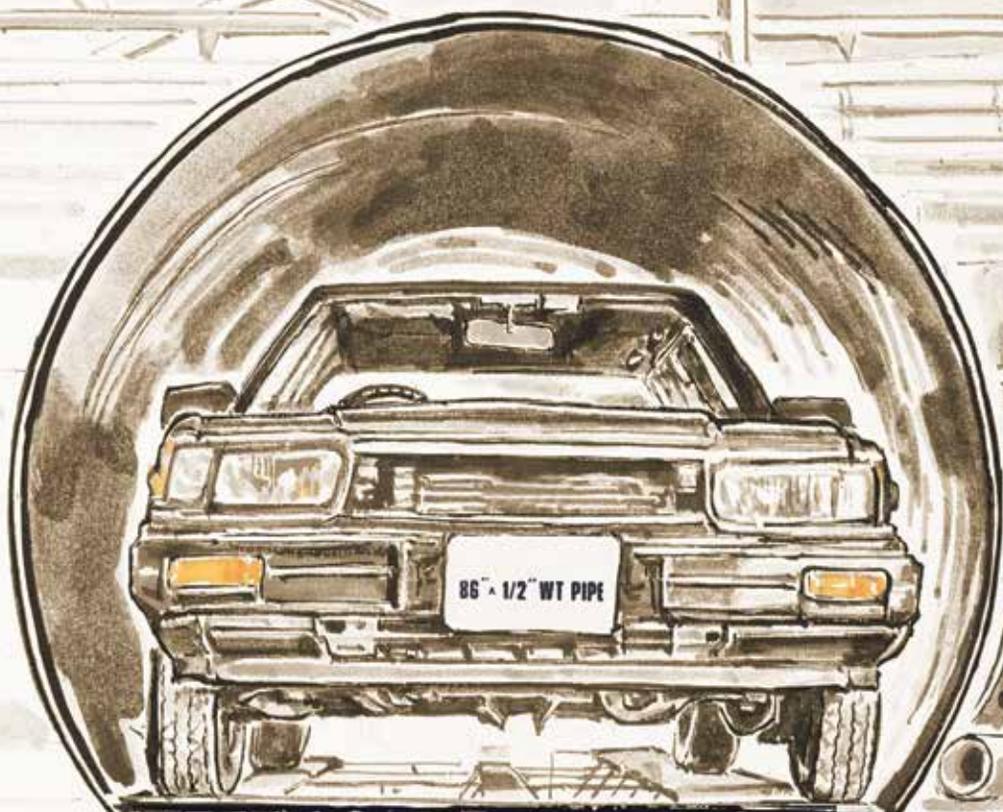


**HELPING BUILD A
SUSTAINABLE
ENERGY
INFRASTRUCTURE**



**CRESCENT STEEL AND
ALLIED PRODUCTS
LTD.**



**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED
31 DECEMBER 2016**

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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) NIT Nominee

Nasir Shafi
Non-Executive Director

S.M. Ehtishamullah
Non-Executive Director

Syed Zahid Hussain
Non-Executive Director
(Independent)

Zahid Bashir
Non-Executive Director

COMPANY SECRETARY

Muhammad Saad Thaniana

AUDIT COMMITTEE

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

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

Nasir Shafi
Member, Non-Executive Director

S.M. Ehtishamullah
Member, Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Zahid Bashir
Chairman, Non-Executive
Director

Nasir Shafi
Member, Non-Executive Director

S.M. Ehtishamullah
Member, Non-Executive Director

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

GOVERNANCE AND EVALUATION COMMITTEE

Ahmad Waqar
Chairman, Non-Executive
Director (Independent)

Ahsan M. Saleem
Member, Chief Executive Officer

Zahid Bashir
Member, Non-Executive Director

THE MANAGEMENT

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

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

Abdul Rouf – 2000*
BU Head – Cotton Division

Arif Raza – 1985*
BU Head – Steel Division

Ehsan Durrani – 2008*
Human Resource Advisor

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

Hasan Altaf Saleem – 2010*
Resident Director (CCP)

Iqbal Abdulla – 2014*
IT Advisor

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

Mushtaque Ahmed – 1985*
Head of Manufacturing – Steel
Division

STOCK EXCHANGE LISTING

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

PUBLIC INFORMATION

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

SHAREHOLDERS' INFORMATION

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

COMPANY INFORMATION

PRODUCTS

STEEL DIVISION

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

Fabrication of machinery for sugar and cement industry.

COTTON DIVISION

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

AUDITORS

KPMG Taseer Hadi & Co.

LEGAL ADVISOR

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

BANKERS

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

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

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Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811
Email: ejaz.ahmed@crestent.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@crestent.com.pk

STEEL DIVISION

PIPE AND COATING PLANTS

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

SHAKARGANJ ENGINEERING

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

CRESCENT HADEED (PRIVATE) LIMITED

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

POWER PLANT SHAKARGANJ ENERGY (PRIVATE) LIMITED

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

CORPORATE WEBSITE

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



For condensed Interim Report for the six months period ended 31 December 2016, go to <http://www.crestent.com.pk/wp-content/uploads/2016/12/HalfYear-Dec16.pdf> or scan Qr code



COMPANY PROFILE

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

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

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

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

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

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

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

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

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

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

COTTON DIVISION – COTTON YARN SPINNING UNIT

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

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

COMPANY PROFILE

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

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

SHAKARGANJ ENERGY (PRIVATE) LIMITED

The company operates as a fully owned subsidiary of Crescent Steel and Allied Products Limited and its primary business is to generate, accumulate,

distribute, sell and supply electricity to Crescent Hadeed and to distribution companies, as permitted.

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

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

SOLUTION DE ENERGY (PRIVATE) LIMITED

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

CRESCENT HADEED (PRIVATE) LIMITED

Crescent Hadeed a wholly owned subsidiary of Crescent Steel and Allied Products Limited was incorporated in May 2013 to cater to the growing demand of steel products is in line with our

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

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

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

DIRECTORS' REVIEW

Dear shareholders

I am pleased to present the unaudited unconsolidated and consolidated condensed interim financial information of the Company and the Group respectively, for the half year ended 31 December 2016.

Economic Outlook

Pakistan's GDP is projected at 5.2% for FY17 primarily due to low commodity prices resulting in reduced energy costs, increased spending, implementation of public investment projects and continued structural reforms. With the China Pakistan Economic Corridor (CPEC) taking shape and a possible end to the power crisis, economic outlook is positive. Major gains are already being seen by the service industry, construction sector and the auto industry with global players also entering the Pakistani market. The FMCG sector is also well positioned to capture growth with consumer spending on the rise and a growing middle class.

Current gas pipeline projects and electricity import projects (CASA -1000) are on track to meet the ever growing energy needs. The energy infrastructure projects under CPEC will add to Foreign Direct Investment both in the medium and long term, more than compensating for the sluggish private investment.

Political stability and improved internal security will continue to provide greater comfort. Greater energy and internal security alongside structural and economic reforms remain the key drivers to growth and stability going forward.

Financial and Operational Performance

Overall financial performance

Unconsolidated results for the period ended 31 December 2016 (HYFY17), outweighed HYFY16 as orders in hand for the Steel division as at the end of June 2016 were executed during the half. The Company's profit after tax (PAT) amounted to Rs. 890.7 million, as compared to after tax profit of Rs. 367.7 million in the corresponding period last year. Earnings per share (EPS) for the current period stood at Rs. 11.47 as compared to Rs. 5.13 in the corresponding period last year.

Company's sales revenue stood at Rs. 5,580.6 million (HYFY16: Rs. 2,835.8 million) which mainly represents turnover from Steel division. Sales revenue surged 96.8% YoY. Profit on investments from IID division amounted to Rs. 329.4 million (Investment loss HYFY16: Rs. 14.7 million).

Gross Profits (GP) stood at Rs. 1,550.6 million (HYFY16: Rs.750.1 million), contributed almost entirely by the Steel division which posted a GP of Rs. 1,550.5 million (HYFY16: Rs. 798.5 million), while Cotton division reported a GP of Rs. 72 thousand (HYFY16 – Gross Loss: Rs. 48.4 million).

The Company posted profit before tax (PBT) of Rs. 1,171.3 million (HYFY16: Rs. 521.2 million). The Steel division PBT for the period stood at Rs. 868.3 million (HYFY16 - PBT: Rs. 599 million) whereas loss before tax (LBT) from Cotton division stood at Rs. 26.4 million (HYFY16 - LBT: Rs. 63.2 million). IID posted a PBT of Rs. 329.4 million (HYFY16 - LBT: Rs. 14.7 million).

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

- Sales revenue increased to Rs. 5,580.6 million as compared to Rs. 2,835.8 million in HYFY16.
- Gross Profit increased to Rs. 1,550.6 million as compared to a gross profit of Rs. 750.1 million in HYFY16.
- Profit from Investment amounted to Rs. 243.3 million as compared to loss of Rs. 17.9 million in HYFY16.
- Other income increased to Rs. 114.7 million as compared to Rs. 28.1 million in the corresponding period last year.
- Net profit increased to Rs. 890.6 million as compared to Rs. 367.1 million in HYFY16.
- EBIT increased to Rs. 1,268 million as compared to Rs. 589.3 million in HYFY16.
- EPS increased to Rs. 11.47 for the current period, as compared to EPS of Rs. 5.13 for HYFY16.
- Return on average capital employed (annualized) was 19.7% for the current period as compared to 16% in the corresponding period last year.
- Break-up value per share increased to Rs. 84.3 from Rs. 74.8 as at 30 June 2016.

Business Segments

Steel segment

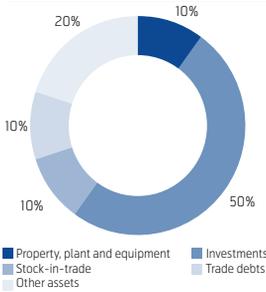
Segment performance

The Steel Division reported profit before tax (PBT) of Rs. 868.3 million (HYFY16: Rs. 599.1 million) up by 44.9 % YoY. Capacity utilization remained high throughout the period.

