)**	(24,638)
Deferred income		**(4,039)**	(3,269)
Discounting on long term deposit		**-**	2,708
Unwinding of discount on long term deposit		**(14,717)**	(11,888)
Liabilities written back		**(475)**	(23)
Finance costs		**225,537**	207,938
Share of (profit) / loss from equity accounted investees - net of taxation		**(354,366)**	116,045
Working capital changes	*24.1*	**(30,397)**	1,535,080
		(223,174)	2,286,950

24.1 Working capital changes

	31 March 2019	31 March 2018
Decrease / (increase) in current assets		
Stores, spares and loose tools	**24,262**	(26,130)
Stock-in-trade	**980,352**	2,131,008
Trade debts	**(186,474)**	579,420
Advances	**(164,518)**	(147,372)
Trade deposits and short term prepayments	**22,689**	11,235
Other receivables	**39,514**	258,095
	715,824	2,806,256
Decrease in current liabilities		
Trade and other payables	**(746,221)**	(1,271,176)
	(30,397)	1,535,080

25. CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018
Running finances under mark-up arrangements	**(693,312)**	(314,946)
Cash and bank balances	**24,883**	29,847
	(668,429)	(285,099)

26. SEGMENT REPORTING

26.1 Reportable segments

The Group's reportable segments are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes.

- Cotton segment - It comprises of manufacturing of yarn.

- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).

- Energy segment - It comprises of operations of the Subsidiary Company.

Information regarding the Group's reportable segments presented below.

26.2 Segment revenues and results

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

For the nine months ended 31 March 2019	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segments Elimination / adjustments	Total
	Unaudited					
	(Rupees in '000)					
Sales - net	4,355,888	1,224,441	-	381,554	(231,092)	5,730,791
Cost of sales	4,497,403	1,146,791	-	440,137	(236,614)	5,847,717
Gross (loss) / profit	**(141,515)**	**77,650**	**-**	**(58,583)**	**5,522**	**(116,926)**
Loss from investments	-	-	(101,792)	-	-	(101,792)
	(141,515)	77,650	(101,792)	(58,583)	5,522	(218,718)
Distribution and selling expenses	10,913	2,204	-	-	-	13,117
Administrative expenses	137,380	24,966	15,824	1,550	-	179,720
Other operating expenses	33,951	2,803	-	-	-	36,754
	182,244	29,973	15,824	1,550	-	229,591
	(323,759)	47,677	(117,616)	(60,133)	5,522	(448,310)
Other income	59,444	6,917	-	230	(32,251)	34,340
Operating (loss) / profit before finance costs	**(264,315)**	**54,594**	**(117,616)**	**(59,903)**	**(26,729)**	**(413,970)**
Finance costs	231,642	1,332	27,871	17,045	(32,252)	245,638
Share of profit in equity accounted investees - net of taxation	-	-	282,710	835	70,821	354,366
(Loss) / profit before taxation	**(495,958)**	**53,262**	**137,223**	**(76,113)**	**76,344**	**(305,242)**
Taxation						10,886
Loss for the period						**(316,128)**

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

26.2.1 Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (31 March 2018: Rs. Nil).

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

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

26.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 18 to these condensed interim consolidated financial statements.

26.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 3,797.912 million (31 March 2018: Rs. 7,524.40 million) of total Steel segment revenue of Rs. 4,356 million (31 March 2018: Rs. 8,135.389 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 0.117 million (31 March 2018: Rs. 473.461 million) of total Cotton segment revenue of Rs. 1,224.441 million (31 March 2018: Rs. 516.535 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 221.196 million (31 March 2018: Rs. 525.850 million) of total Energy segment revenue of Rs. 284.533 million (31 March 2018: Rs. 525.850 million).

26.5 Geographical information

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

	Unaudited Nine months ended	
	31 March 2019	31 March 2018
	------------ (Rupees in '000) ------------	
Pakistan	**5,730,791**	8,634,772
South and North America	**-**	13,120
	5,730,791	8,647,892

26.5.2 All non-current assets of the Group as at 31 March 2019 and 30 June 2018 were located and operating in Pakistan.

26.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Energy segment	Total
	------------(Rupees in '000)------------				
As at 31 March 2019 - Unaudited					
Segment assets for reportable segments	3,709,668	586,926	1,237,505	1,083,817	**6,617,916**
Investment in equity accounted investees	-	-	3,416,038	9,218	**3,425,256**
Unallocated corporate assets					**1,273,852**
Total assets as per consolidated balance sheet					**11,317,025**
Segment liabilities for reportable segments	1,220,763	133,913	97,795	319,242	**1,771,713**
Unallocated corporate liabilities and deferred income					**2,186,007**
Total liabilities as per consolidated balance sheet					**3,957,720**
As at 30 June 2018 - Audited					
Segment assets for reportable segments	4,811,697	528,790	1,376,546	935,261	**7,652,294**
Investment in equity accounted investees	-	-	2,831,055	257,178	**3,088,233**
Unallocated corporate assets					**1,318,496**
Total assets as per consolidated balance sheet					**12,059,023**
Segment liabilities for reportable segments	2,043,914	101,745	154,620	111,465	**2,411,744**
Unallocated corporate liabilities and deferred income					**2,033,591**
Total liabilities as per consolidated balance sheet					**4,445,335**

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

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

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

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

26.7 Other segment information

	Steel segment	Cotton segment	IID segment	Energy segment	Total
	---- Unaudited ----				
	----(Rupees in '000)----				
For the nine months ended 31 March 2019					
Capital expenditure	95,838	3,977	(2,722)	2,322	**99,415**
Depreciation and amortization	97,230	24,733	3,593	30,419	**155,975**
Non-cash items other than depreciation and amortization	195,246	3,130	(237,996)	2,855	**(36,765)**
For the nine months ended 31 March 2018					
Capital expenditure	73,532	26,438	2,394	38,411	140,775
Depreciation and amortization	96,415	22,845	3,821	49,941	173,022
Non-cash items other than depreciation and amortization	219,312	(12,400)	67,122	(1,035)	272,999

27. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited Nine months ended 31 March 2019	Unaudited Nine months ended 31 March 2018
			------- (Rupees in '000) -------	
Altern Energy Limited	Associated company	Dividend received	**-**	483,803
Shakarganj Limited	Associated company	Dividend paid	**180**	675
		Dividend received	**-**	34,261
		Sale of finished goods	**1,537**	227,079
		Services received	**-**	6,826
		Reimbursable expenses	**1,114**	1,117
		Expenses incurred on behalf of the Company	**1,113**	-
		Raw material purchases	**-**	222,897
		Purchase of stores	**-**	421
		Sale of stores	**-**	130
		Right shares subscribed	**-**	273,089
The Citizens' Foundation *	Related party	Donation given	**1,121**	15,201
CSAP Foundation *	Related party	Donation given	**-**	1,000
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	**1**	3
Premier Insurance Limited *	Related party	Insurance premium	**8,088**	7,332
		Dividend paid	**142**	549
Crescent Cotton Mills Limited *	Related party	Dividend paid	**-**	1
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Dividend paid	**36**	136
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	**3,242**	1,458
		Dividend paid	**75**	281
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	**4,943**	1,637
		Dividend paid	**68**	5,517
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	**12,204**	4,265
		Dividend paid	**68**	12,113
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	**13,406**	6,598
		Dividend paid	**124**	3,126

Key management personnel	Related parties	Remuneration and benefits	**80,286**	79,468
		Dividend paid	**605**	907
Directors and their spouse	Related parties	Dividend paid	**127**	191
		Meeting fee	**2,935**	3,455

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

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

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

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

28. FINANCIAL RISK MANAGEMENT

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

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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

	31 March 2019 (Unaudited)								
	Carrying amount					Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilites	Total	Level 1	Level 2	Level 3	Total
	--------(Rupees in '000)--------								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investment									
- listed equity securities	**525,104**	**144,419**	**-**	**-**	**669,523**	**669,523**	**-**	**-**	**669,523**
- unlisted equity securities	**480,305**	**-**	**-**	**-**	**480,305**	**-**	**-**	**480,305**	**480,305**
	1,530,513	**144,419**	**-**	**-**	**1,819,351**	**1,339,046**	**-**	**480,305**	**1,819,351**
Financial assets not measured at fair value									
Investments									
- equity	**3,425,257**	**-**	**-**	**-**	**3,425,257**	**-**	**-**	**-**	**-**
- term deposit receipt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deposits	**-**	**-**	**239,443**	**-**	**239,443**	**-**	**-**	**-**	**-**
Trade debts	**-**	**-**	**362,824**	**-**	**362,824**	**-**	**-**	**-**	**-**
Other receivables	**-**	**-**	**109,335**	**-**	**109,335**	**-**	**-**	**-**	**-**
Bank balances	**-**	**-**	**16,886**	**-**	**16,886**	**-**	**-**	**-**	**-**
	5,436,075	**144,419**	**728,488**	**-**	**6,453,401**	**1,339,046**	**-**	**960,610**	**2,299,656**
Financial liabilities not measured at fair value									
Long term loans	**-**	**-**	**-**	**311,682**	**311,682**	**-**	**-**	**-**	**-**
Liabilities against assets subject to finance lease	**-**	**-**	**-**	**145,842**	**145,842**	**-**	**-**	**-**	**-**
Trade and other payable	**-**	**-**	**-**	**694,512**	**694,512**	**-**	**-**	**-**	**-**
Mark-up accrued	**-**	**-**	**-**	**65,131**	**65,131**	**-**	**-**	**-**	**-**
Short term borrowings	**-**	**-**	**-**	**2,202,603**	**2,202,603**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**3,419,770**	**3,419,770**	**-**	**-**	**-**	**-**

	30 June 2018 (Audited)							
	Carrying amount				Fair value			
	Investments	Loan and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	--------(Rupees in '000)--------							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	1,026,848	-	-	1,026,848	1,026,848	-	-	1,026,848
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	262,933	-	-	262,933	-	262,933	-	262,933
- equity	3,088,233	-	-	3,088,233	-	-	-	-
- term deposit receipt	28,000	-	-	28,000	-	-	-	-
Deposits	-	279,164		279,164				
Trade debts	-	82,320	-	82,320	-	-	-	-
Other receivables	-	136,480	-	136,480	-	-	-	-
Bank balances	-	193,445	-	193,445	-	-	-	-
	3,379,166	691,409	-	4,070,575	-	262,933	-	262,933
Financial liabilities not measured at fair value								
Long term loan	-	-	323,290	323,290	-	-	-	-
Liabilities against assets subject to finance lease	-	-	173,429	173,429	-	-	-	-
Trade and other payable	-	-	1,466,446	1,466,446	-	-	-	-
Mark-up accrued	-	-	23,569	23,569	-	-	-	-
Short term borrowings	-	-	1,956,125	1,956,125	-	-	-	-
	-	-	3,942,859	3,942,859	-	-	-	-

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

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

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

28.1 Valuation techniques and significant unobservable inputs

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

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

28.2 Level 3 fair values

Reconciliation of Level 3 fair values

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

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

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

Sensitivity Analysis

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

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

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements was authorized for issue in the Board of Directors meeting held on 29 April 2019.

Chief Executive	Director	Chief Financial Officer

Crescent Steel &
Allied Products Limited

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