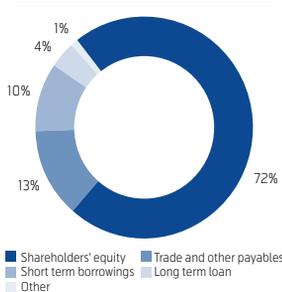
Revenue amounting to Rs. 4,954.5 million was generated during

DIRECTORS' REVIEW

Total Assets



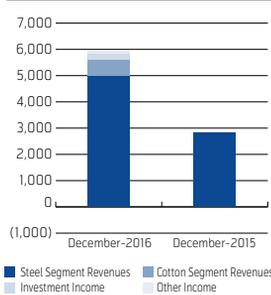
Total Liabilities



Profit from Operations Rupees in million



Revenue and Income Rupees in million



the current period, vis-à-vis Rs. 2,816.6 million during HYFY16. Gross Profit (GP) of Rs. 1,550.5 million was registered during the period as compared to Rs. 798.5 million during HYFY16.

Cotton segment

Segment performance

Production at the cotton plant recommenced after a long hiatus. A move towards home textile export segment was made to ensure its survival against spinning volatility and South, North & Central American markets were targeted. Orders for printed, dyed and bleached fabrics were obtained and shipped. Sales revenue for HYFY17 was Rs. 626.2 million (HYFY16: Rs. 19.3 million). The half year ended with a LBT of Rs. 26.4 million (HYFY16: LBT Rs. 63.2 million) mainly representing fixed

costs related to production and administrative expenses. However, cotton division recovered from a gross loss of Rs. 13.4 million in Q1FY17 and posted a gross profit of Rs. 13.5 million in Q2FY17 due to lower cost of sales.

Investment and Infrastructure Development (IID) segment

Market Review

After a dismal CY15, the market posted phenomenal return of 45.7% in the outgoing year (26.5% in HYFY17), gaining the title of 5th best global market. Despite highest FPI outflow of USD340mn since CY08, local investors acted as a prime defense against aggressive foreign selling to provide a liquidity buffer. Participation remained upbeat in CY16 with Average Daily Turnover increasing 14% YoY to 280mn shares while, Average

Daily Traded Value remained flat at USD111mn, indicating increased investor interest in small cap scrips.

Segment performance

During the half year ended 31 December 2016, the division's Held for Trading (HFT) segment recorded an ROI of 27.24% on weighted average investments of Rs. 362.3 million – during the same period, the benchmark KSE-100 index increased by 26.53%. On an overall basis the portfolio ROI on marketable securities stood at 34% on weighted average investment of Rs. 2,964.3 million.

The portfolio's accumulated profit before tax (PBT) for the half year ended 31 December 2016 stood at Rs. 329.9 million against HYFY16 loss before tax (LBT) of Rs. 14.7 million. The PBT constitutes an impairment reversal on strategic investments in Shakarganj Limited to the tune of Rs. 100.6 million and dividend on equity accounted investments in Altern Energy Limited of Rs. 140 million.

Closing position of investment portfolio was Rs. 5,593.3 million as compared to Rs. 4,326.9 million as at 30 June 2016.

Overall financial performance – Consolidated

On consolidated basis, operating profit before finance cost amounted to Rs. 1,116.6 million (HYFY16: Rs. 727.3 million). Net share of profit from equity accounted associates amounted to Rs. 122.9 million (HYFY16: Rs. 197 million).

Consequently, consolidated profit after tax and EPS of the Group for HYFY17 amounted to Rs. 716.6 million and Rs. 9.23 per share as compared to profit after tax of

DIRECTORS' REVIEW

Rs. 492.8 million and EPS of Rs. 6.89 per share respectively, in the corresponding period last year.

During the period, loss before tax of Shakarganj Energy (Private) Limited amounted to Rs. 62.9 million (HYFY16: PBT Rs. 2.3 million) on account of fixed production overheads, low activity and high bagasse cost during offseason from July to October 2016. However, during the sugar season i.e. November to December 2016 PBT of Rs. 33.7 million was recorded.

Crescent Hadeed (Private) Limited (CHL) manufactured 10,596 tons of billets, while it sold out 10,295 tons. With planned installation and commissioning of a second Furnace by April 2017, the Company is expected to achieve economies of scale and improved financial results going forward.

As per consolidated results, profit before taxation for IID Division for HYFY17 before elimination for consolidation was Rs. 451.2 million compared to profit before tax of Rs. 139.5 million in HYFY16. This is mainly attributable to share of profit amounting to Rs. 122.3 million (HYFY16: Rs. 197 million) from equity accounted investments in associates and, dividend income of Rs. 177.7 million (HYFY16: Rs. 33.5 million).

The value of investment portfolio as of 31 December 2016 was Rs. 4,157 million as compared to Rs. 3,982.5 million as of 30 June 2016.

Financial Position

Balance sheet

Balance sheet footing stood at Rs. 9,140.5 million as of 31 December 2016, compared to Rs. 9,484.2 million as of 30 June 2016. Break-

up value per share increased to Rs. 84.3 from Rs. 74.8 as at 30 June 2016.

Current ratio as at 31 December 2016 increased to 1.83:1 from 1.4:1 at 30 June 2016. Gearing ratio decreased significantly to 16.8% as at 31 December 2016 from 31% as at 30 June 2016.

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,024.4 million, compared to Rs. 11,457.3 million as of 30 June 2016. Total shareholders' fund increased to Rs. 7,914.1 million from Rs. 7,319.2 million as of 30 June 2016. Break-up value per share increased to Rs. 101.9 from Rs. 94.3 as at 30 June 2016.

Future Outlook

Analysts expect GDP to increase from \$270 billion to around \$300 billion alongside a higher Purchasing Power Parity of \$1 trillion. This rise is primarily driven by projects under China Pakistan Economic Corridor (CPEC) and improved public investment. Projects under CPEC will substantially increase power generation in the country enhancing growth in industry and service sector.

Your Company has secured two incremental projects for steel line pipes that will provide substantial push to our revenue in H2FY17. However, historical profitability margins may not be sustained on this business. We intend to actively participate in any upcoming tenders for both steel line pipes and line pipe coatings. The enhanced capacity positions your Company to comfortably participate for line pipe business in pipeline augmentation and import infrastructure projects.

With the Rs. 200 Billion package a much-needed impetus has been provided to boost the sagging textile sector. This will encourage export and push up prices of yarn in the local market as well. Waiver of 4% custom duty on imported cotton will decrease raw material cost and have a positive impact on local cotton prices.

Outlook on equity market remains positive due to several factors. The main driver for the bourse for H2FY17 is liquidity. With the privatization of the PSX, substantial liquidity is expected to flow back into the KSE-100 as money market and alternate investments options continue to provide lower yields.

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

For and on behalf of the Board of Directors.



Ahsan M. Saleem
Chief Executive Officer
31 January 2017

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL
INFORMATION
FOR THE SIX MONTH PERIOD ENDED
31 DECEMBER 2016**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

on Review of Condensed Interim Unconsolidated Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Crescent Steel and Allied Products Limited ("the Company") as at 31 December 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures of the condensed interim unconsolidated financial information for the quarter ended 31 December 2016, have not been reviewed and we do not express a conclusion on them.

Date: 31 January 2017

Karachi



KPMG Taseer Hadi & Co.

Chartered Accountants

Mohammed Nadeem

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	868,274	822,636
Intangible assets		2,063	3,507
Investment properties		17,315	19,316
Long term investments	6	4,110,839	3,934,928
Long term deposits	7	184,351	176,668
		5,182,842	4,957,055
Current assets			
Stores, spares and loose tools		185,818	111,583
Stock-in-trade	8	897,182	2,266,787
Trade debts	9	943,065	322,851
Advances		42,556	39,830
Trade deposits and short term prepayments		19,679	16,524
Investments	10	482,472	391,946
Other receivables	11	853,484	785,404
Taxation - net		523,980	529,321
Cash and bank balances		9,444	62,902
		3,957,680	4,527,148
Non-current asset held for sale	12	-	-
Total assets		9,140,522	9,484,203
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,029,322	1,025,694
Revenue reserves		4,741,074	4,005,706
		6,546,721	5,807,725
Non-current liabilities			
Long term loans	13	324,000	394,250
Liabilities against assets subject to finance lease		70,665	77,145
Deferred income		9,541	9,179
Deferred taxation		21,331	68,259
		425,537	548,833
Current liabilities			
Trade and other payables	14	1,210,795	850,158
Mark-up accrued		12,193	21,023
Short term borrowings	15	749,745	2,083,975
Current portion of long term loans	13	140,500	109,250
Current portion of liabilities against assets subject to finance lease		50,358	58,687
Current portion of deferred income		4,673	4,552
		2,168,264	3,127,645
Contingencies and commitments	16		
Total equity and liabilities		9,140,522	9,484,203

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Quarter ended		Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Sales - net	17	3,060,081	1,892,361	5,580,643	2,835,823
Cost of sales		2,010,032	1,453,105	4,030,055	2,085,680
Gross profit		1,050,049	439,256	1,550,588	750,143
Income / (loss) from investments - net	18	69,141	13,636	243,311	(17,935)
		1,119,190	452,892	1,793,899	732,208
Distribution and selling expenses		10,434	2,752	15,498	5,729
Administrative expenses		94,032	61,156	142,228	98,524
Other operating expenses	19	392,492	48,740	482,876	67,547
		496,958	112,648	640,602	171,800
		622,232	340,244	1,153,297	560,408
Other income	6.2.3	107,730	23,216	114,734	28,920
Operating profit before finance costs		729,962	363,460	1,268,031	589,328
Finance costs	20	38,198	38,086	96,754	68,151
Profit before taxation		691,764	325,374	1,171,277	521,177
Taxation - current	21	234,620	44,738	325,764	115,139
- prior		1,808	(96)	1,808	(96)
- deferred		(60,325)	42,503	(46,928)	39,064
		176,103	87,145	280,644	154,107
Profit for the period		515,661	238,229	890,633	367,070
				Rupees	
Basic and diluted earnings per share	22	6.64	3.25	11.47	5.13

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Profit for the period	515,661	238,229	890,633	367,070
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealized appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	2,216	(891)	3,628	(959)
Total comprehensive income for the period	517,877	237,338	894,261	366,111

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Six months period ended	
		31 December 2016	31 December 2015
Cash flows from operating activities			
Cash generated from / (used in) operations	23	2,092,368	(1,109,142)
Taxes paid		(345,387)	(254,732)
Finance costs paid		(99,479)	(54,624)
Contribution to gratuity and pension funds		(9,719)	(7,987)
Infrastructure fee paid		(5,114)	(11,493)
Compensated absences paid		(100)	(420)
10-C bonus paid		(1,826)	-
Long term deposits - net		(233)	1,408
Net cash generated from / (used in) operating activities		1,630,510	(1,436,990)
Cash flows from investing activities			
Capital expenditure		(92,526)	(73,549)
Acquisition of intangible assets		-	(410)
Proceeds from disposal of operating fixed assets		3,878	10,368
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		12,000	19,200
Investments - net		(73,011)	(215,024)
Dividend income received		151,790	15,736
Interest income received		418	1,004
Net cash generated from / (used in) investing activities		2,549	(242,675)
Cash flows from financing activities			
(Repayment of) / proceeds from long term loans		(39,000)	248,500
Payments against finance lease obligations		(32,914)	(31,015)
(Repayment of) / proceeds from short term loans obtained - Net		(1,265,937)	762,212
Proceeds from issue of right shares		-	900,537
Transaction costs incurred on issuance of right shares		-	(17,863)
Dividends paid		(280,373)	(40,544)
Net cash (used in) / generated from financing activities		(1,618,224)	1,821,827
Net increase in cash and cash equivalents		14,835	142,162
Cash and cash equivalents at beginning of the period		(116,935)	(259,271)
Cash and cash equivalents at end of the period	24	(102,100)	(117,109)

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	General reserve	Unappropriated profit	
Rupees in '000						
Balance as at 30 June 2015	621,060	293,499	5,542	2,642,000	488,642	4,050,743
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	367,070	367,070
Other comprehensive income	-	-	(959)	-	-	(959)
Total other comprehensive income for the period	-	-	(959)	-	-	(959)
Total comprehensive income for the period	-	-	(959)	-	367,070	366,111
Transaction with owners						
Issuance of right shares	155,265	745,272	-	-	-	900,537
Transaction cost on issuance of shares	-	(17,863)	-	-	-	(17,863)
Dividend:						
- Final @ 7% (i.e. Re. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	(43,474)	(43,474)
Balance as at 31 December 2015	776,325	1,020,908	4,583	2,642,000	812,238	5,256,054
Balance as at 30 June 2016	776,325	1,020,908	4,786	2,642,000	1,363,706	5,807,725
Transfer to general reserve	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period						
Profit after taxation	-	-	-	-	890,633	890,633
Other comprehensive income	-	-	3,628	-	-	3,628
Total other comprehensive income for the period	-	-	3,628	-	-	3,628
Total comprehensive income for the period	-	-	3,628	-	890,633	894,261
Transaction with owners						
Dividend:						
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	(155,265)	(155,265)
Balance as at 31 December 2016	776,325	1,020,908	8,414	3,642,000	1,099,074	6,546,721

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

1. THE COMPANY AND ITS OPERATIONS

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

The Company operates three segments Steel, Cotton and Investment and Infrastructure Development (IID) segment as disclosed in note 25.

2. BASIS OF PREPARATION

- 2.1 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim unconsolidated financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last unconsolidated financial statements.
- 2.3 This condensed interim unconsolidated financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4 This condensed interim unconsolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

5. PROPERTY, PLANT AND EQUIPMENT

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
Operating fixed assets	5.1	710,844	710,788
Capital work-in-progress	5.2	157,430	111,848
		868,274	822,636

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

Rupees in '000	Six months period ended 31 December 2016		Six months period ended 31 December 2015	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
Buildings on freehold land	22,241	–	328	–
Plant and machinery - owned	11,626	9,142	10,464	48,871
Plant and machinery - leased	12,000	–	19,271	–
Furniture and fittings	4,428	–	367	–
Electrical / office equipments and installation	3,371	–	747	70
Computers	3,103	1,053	1,015	–
Motor vehicles - owned	1,152	6,685	4,130	13,871
Motor vehicles - leased	1,024	–	–	–
Workshop equipment	–	–	324	–
	58,945	16,880	36,646	62,812

5.2 Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs.45.582 million (2015: Rs. 56.086 million).

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
6. LONG TERM INVESTMENTS			
Subsidiary companies			
- at cost	6.1	2,502,000	2,502,000
- share deposit money			
Shakarganj Energy (Private) Limited		59,090	2,090
Crescent Hadeed (Private) Limited		300,000	281,650
Associated companies - at cost	6.2	1,070,803	970,242
Other long term investments - Available for sale	6.3	178,946	178,946
		4,110,839	3,934,928

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

6.1 Subsidiary companies - at cost

Unaudited 31 December 2016	Audited 30 June 2016		Note	Unaudited 31 December 2016	Audited 30 June 2016
Number of shares				Rupees in '000	
		Unquoted			
118,000,000	118,000,000	Shakarganj Energy (Private) Limited	6.1.1	1,180,000	1,180,000
		(Chief Executive Officer - Mr. Muhammad Saad Thaniana)			
47,199,995	47,199,995	CS Capital (Private) Limited	6.1.2	472,000	472,000
		(Chief Executive Officer - Ms. Hajerah Ahsan Saleem)			
85,000,000	85,000,000	Crescent Hadeed (Private) Limited	6.1.3	850,000	850,000
		(Chief Executive Officer - Mr. Iqbal Zafar Siddiqui)			
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.4	-	-
				2,502,000	2,502,000

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

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

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

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

6.2 Associated companies - at cost

Unaudited 31 December 2016	Audited 30 June 2016		Note	Unaudited 31 December 2016	Audited 30 June 2016
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
24,119,987	24,119,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	477,315	477,315
				1,070,803	1,070,803
		Less: Provision for impairment - net	6.2.3	-	100,561
				1,070,803	970,242

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 During the period, provision for diminution in the value of investment in ordinary shares of Shakarganj Limited has been reversed due to increase in market value.

6.2.4 The fair value of investments in associates as at 31 December 2016 is Rs. 3,357.624 million (30 June 2016: Rs. 2,593.178 million).

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
6.3 Other long term investments - available for sale			
Investments in related parties	6.3.1	58,946	58,946
Other investments		120,000	120,000
		178,946	178,946

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 158.099 million (30 June 2016: 150.648 million) underjarah financing arrangement.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
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8. STOCK-IN-TRADE

Raw materials			
Hot rolled steel coils (HR Coil)		112,254	1,390,626
Coating materials		75,733	234,524
Others		77,074	149,098
Raw cotton		100,325	28,332
Stock-in-transit		310,044	220,648
	8.1	675,430	2,023,228
Work-in-process			
Finished goods	8.1	23,972	86,922
Scrap / cotton waste		195,154	145,761
		2,626	10,876
		221,752	243,559
		897,182	2,266,787

- 8.1 Stock in trade as at 31 December 2016 includes item valued at net realisable value (NRV). An amount of Rs. 109.092 million (30 June 2016: Rs. 75.618 million) has been recognised in cost of sales.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
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9. TRADE DEBTS

Secured			
Considered good		718,563	225,663
Unsecured			
Considered good	9.1	224,502	97,188
Considered doubtful		14,271	14,271
Provision for doubtful trade debts		(14,271)	(14,271)
		224,502	97,188
		943,065	322,851

- 9.1 This includes amounting to Rs.92.899 million (30 June 2016: Rs. 59.107 million) and Rs. 12.527 million (30 June 2016: Rs. 12.526 million) due from wholly owned subsidiary companies Crescent Hadeed (Private) Limited and Shakarganj Energy (Private) Limited respectively. This also includes Rs. Nil (30 June 2016: Rs. 8.776 million) due from Shakarganj Limited.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
10. INVESTMENTS			
<i>Investments in related party</i>			
Available for sale - The Crescent Textile Mills Limited		12,440	8,812
Other investments			
Available for sale	10.1	-	-
Held for trading		470,032	383,134
		470,032	383,134
		482,472	391,946

10.1 These investments are fully impaired as their break-up value of shares are Rs. Nil per share (30 June 2016: Rs. Nil).

10.2 Investments having an aggregate market value of Rs. 2,593.458 million (30 June 2016: Rs. 2,539.649 million) have been pledged with financial institutions as security against financing facilities (refer note 15.4) out of which Rs. 2,207.907 million (30 June 2016: Rs. 2,216.408 million) relates to long term investments.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
11. OTHER RECEIVABLES			
Dividend receivables		345	1,525
Receivable against rent from investment property		610	674
Claim receivable		562	562
Due from related parties	11.1	82,240	64,739
Retention money receivable		267,529	149,163
Sales tax refundable		10,363	90,216
Margin on letter of credit / letter of guarantee		21,859	19,022
Receivable from staff retirement benefits funds		465,995	456,276
Others		3,981	3,227
		853,484	785,404

11.1 Due from related parties

Shakarganj Limited		1,429	1,273
CS Capital (Private) Limited		650	83
Shakarganj Energy (Private) Limited		21,547	21,319
Crescent Hadeed (Private) Limited		45,296	30,564
Solution de Energy (Private) Limited		13,318	11,500
		82,240	64,739

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

12. NON-CURRENT ASSET HELD FOR SALE

On 8 December 2016, the Company entered into an agreement to sell property situated at "Ninth Floor BOP Tower, Lahore" at a total value of Rs. 65.650 million, whereby, the possession and title of the property will be transferred to the buyer within three months from the date of the agreement. As per International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations', the property has been classified as "non-current asset held-for-sale" at carrying value of Rs. Nil being lower than fair value. Advance amounting to Rs. 32.825 million also received by the Company in this respect.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
13. LONG TERM LOANS			
Secured - Under non-shariah arrangement			
Allied Bank Limited	13.1	214,500	253,500
Saudi Pak Industrial and Agricultural Investment Company Limited	13.2	250,000	250,000
		464,500	503,500
Less: Current portion shown under current liabilities		140,500	109,250
		324,000	394,250

13.1 The Company has a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments started from December 2015. During the period, the Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, mark-up on such arrangements ranged between 7.53% to 7.60% (2015: 8.00% to 8.49%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

13.2 The Company has a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of one year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.48% to 8.86% (2015: 9.54%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Company.

14. TRADE AND OTHER PAYABLES

This includes a balance due to Premier Insurance Limited - a related party amounting to Rs. 0.902 million (30 June 2016: Rs. 1.074 million) and provision / accrual made for liquidated damages of Rs. 310.615 million (30 June 2016: Rs. 132.096 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
15. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	15.1	111,544	179,837
Short term loans	15.2	638,201	1,904,138
		749,745	2,083,975

- 15.1 Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 550 million (30 June 2016: Rs. 550 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 100 million (30 June 2016: Rs. 100 million) are interchangeable with letter of credit, Finance Against Import Material (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 6.96% to 8.55% (2015: 8.00% to 8.74%) per annum.
- 15.2 This includes an amount of Rs. Nil (30 June 2016: Rs. 219 million) outstanding against Istisnaa Financing. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 2,254 million (30 June 2016: Rs. 4,662 million) out of which Rs. 2,061 million (30 June 2016: Rs. 3,708 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 310 million (30 June 2016: Rs. 310 million) are interchangeable with letter of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.76% to 8.51% (2015: 8.24% to 9.01%) per annum.
- 15.3 The facilities for opening letter of credit amounted to Rs. 3,161 million (30 June 2016: Rs. 4,790 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 2,061 million (30 June 2016: Rs. 3,710 million) and Rs.310 million (30 June 2016: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 December 2016 amounted to Rs. 1,436 million (30 June 2016: Rs. 1,339 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2016 were Rs. 1,094 million and Rs. 79.94 million (30 June 2016: Rs. 2,642 million and Rs. 113 million) respectively.
- 15.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 10.2) and cotton / cotton yarn; and lien over import / export document.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of contingencies as set out in note 13 to the Company's annual unconsolidated financial statements for the year ended 30 June 2016 except as mentioned below.

- 16.1.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), thus rendering the Company liable to pay contribution to WWF at the rate of two percent

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

of their accounting or taxable income, whichever is higher. In 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. However, in 2013, a larger bench of Sindh High Court (SHC) passed an order declaring that the amendments introduced through Finance Act, 2008 do not suffer from any constitutional and legal infirmity.

The Supreme Court passed a judgment on 10 November 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to Workers Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Acts.

16.2 Commitments

- 16.2.1** As at 31 December 2016, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 411.833 million (30 June 2016: Rs. 460.220 million), which is payable in quarterly installments.
- 16.2.2** Aggregate amount of guarantees issued by conventional side of banks on behalf of the Company against various contracts aggregated to Rs. 1,293 million (30 June 2016: Rs. 1,125.110 million).
- 16.2.3** Commitments in respect of capital expenditure contracted for as at 31 December 2016 amounted to Rs. 56.344 million (30 June 2016: Rs. 41.234 million) including Rs. 7.462 million representing office premises located in Islamabad payable on completion of project.
- 16.2.4** Commitments under letters of credit (L/C) as at 31 December 2016 amounted to Rs. 1,660.221 million (30 June 2016: Rs. 578.6 million).

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
17. SALES - net				
Local sales				
Bare pipes	2,281,994	1,751,436	4,350,293	2,404,836
Pipe coating	625,156	55,029	896,783	215,956
Pre coated pipes	176,032	302,144	380,153	560,506
Cotton yarn / raw cotton	286,209	19,286	592,256	19,286
Others	50,573	44,082	58,382	69,052
Scrap / waste	72,423	29,822	110,181	36,349
Sales returns	–	–	(1,199)	–
	3,492,387	2,201,799	6,386,849	3,305,985
Export sales				
Fabric	25,568	–	25,568	–
	3,517,955	2,201,799	6,412,417	3,305,985
Sales tax	(457,874)	(309,438)	(831,774)	(470,162)
	3,060,081	1,892,361	5,580,643	2,835,823

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
18. INCOME / (LOSS) FROM INVESTMENTS - net					
Dividend income	18.1	6,079	4,699	151,495	15,685
Gain / (loss) on sale of investments - net	18.2	2,251	2,188	7,163	(9,736)
Unrealised gain / (loss) on held for					
trading investments - net	18.3	59,522	5,491	82,074	(26,400)
Rent from investment properties	18.6	1,289	1,258	2,579	2,516
		69,141	13,636	243,311	(17,935)

18.1 This includes Rs. 147.366 million earned on investments in Shariah Compliant investee companies.

18.2 This includes Rs. 7.163 million earned on investments in Shariah Compliant investee companies.

18.3 This includes Rs. 51.679 million earned on investment in Shariah Compliant investee companies.

18.4 Unrealized gain amounting to Rs. 3.628 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant investee company was recognized in the other comprehensive income during the period.

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

18.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 2.026 million (2015: Rs. 1.901 million). Further, Rs. 0.513 million (2015: Rs. 0.542 million) were incurred against non rented out area.

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
19. OTHER OPERATING EXPENSES					
Exchange loss		263	15,986	2,557	16,264
Provision for:					
- Workers' Profit Participation Fund		28,956	17,483	46,793	31,155
- Workers' Welfare Fund		16,204	2,705	21,458	7,562
- Doubtful trade debts		-	8,640	-	8,640
- Other receivables		885	-	885	-
- Liquidated damages		207,918	3,926	207,918	3,926
Liquidated damages		138,266	-	203,265	-
		392,492	48,740	482,876	67,547

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
20. FINANCE COSTS					
Mark-up on short term loans -					
	Shariah arrangement	4,381	-	5,478	-
Interest on - Non - Shariah arrangement					
	- finance lease obligations	2,986	2,620	6,030	5,610
	- long term loans	9,696	11,519	20,030	21,890
	- running finances / short term loans	19,138	21,558	58,958	35,871
	Discounting of lease deposit	399	-	399	-
	Bank charges	1,598	2,389	5,859	4,780
		38,198	38,086	96,754	68,151

21. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2017 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001 (Tax on Undistributed Reserves). Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim unconsolidated financial information.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015

22. BASIC AND DILUTED EARNINGS PER SHARE

	Number of shares		Number of shares	
Profit for the period	515,661	238,229	890,633	367,070
	Number of shares		Number of shares	
Weighted average number of ordinary shares in issue during the period	77,632,491	73,349,233	77,632,491	71,550,264
	Rupees		Rupees	
Basic and diluted earnings per share	6.64	3.25	11.47	5.13

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2016	31 December 2015
23. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		1,171,277	521,177
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		49,039	54,823
Amortization of intangible assets		1,444	3,781
Reversal for the period on staff retirement benefit funds		-	(1,409)
Charge for compensated absences		1,251	348
Provision for 10-C bonus		1,025	883
Dividend income		(151,495)	(15,685)
Unrealized (gain) / loss on held for trading investments - net		(82,074)	26,400
(Gain) / loss on sale of investments - net		(7,163)	9,736
Reversal of provision for stores, spares and loose tools - net		(965)	(1,760)
Charge of provision for doubtful trade debts - net		-	8,640
Provision for Workers' Welfare Fund		21,458	7,562
Provision for Workers' Profit Participation Fund		46,793	31,155
Provision for liquidated damages		207,918	3,927
Reversal of diminution in the value of investments - net		(100,561)	(12,044)
Return on deposits		(418)	(1,004)
Gain on disposal of operating fixed assets		(1,170)	(2,810)
Deferred income		(2,373)	(1,075)
Discount income on long term deposit		(7,450)	-
Liabilities written back		-	(8,906)
Finance costs		96,754	68,151
Working capital changes	23.1	849,078	(1,801,032)
		2,092,368	(1,109,142)
23.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(72,482)	5,277
Stock-in-trade		1,379,045	(717,705)
Trade debts		(620,214)	(851,140)
Advances		(2,726)	(32,204)
Trade deposits and short term prepayments		(3,155)	(7,406)
Other receivables		(58,658)	(95,758)
		621,810	(1,698,936)
Increase / (decrease) in current liabilities			
Trade and other payables		227,268	(102,096)
		849,078	(1,801,032)

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Unaudited Six months period ended	
	31 December 2016	31 December 2015

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(111,544)	(131,503)
Cash and bank balances	9,444	14,394
	(102,100)	(117,109)

25. SEGMENT REPORTING

25.1 Reportable segments

The Company's reportable segments are as follows:

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

Information regarding the Company's reportable segments presented below.

25.2 Segment revenues and results

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

Rupees in '000	Unaudited			
	Steel segment	Cotton segment	IID segment	Total
For the six months period ended				
31 December 2016				
Sales - net	4,954,482	626,161	-	5,580,643
Cost of sales	3,403,966	626,089	-	4,030,055
Gross profit	1,550,516	72	-	1,550,588
Income from investments	-	-	243,311	243,311
	1,550,516	72	243,311	1,793,899
Distribution and selling expenses	6,598	8,900	-	15,498
Administrative expenses	116,939	14,837	10,452	142,228
Other operating expenses	481,951	-	925	482,876
	605,488	23,737	11,377	640,602
	945,028	(23,665)	231,934	1,153,297
Other income	12,177	1,996	100,561	114,734
Operating profit / (loss) before finance costs	957,205	(21,669)	332,495	1,268,031
Finance costs	88,940	4,744	3,070	96,754
Profit / (loss) before taxation	868,265	(26,413)	329,425	1,171,277
Taxation				280,644
Profit for the period				890,633

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
For the six months period ended				
31 December 2015				
Sales - net	2,816,537	19,286	-	2,835,823
Cost of sales	2,018,008	67,672	-	2,085,680
Gross profit / (loss)	798,529	(48,386)	-	750,143
Loss from investments	-	-	(17,935)	(17,935)
	798,529	(48,386)	(17,935)	732,208
Distribution and selling expenses	4,821	908	-	5,729
Administrative expenses	80,218	11,459	6,847	98,524
Other operating expenses	63,728	3,794	25	67,547
	148,767	16,161	6,872	171,800
	649,762	(64,547)	(24,807)	560,408
Other income	7,147	9,729	12,044	28,920
Operating profit / (loss) before finance costs	656,909	(54,818)	(12,763)	589,328
Finance costs	57,765	8,406	1,980	68,151
Profit / (loss) before taxation	599,144	(63,224)	(14,743)	521,177
Taxation				154,107
Profit after taxation				367,070

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

25.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2016. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, financial costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 4,707.059 million (2015: Rs. 2,625.307 million) of total Steel segment revenue of Rs. 4,954.482 million (2015: Rs. 2,816.537 million). Further, revenue from major customers of Cotton segment represents an aggregate amount of Rs. 413.041 million (2015: Rs. 19.286 million) of total Cotton segment revenue of Rs. 626.161 million (2015: Rs. 19.286 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

25.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
Pakistan	3,034,513	1,892,361	5,555,075	2,835,823
South and North America	25,568	-	25,568	-
	3,060,081	1,892,361	5,580,643	2,835,823

25.5.2 All non-current assets of the Company as at 31 December 2016 and 30 June 2016 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Total
As at 31 December 2016 (Unaudited)				
Segment assets for reportable segments	4,337,752	549,427	3,481,480	8,368,659
Unallocated corporate assets				771,863
Total assets as per unconsolidated balance sheet				9,140,522
Segment liabilities for reportable segments	1,048,484	120,568	1,827	1,170,879
Unallocated corporate liabilities				1,422,922
Total liabilities as per unconsolidated balance sheet				2,593,801
As at 30 June 2016 - (Audited)				
Segment assets for reportable segments	4,981,453	448,478	3,292,742	8,722,673
Unallocated corporate assets				761,530
Total assets as per unconsolidated balance sheet				9,484,203
Segment liabilities for reportable segments	611,078	108,262	1,923	721,263
Unallocated corporate liabilities				2,955,215
Total liabilities as per unconsolidated balance sheet				3,676,478

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

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

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

25.7 Other segment information

Rupees in '000	Unaudited			Total
	Steel segment	Cotton segment	IID segment	
<i>For the six months period ended</i>				
<i>31 December 2016</i>				
Capital expenditure	81,915	3,633	360	85,908
Depreciation and amortization	26,878	21,149	2,456	50,483
Non-cash items other than depreciation and amortization - net	356,090	3,852	(338,412)	21,530
<i>For the six months period ended</i>				
<i>31 December 2015</i>				
Capital expenditure	61,221	8,950	-	70,171
Depreciation and amortization	23,069	33,148	2,387	58,604
Non-cash items other than depreciation and amortization - net	98,226	3,525	10,358	112,109

26. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months period ended	
			31 December 2016	31 December 2015
Crescent Hadeed (Private) Limited	Subsidiary company	Reimbursable expenses	14,892	6,100
		Sale of finished goods	79,321	20,684
		Share deposit money	18,350	126,350
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	317	456
Shakargarj Energy (Private) Limited	Subsidiary company	Share deposit money	57,000	90,000
		Reimbursement of Turbine cost	-	122,000
		Transfer of Turbine at cost	-	188,363
		Reimbursable expenses	228	361
Solution de Energy (Private) Limited	Subsidiary company	Reimbursable expenses	1,817	2,828
Altern Energy Limited	Associated company	Dividend received	140,908	-
Shakargarj Limited	Associated company	Dividend Paid	4,848	1,833
		Sales of finished goods	-	19,286
		Services received	561	1,219
		Reimbursable expenses	720	744
Central Depository Company of Pakistan Limited	Related party	Services received	391	1,885
		Dividend received	550	5,809
The Citizens' Foundation *	Related party	Donation given	30,301	11,392
CSAP Foundation *	Related party	Donation given	760	1,038
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	3	1
Crescent Cotton Mills Limited *	Related party	Dividend paid	63	-
Premier Insurance Limited *	Related party	Insurance premium	12,264	4,803
		Dividend paid	507	-
The Crescent Textile Mills Limited *	Related party	Dividend paid	29,884	4,184

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2016	31 December 2015
Crescent Cotton Products - Staff				
Provident Fund	Retirement benefit fund	Contribution made	245	352
		Dividend paid	262	42
Crescent Steel and Allied Products Limited - Gratuity Fund				
	Retirement benefit fund	Contribution made	2,851	2,362
		Dividend paid	5,149	824
Crescent Steel and Allied Products Limited - Pension Fund				
	Retirement benefit fund	Contribution made	7,472	5,986
		Dividend paid	11,306	1,809
Crescent Steel and Allied Products Limited - Staff Provident Fund				
	Retirement benefit fund	Contribution made	3,980	3,291
		Dividend paid	2,916	367
CSAP - Staff Benevolent Fund				
	Staff Welfare Fund	Contribution made	10,000	-
		Dividend paid	22	-
Key management personnel				
	Related parties	Remuneration and benefits	51,440	34,070
		Dividend paid	332	37
Directors				
		Dividend paid	2,382	395

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

27. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statement of the Company as at and the year ended 30 June 2016.

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

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

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

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

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

31 December 2016 (Unaudited)

	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
On-balance sheet financial instruments								
Financial assets								
measured at Fair Value								
- listed equity securities	482,472	-	-	482,472	482,472	-	-	482,472
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	178,946	-	-	178,946	-	-	-	-
- associates	1,070,803	-	-	1,070,803	3,357,624	-	-	3,357,624
Trade debts	-	943,065	-	943,065	-	-	-	-
Other receivables	-	377,126	-	377,126	-	-	-	-
Bank balances	-	8,649	-	8,649	-	-	-	-
	1,249,749	1,328,840	-	2,578,589	3,357,624	-	-	3,357,624
Financial liabilities not measured at fair value								
Long term loans								
Liabilities against assets subject to finance lease	-	-	464,500	464,500	-	-	-	-
Trade and other payables	-	-	121,023	121,023	-	-	-	-
Mark-up accrued	-	-	661,624	661,624	-	-	-	-
Short term borrowings	-	-	12,193	12,193	-	-	-	-
	-	-	749,745	749,745	-	-	-	-
	-	-	2,009,085	2,009,085	-	-	-	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

30 June 2016 (Audited)		Fair Value				
Rupees in '000	Carrying Amount		Level			Total
	Investments	Loans and receivables	Other financial liabilities	Level 1	Level 2	
On-balance sheet						
Financial Instruments						
Financial assets measured at fair value						
Investment						
- listed equity securities	391,946	-	-	391,946	-	-
Financial assets not measured at fair value						
Investments						
- unlisted equity securities	178,946	-	-	178,946	-	-
- associates	970,242	-	-	2,593,178	-	-
Trade debts	-	322,851	-	322,851	-	-
Other receivables	-	238,912	-	238,912	-	-
Bank balances	-	61,756	-	61,756	-	-
	1,149,188	623,519	-	1,772,707	2,593,178	-
Financial liabilities not measured at fair value						
Long term loans	-	-	503,500	-	-	-
Liabilities against assets subject to finance lease	-	-	135,832	-	-	-
Trade and other payables	-	-	607,200	-	-	-
Mark-up accrued	-	-	21,023	-	-	-
Short term borrowings	-	-	2,083,975	-	-	-
	-	-	3,351,530	-	-	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

The investments in subsidiaries and associates are stated at cost.

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

28. GENERAL

28.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 31 January 2017 has declared first interim cash dividend of Rs. 1.5 per share (i.e. 15%) (2015: Rs. 1.5 per share), amounting to Rs. 116.449 million (2015: Rs. 116.449 million). This condensed interim unconsolidated financial information does not reflect this proposed issue.

28.2 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue in the Board of Directors meeting held on 31 January 2017.



Chief Executive



Director



Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL
INFORMATION
FOR THE SIX MONTH PERIOD ENDED
31 DECEMBER 2016**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,477,608	2,467,814
Intangible assets		127,550	112,685
Investment properties		57,310	60,548
Investment in equity accounted investees	6	2,838,679	2,882,395
Other long term investments	7	220,717	220,717
Long term deposits	8	197,654	189,049
		5,919,518	5,933,208
Current assets			
Stores, spares and loose tools		207,531	130,244
Stock-in-trade	9	1,195,339	2,531,238
Trade debts	10	924,858	472,121
Advances	11	60,327	44,994
Trade deposits and short term prepayments		38,704	37,650
Investments	12	1,097,581	879,380
Mark-up accrued		122	37
Other receivables	13	883,634	799,501
Taxation - net		570,594	555,016
Cash and bank balances		126,148	73,887
		5,104,838	5,524,068
Non-current asset held for sale	14	-	-
Total assets		11,024,356	11,457,276
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			
		1,172,740	1,139,136
Revenue reserves			
		5,965,038	5,403,730
		7,914,103	7,319,191
Non-current liabilities			
Long term loans	15	324,000	394,250
Liabilities against assets subject to finance lease		70,665	77,145
Deferred income		9,541	9,179
Deferred taxation		191,345	228,544
		595,551	709,118
Current liabilities			
Trade and other payables	16	1,430,589	954,129
Mark-up accrued		13,852	23,419
Short term borrowings	17	874,730	2,278,930
Current portion of long term loans	15	140,500	109,250
Current portion of liabilities against assets subject to finance lease		50,358	58,687
Current portion of deferred income		4,673	4,552
		2,514,702	3,428,967
Contingencies and commitments	18		
Total equity and liabilities		11,024,356	11,457,276

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Quarter ended		Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Sales - net	19	3,494,658	1,880,252	6,155,163	2,820,139
Cost of sales		2,456,092	1,449,446	4,727,383	2,088,398
Gross profit		1,038,566	430,806	1,427,780	731,741
Income / (loss) from investments	20	134,883	22,874	201,011	(41,460)
		1,173,449	453,680	1,628,791	690,281
Distribution and selling expenses		10,748	2,752	16,071	5,729
Administrative expenses		98,164	64,047	151,581	104,088
Other operating expenses	21	392,713	48,993	483,395	67,816
		501,625	115,792	651,047	177,633
		671,824	337,888	977,744	512,648
Other income		8,053	10,746	15,908	17,565
Operating profit before finance costs		679,877	348,634	993,652	530,213
Finance costs	22	40,506	39,865	104,024	70,625
Share of profit in equity accounted investees - net of taxation		69,218	94,877	122,905	197,042
Profit before taxation		708,589	403,646	1,012,533	656,630
Taxation - current	23	238,189	46,018	331,351	117,473
- prior		1,808	(152)	1,808	(152)
- deferred		(46,563)	48,367	(37,199)	46,559
		193,434	94,233	295,960	163,880
Profit for the period		515,155	309,413	716,573	492,750
				Rupees	
Basic and diluted earnings per share	24	6.64	4.22	9.23	6.89

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Quarter ended		Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Profit for the period	515,155	309,413	716,573	492,750
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealized appreciation/(diminution) during the period on remeasurement of investments classified as 'available for sale'	31,270	(7,677)	51,181	(8,334)
Proportionate share of other comprehensive income / (loss) of equity accounted investees	1,264	-	(17,577)	(139)
Other comprehensive income for the period	32,534	(7,677)	33,604	(8,473)
Total comprehensive income for the period	547,689	301,736	750,177	484,277

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Six months period ended	
		31 December 2016	31 December 2015
Cash flows from operating activities			
Cash generated from / (used in) operations	25	2,235,309	(1,216,729)
Taxes paid		(371,894)	(260,728)
Finance costs paid		(107,486)	(56,777)
Contribution to gratuity and pension funds		(9,719)	(7,987)
Infrastructure fee paid		(5,114)	(11,493)
Compensated absences paid		(100)	(420)
10-C bonus paid		(1,826)	-
Long term deposits - net		(233)	1,328
Net cash generated from / (used in) operating activities		1,738,937	(1,552,806)
Cash flows from investing activities			
Capital expenditure		(107,646)	(315,022)
Acquisition of intangible assets		(17,675)	(9,599)
Proceeds from disposal of operating fixed assets		3,878	10,368
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		12,000	19,200
Investments - net		986	11,273
Dividend income received		177,560	33,489
Interest income received		710	1,950
Net cash generated from / (used in) investing activities		69,813	(248,341)
Cash flows from financing activities			
(Repayment of) / proceeds from long term loan		(39,000)	248,500
Payments against finance lease obligations		(32,914)	(31,015)
(Repayments against) / proceed from short term loans obtained - net		(1,319,571)	767,919
Proceed from issue of right shares		-	900,537
Transaction costs incurred on issuance of right shares		-	(17,863)
Dividends paid		(280,373)	(40,544)
Net cash (used in) / generated from financing activities		(1,671,858)	1,827,534
Net increase in cash and cash equivalents		136,892	26,387
Cash and cash equivalents at beginning of the period		(233,308)	(200,413)
Cash and cash equivalents at end of the period	26	(96,416)	(174,026)

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Share premium	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	Other*	General reserve	Unappropriated profit	
Rupees in '000							
Balance as at 30 June 2015	621,060	293,499	25,809	76,226	2,642,000	1,731,623	5,390,217
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	492,750	492,750
Other comprehensive income	-	-	(8,334)	(139)	-	-	(8,473)
Total other comprehensive income for the period	-	-	(8,334)	(139)	-	-	(8,473)
Total comprehensive income for the period	-	-	(8,334)	(139)	-	492,750	484,277
Transaction with owners							
Issuance of right shares	155,265	745,272	-	-	-	-	900,537
Transaction cost on issuance of shares	-	(17,863)	-	-	-	-	(17,863)
Dividend:							
- Final @ 7% (i.e. Re. 0.7 per share) for the year ended 30 June 2015	-	-	-	-	-	(43,474)	(43,474)
Balance as at 31 December 2015	776,325	1,020,908	17,475	76,087	2,642,000	2,180,899	6,713,694
Balance as at 30 June 2016	776,325	1,020,908	22,120	96,108	2,642,000	2,761,730	7,319,191
Transfer to general reserve	-	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	716,573	716,573
Other comprehensive income	-	-	51,181	(17,577)	-	-	33,604
Total other comprehensive income for the period	-	-	51,181	(17,577)	-	-	33,604
Total comprehensive income for the period	-	-	51,181	(17,577)	-	716,573	750,177
Transactions with Owners							
Dividend:							
- Final @ 20% (i.e. Rs. 2 per share) for the year ended 30 June 2016	-	-	-	-	-	(155,265)	(155,265)
Balance as at 31 December 2016	776,325	1,020,908	73,301	78,531	3,642,000	2,323,038	7,914,103

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

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; Shakarganj Energy (Private) Limited, CS Capital (Private) Limited, Crescent Hadeed (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2 The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company is located at 10th floor, BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.
- 1.3 Shakarganj Energy (Private) Limited was incorporated on 2 April 2008 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 4 January 2010. The principal activity of the Subsidiary Company is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to the Pakistan Electric Power Company (Private) Limited (PEPCO) / power distribution companies under agreement(s) with the Government of Pakistan or to any other consumer as permitted.
- 1.4 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984. The Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 1.5 Crescent Hadeed (Private) Limited was incorporated on 15 May 2013 as a private limited company in Pakistan under the Companies Ordinance, 1984. The principal activity of the Subsidiary Company is to manufacture steel billets.
- 1.6 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.7 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial information.

2. BASIS OF PREPARATION

- 2.1 This condensed interim consolidated financial information of the Group for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.
- 2.2 This condensed interim consolidated financial information of the Group does not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 30 June 2016.
- 2.3 This condensed interim consolidated financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

2.4 This condensed interim consolidated financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

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

4. ESTIMATES AND JUDGEMENTS

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

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

5. PROPERTY, PLANT AND EQUIPMENT

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
Operating fixed assets	5.1	2,243,998	2,293,213
Capital work-in-progress		233,610	174,601
		2,477,608	2,467,814

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

Rupees in '000	Six months period ended 31 December 2016		Six months period ended 31 December 2015	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	Buildings on freehold land	22,957	-	328
Plant and machinery - owned	12,356	9,142	10,770	48,871
Plant and machinery - leased	12,000	-	19,271	-
Furniture and fittings	4,428	-	836	-
Electrical / office equipment and installation	3,595	-	1,556	70
Computers	3,126	1,053	1,479	-
Motor vehicles - owned	1,152	6,685	5,214	13,871
Motor vehicles - leased	1,024	-	-	-
Workshop equipment	-	-	324	-
	60,638	16,880	39,778	62,812

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 December 2016	Audited 30 June 2016		Note	Unaudited 31 December 2016	Audited 30 June 2016
Number of shares				Rupees in '000	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Taimur Dawood)	6.1	2,818,617	2,772,227
30,809,987	30,809,987	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2	15,764	96,515
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.3	4,298	13,653
				2,838,679	2,882,395

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

Share of profit and reserves from associates recognized during the period amounted to Rs. 195.666 million and Rs. (0.232) million respectively. Further the Group has also recognized dividend received during the period amounted to Rs. 149.044 million.

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

Share of loss and reserves from associates recognized during the period amounted to Rs. 63.406 million and Rs. (17.345) million respectively.

- 6.3 During the period, share of loss from associate recognized amounted to Rs. 9.355 million (2015: Rs. 6.568 million).

- 6.4 The above figures are based on financial statements / information of these companies as at 30 September 2016.

- 6.5 The fair value of investments in associates as at 31 December 2016 is Rs. 3,741.041 million (30 June 2016: Rs. 2,825.661 million).

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
7. OTHER LONG TERM INVESTMENTS - available for sale			
Investments in related parties	7.1	60,717	60,717
Other investments		160,000	160,000
		220,717	220,717

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

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 158.099 million (30 June 2016: Rs 150.648 million) under Ijarah financing arrangement.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Unaudited 31 December 2016	Audited 30 June 2016
9. STOCK-IN-TRADE		
<i>Raw materials</i>		
Hot rolled steel coils (HR Coil)	112,254	1,390,626
Coating materials	75,733	234,524
Remelting scrap	58,612	106,455
Others	99,779	167,238
Raw cotton	100,325	28,332
Bagasse	120,439	59,031
Stock-in-transit	382,309	289,215
9.1	949,451	2,275,421
Work-in-process	23,972	86,922
Finished goods	219,290	158,019
Scrap / cotton waste	2,626	10,876
	245,888	255,817
	1,195,339	2,531,238

- 9.1 Stock in trade as at 31 December 2016 includes item valued at net realisable value (NRV). An amount of Rs. 109.092 million (30 June 2016: Rs. 75.618 million) has been recognised in cost of sales.

Rupees in '000	Unaudited 31 December 2016	Audited 30 June 2016
10. TRADE DEBTS		
<i>Secured</i>		
Considered good	10.1	613,136
		341,854
<i>Unsecured</i>		
Considered good	311,722	130,267
Considered doubtful	16,818	16,818
Provision for doubtful trade debts	(16,818)	(16,818)
	311,722	130,267
	924,858	472,121

- 10.1 This includes an amount of Rs. 394.577 million (30 June 2016: Rs. 113.488 million) due from Shakarganj Limited - a related party.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

11. ADVANCES

This includes amounting to Rs. 56.392 million (30 June 2016: Rs. 40.171 million) advances given to suppliers for goods and services.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
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12. INVESTMENTS

Investments in related parties			
Available for sale - The Crescent Textile Mills Limited		175,498	124,316
Other investments			
Available for sale	12.1	–	–
Held for trading		906,365	740,332
Investment in term deposit receipts - Conventional		13,575	12,875
Investment in commodity		2,143	1,857
		922,083	755,064
		1,097,581	879,380

12.1 These investments are fully impaired as their break-up value of shares are Rs. Nil per share (30 June 2016: Rs. Nil).

12.2 Investments having an aggregate market value of Rs. 2,841.809 million (30 June 2016: Rs. 2,884.080 million) have been pledged with financial institutions as security against financing facilities (refer note 17.4) out of which Rs. 2,207.907 million (30 June 2016: Rs. 2,337.353 million) relates to long term investments.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
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13. OTHER RECEIVABLES

Dividend receivable		834	1,608
Receivable against rent from investment property		610	674
Claim receivable		562	562
Due from related parties	13.1	1,429	1,273
Retention money receivable		267,529	149,163
Sales tax refundable		117,787	164,628
Margin on letter of credit / letter of guarantee		24,904	22,067
Receivable from staff retirement benefits funds		465,995	456,276
Others		3,984	3,250
		883,634	799,501

13.1 This represents balances due from Shakarganj Limited.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

14. NON-CURRENT ASSET HELD FOR SALE

On 8 December 2016, the Company entered into an agreement to sell property situated at "Ninth Floor BOP Tower, Lahore" at a total value of Rs. 65,650 million, whereby, the possession and title of the property will be transferred to the buyer within three months from the date of the agreement. As per International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations', the property has been classified as "non-current asset held-for-sale" at carrying value of Rs. Nil being lower than fair value. Advance amounting to Rs. 32,825 million also received by the Company in this respect.

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
15. LONG TERM LOANS - Under non-shariah arrangement			
Secured			
Allied Bank Limited	15.1	214,500	253,500
Saudi Pak Industrial and Agricultural Investment Company Limited	15.2	250,000	250,000
		464,500	503,500
Less: Current portion shown under current liabilities		140,500	109,250
		324,000	394,250

15.1 During year ended 30 June 2015, the Holding Company entered into a long term loan arrangement with Allied Bank Limited for an amount of Rs. 312 million. The term of the loan is 5 years from the date of disbursement with a grace period of 1 year, repayable in 16 equal quarterly installments started from December 2015. During the period, Holding Company has made repayment of Rs. 39 million. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, mark-up on such arrangements ranged between 7.53% to 7.60% (2015: 8.00% to 8.49%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

15.2 During year ended 30 June 2016, the Holding Company entered into a long term loan arrangement with Saudi Pak Industrial and Agricultural Investment Company Limited for an amount of Rs. 250 million. The term of the loan is 5 years from the date of disbursement including a grace period of 1 year, repayable in 8 equal semi annual installments starting from eighteen month from date of disbursement. Mark-up is payable at the rate of 6 months KIBOR plus 2.5% per annum. During the period, mark-up on such arrangement is 8.48% to 8.86% (2015: 9.54%) per annum. The facility is secured against first exclusive mortgage charge on land and building and property of the Holding Company.

16. TRADE AND OTHER PAYABLES

This includes a balance due to Premier Insurance Limited - a related party amounting to Rs. 0.902 million (30 June 2016: Rs. 1.074 million) and provision / accrual made for liquidated damages of Rs. 310.615 million (30 June 2016: Rs. 132.096 million).

Rupees in '000	Note	Unaudited 31 December 2016	Audited 30 June 2016
17. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	17.1	222,564	307,193
Short term loans	17.2	652,166	1,971,737
		874,730	2,278,930

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

- 17.1 Short term running finance available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 750 million (30 June 2016: Rs. 750 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 100 million (30 June 2016: Rs. 100 million) is interchangeable with letter of credit, Finance Against Import Margin (FIM) and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.70% to 8.55% (2015: 8.01% to 8.70%) per annum.
- 17.2 This includes an amount of Rs. Nil (30 June 2016: Rs. 219 million) outstanding against Istisnaa Financing. Short term loan financing available from various commercial banks under mark-up arrangements amounted to Rs. 2,454 million (30 June 2016: Rs. 4,862 million) out of which Rs. 2,261 million (30 June 2016: Rs. 3,908 million), Rs. 50 million (30 June 2016: Rs. 50 million) and Rs. 200 million (30 June 2016: Rs. 310 million) is interchangeable with letters of credit, running finance and letter of guarantee facility respectively. During the period, the mark-up on such arrangements ranged between 7.76% to 8.51% (2015: 8.13% to 8.96%) per annum.
- 17.3 The facilities for opening letters of credit amounted to Rs. 3,361 million (30 June 2016: Rs. 4,990 million) out of which Rs. 250 million (30 June 2016: Rs. 250 million), Rs. 2,261 million (30 June 2016: Rs. 3,710 million) and Rs. 200 million (30 June 2016: Rs. 410 million) are interchangeable with short term running finance, short term loans and letter of guarantee facility respectively as mentioned in notes 17.1 and 17.2 above. The facility for letters of guarantee as at 31 December 2016 amounted to Rs. 1,481 million (30 June 2016: Rs. 1,385 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2016 were Rs. 1,155.1 million and Rs. 79.940 million (30 June 2016: Rs. 2,692 million and Rs. 113 million) respectively.
- 17.4 The above facilities are expiring on various dates and are secured by way of hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2) and cotton / cotton yarn; and lien over import / export document.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There is no significant change in the status of contingencies set out in note 13 to the Group's annual consolidated financial statements for the year ended 30 June 2016 except as set out below.

- 18.1.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), thus rendering the Company liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. However, in 2013, a larger bench of Sindh High Court (SHC) passed an order declaring that the amendments introduced through Finance Act, 2008 do not suffer from any constitutional and legal infirmity.

The Supreme Court passed a judgment on 10 November 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to Workers Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Acts.

18.2 Commitments

- 18.2.1 As at 31 December 2016, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 411.833 million (30 June 2016: Rs. 460.220 million), which is payable in quarterly installments.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

18.2.2 Aggregate amount of guarantees issued by conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,336 million (30 June 2016: Rs. 1,168.440 million).

18.2.3 Commitments in respect of capital expenditure contracted for by the Group as at 31 December 2016 amounted to Rs. 158.465 million (30 June 2016: Rs. 53.899 million) which includes Rs. 7.462 million related to office premises located in Islamabad payable on completion of project. This also includes commitments contracted by the subsidiary companies aggregating to Rs. 102.121 million (30 June 2016: Rs. 12.665 million) in respect of civil work and capital expenditure to acquire plant and machinery.

18.2.4 Commitments under letters of credit as at 31 December 2016 amounted to Rs. 1,718.320 million (30 June 2016: Rs. 661.221 million).

Rupees in '000	Note	Unaudited Quarter ended		Unaudited Six months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
19. SALES - net					
Local sales					
Bare pipes		2,281,994	1,749,319	4,350,293	2,402,719
Steel billets		362,666	-	560,449	-
Pipe coating		625,156	55,029	896,783	215,956
Pre coated pipes		176,032	302,144	380,153	560,506
Cotton yarn / raw cotton		286,209	19,286	592,256	19,286
Electricity sales		81,523	-	82,044	-
Steam Sales		122,595	5,000	122,595	5,000
Others		48,569	24,733	56,078	49,703
Scrap / waste		11,150	31,271	19,585	33,615
Sales returns		-	-	(1,199)	-
		3,995,894	2,186,782	7,059,037	3,286,785
Export sales					
Fabric		25,568	-	25,568	-
		4,021,462	2,186,782	7,084,605	3,286,785
Sales tax		(526,804)	(306,530)	(929,442)	(466,646)
		3,494,658	1,880,252	6,155,163	2,820,139
20. INCOME / (LOSS) FROM INVESTMENTS - net					
Dividend income	20.1	20,268	17,622	28,626	33,474
Unrealized gain on commodity		29	28	286	57
Gain / (loss) on sale of investments - net	20.2	6,550	782	17,193	(15,191)
Unrealized gain / (loss) on held for trading investments	20.3	105,847	3,069	150,527	(63,406)
Rent from investment property	20.6	2,189	1,373	4,379	3,606
		134,883	22,874	201,011	(41,460)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

- 20.1 Dividend income includes Rs. 22.729 million earned on investments in shariah compliant investee companies.
- 20.2 Gain on sale of investments includes Rs. 14.626 million earned on investments in shariah compliant investee companies.
- 20.3 Unrealized gain (net) includes Rs. 96.875 million on investment in shariah compliant investee companies.
- 20.4 Unrealized loss amounting to Rs. 51.182 million on investment in The Crescent Textile Mills Limited - Non Shariah Compliant investee company was recognized in the other comprehensive income during the period.
- 20.5 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.
- 20.6 Direct operating expenses incurred against rental income from investment property amounted to Rs. 3.385 million (2015: Rs. 3.386 million). Further, Rs. 0.513 million (2015: Rs. 0.542 million) were incurred against non rented out area.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	21. OTHER OPERATING EXPENSES			
Exchange loss	469	16,237	3,047	16,515
Provision for:				
- Workers' Profit Participation Fund	28,956	17,483	46,793	31,155
- Workers' Welfare Fund	16,219	2,707	21,487	7,580
- Doubtful trade debts	-	8,640	-	8,640
- Other receivables	885	-	885	-
- Liquidated damages	207,918	3,926	207,918	3,926
Liquidated damages	138,266	-	203,265	-
	392,713	48,993	483,395	67,816

22. FINANCE COSTS

Mark-up on short term loans - Shariah arrangement	4,381	-	5,478	-
Interest on				
- finance lease obligations	2,986	2,620	6,030	5,610
- long term loan	9,696	11,519	20,030	21,890
- running finances / short term loans	21,797	23,051	65,972	37,996
Discounting of lease deposit	399	-	399	-
Bank charges	1,247	2,675	6,115	5,129
	40,506	39,865	104,024	70,625

23. TAXATION

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2017 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001 (Tax on Undistributed Reserves). Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim consolidated financial information for the period ended 31 December 2016.

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
24. BASIC AND DILUTED EARNINGS PER SHARE				
Profit for the period	515,155	309,413	716,573	492,750
	Number of shares		Number of shares	
Weighted average number of ordinary shares in issue during the period	77,632,491	73,349,233	77,632,491	71,550,264
	Rupees		Rupees	
Basic and diluted earnings per share	6.64	4.22	9.23	6.89

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2016	31 December 2015
25. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation for the period		1,012,533	656,630
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		101,233	74,794
Amortization of intangible assets		2,810	3,781
Reversal for the period on staff retirement benefit funds		-	(1,409)
Charge for compensated absences		1,251	348
Provision for 10-C bonus		1,025	883
Dividend income		(28,626)	(33,474)
Unrealized (gain) / loss on held for trading investments - net		(150,527)	63,406
(Gain) / loss on sale of investments - net		(17,193)	15,192
Unrealized gain on commodity - Silver		(286)	(57)
Reversal of provision for stores, spares and loose tools - net		(965)	(1,760)
Charge of provision for doubtful trade debts - net		-	8,640
Provision for Workers' Welfare Fund		21,487	7,562
Provision for Workers' Profit Participation Fund		46,793	31,155
Provision for liquidated damages		207,918	3,927
Return on deposits		(794)	(2,640)
Gain on disposal of operating fixed assets		(1,170)	(2,810)
Deferred income		(2,373)	(1,075)
Discount on long term deposit		(8,371)	-
Liabilities written back		-	(8,906)
Finance costs		104,024	70,625
Share of profit from equity accounted investees - net of taxation		(122,905)	(197,042)
Working capital changes	25.1	1,069,445	(1,904,499)
		2,235,309	(1,216,729)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000	Note	Unaudited Six months period ended	
		31 December 2016	31 December 2015
25.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(75,533)	5,277
Stock-in-trade		1,345,339	(815,649)
Trade debts		(870,929)	(849,059)
Advances		(15,333)	(100,837)
Trade deposits and short term prepayments		(1,054)	(7,778)
Other receivables		(75,301)	(118,724)
		307,189	(1,886,770)
Increase / (decrease) in current liabilities			
Trade and other payables		762,256	(17,729)
		1,069,445	(1,904,499)
26. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(222,564)	(204,961)
Cash and bank balances		126,148	30,935
		(96,416)	(174,026)
27. SEGMENT REPORTING			
27.1 Reportable segments			
The Group's reportable segments are as follows:			
<ul style="list-style-type: none"> - 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.			

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

27.2 Segment revenues and results

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

	Unaudited					Total
	Steel segment	Cotton segment	IID segment	Energy segment	Inter-segment Eliminations /adjustments	
Rupees in '000						
For the six months period ended 31 December 2016						
Sales - net	5,433,499	626,161	-	269,004	(173,501)	6,155,163
Cost of sales	3,953,019	626,089	-	332,683	(184,408)	4,727,383
Gross profit / (loss)	1,480,480	72	-	(63,679)	10,907	1,427,780
Income / (loss) from investments	-	-	349,617	439	(149,045)	201,011
	1,480,480	72	349,617	(63,240)	(138,138)	1,628,791
Distribution and selling expenses	7,171	8,900	-	-	-	16,071
Administrative expenses	121,999	14,837	12,910	1,426	409	151,581
Other operating expenses	491,796	-	954	-	(9,355)	483,395
	620,966	23,737	13,864	1,426	(8,946)	651,047
	859,514	(23,665)	335,753	(64,666)	(129,192)	977,744
Other income	113,209	1,996	-	1,264	(100,561)	15,908
Operating profit / (loss) before finance costs	972,723	(21,669)	335,753	(63,402)	(229,753)	993,652
Finance costs	92,333	4,744	6,907	40	-	104,024
Share of profit in equity accounted investees - net of taxation	-	-	122,329	576	-	122,905
Profit / (loss) before taxation	880,390	(26,413)	451,175	(62,866)	(229,753)	1,012,533
Taxation	-	-	-	-	-	295,960
Profit for the period	-	-	-	-	-	716,573
For the six months period ended 31 December 2015						
Sales - net	2,816,537	19,286	-	5,000	(20,684)	2,820,139
Cost of sales	2,018,008	67,672	-	23,599	(20,881)	2,088,398
Gross profit / (loss)	798,529	(48,386)	-	(18,599)	197	731,741
(Loss) / income from investments	-	-	(35,691)	20,524	(26,293)	(41,460)
	798,529	(48,386)	(35,691)	1,925	(26,096)	690,281
Distribution and selling expenses	4,821	908	-	-	-	5,729
Administrative expenses	82,211	11,459	9,093	1,343	(18)	104,088
Other operating expenses	65,009	3,794	6,593	-	(7,580)	67,816
	152,041	16,161	15,686	1,343	(7,598)	177,633
	646,488	(64,547)	(51,377)	582	(18,498)	512,648
Other income	19,223	9,729	7	1,679	(13,073)	17,565
Operating profit / (loss) before finance costs	665,711	(54,818)	(51,370)	2,261	(31,571)	530,213
Finance costs	57,827	8,406	4,106	286	-	70,625
Share of profit in equity accounted investees - net of taxation	-	-	194,987	2,055	-	197,042
Profit / (loss) before taxation	607,884	(63,224)	139,511	4,030	(31,571)	656,630
Taxation	-	-	-	-	-	163,880
Profit for the period	-	-	-	-	-	492,750

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

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

27.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended 30 June 2016. The Steel segment allocates certain percentage of the common expenditure to the Cotton and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

27.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 19 to these condensed interim consolidated financial information.

27.4 Information about major customers

Revenue from major customers of Steel segment represent an aggregate amount of Rs. 5,036.176 million (2015: Rs. 2,625.307 million) of total Steel segment revenue of Rs. 5,433.499 million (2015: Rs. 2,816.537 million). Revenue from major customers of Cotton segment represent an aggregate amount of Rs. 413.041 million (2015: Rs. 19,286 million) of total Cotton segment revenue of Rs. 626.161 million (2015: Rs. 19,286 million). Revenue from major customers of Energy segment represent an aggregate amount of Rs. 269.004 million (2015: Rs. Nil) of total Energy segment revenue of Rs. 269.004 million (2015: Rs. 5 million)

27.5 Geographical information

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

Rupees in '000	Unaudited Quarter ended		Unaudited Six months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Pakistan	3,469,090	1,880,252	6,129,595
South and North America	25,568	–	25,568	–
	3,494,658	1,880,252	6,155,163	2,820,139

27.5.2 All non-current assets of the Group as at 31 December 2016 and 30 June 2016 were located and operating in Pakistan.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

27.6 Segment assets and liabilities

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

Rupees in '000	Steel segment	Cotton segment	IID segment	Energy segment	Total
As at 31 December 2016 - Unaudited					
Segment assets for reportable segments	4,372,093	547,715	1,441,118	1,146,881	7,507,807
Investment in equity accounted investees	-	-	2,621,169	217,510	2,838,679
Unallocated corporate assets					677,870
Total assets as per consolidated balance sheet					11,024,356
Segment liabilities for reportable segments	1,188,023	120,562	115,314	93,419	1,517,318
Unallocated corporate liabilities and deferred income					1,592,935
Total liabilities as per consolidated balance sheet					3,110,253
As at 30 June 2016 - Audited					
Segment assets for reportable segments	5,060,823	447,198	1,227,819	1,112,457	7,848,297
Investment in equity accounted investees	-	-	2,662,684	219,711	2,882,395
Unallocated corporate assets					726,584
Total assets as per consolidated balance sheet					11,457,276
Segment liabilities for reportable segments	732,084	108,259	132,340	49,892	1,022,575
Unallocated corporate liabilities and deferred income					3,115,510
Total liabilities as per consolidated balance sheet					4,138,085

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

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

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

27.7 Other segment information

Rupees in '000	Unaudited				Total
	Steel segment	Cotton segment	IID segment	Energy segment	
For the six months period ended					
31 December 2016					
Capital expenditure	89,265	3,633	360	7,770	101,028
Depreciation and amortization	51,585	21,149	3,693	27,301	103,728
Non-cash items other than depreciation and amortization - net	359,437	3,852	(312,214)	(1,472)	49,603
For the six months period ended					
31 December 2015					
Capital expenditure	135,010	8,950	-	167,684	311,644
Depreciation and amortization	23,345	33,148	3,624	18,458	78,575
Non-cash items other than depreciation and amortization - net	98,288	3,525	(151,618)	2,370	(47,435)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

28. TRANSACTIONS WITH RELATED PARTIES

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

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

Rupees in '000			Unaudited	
Name of entity	Nature of relationship	Nature of transaction	Six months period ended	
			31 December 2016	31 December 2015
Altern Energy Limited	Associated company	Dividend received	140,908	-
Shakargaraj Limited	Associated company	Dividend paid	4,848	1,833
		Sale of finished goods	204,639	19,286
		Services received	821	1,219
		Reimbursable expenses	720	744
		Advance against goods	-	64,600
Central Depository Company of Pakistan Limited	Related party	Services received	451	1,885
		Dividend received	550	5,809
CSAP Foundation *	Related party	Donation given	760	1,038
Muhammad Amin Muhammad Bashir Limited *	Related party	Dividend paid	3	1
Premier Insurance Limited *	Related party	Insurance premium	12,264	4,803
		Dividend paid	507	-
Crescent Cotton Mills Limited *	Related party	Dividend paid	63	-
The Citizens' Foundation *	Related party	Donation given	30,301	11,392
The Crescent Textile Mills Limited *	Related party	Dividend paid	29,884	4,184
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	245	352
		Dividend paid	262	42
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	2,851	2,362
		Dividend paid	5,149	824
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	7,472	5,986
		Dividend paid	11,306	1,809

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

Rupees in '000

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2016	31 December 2015
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	3,980	3,291
		Dividend paid	2,916	367
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	10,000	-
		Dividend Paid	22	-
Key management personnel	Related parties	Remuneration and benefits	51,440	34,070
		Dividend paid	332	37
Directors	Related parties	Dividend paid	2,382	395

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

- 28.1 Sale of finished goods and raw materials, rendering of services and insurance premium are based on commercial terms and at market prices which are approved by the Board of Directors.
- 28.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 28.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the 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.

29. FAIR VALUES

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

- Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

31 December 2016 (Unaudited)

	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- listed equity securities	1,081,863	-	-	1,081,863	1,081,863	-	-	1,081,863
- commodity	2,143	-	-	2,143	2,143	-	-	2,143
	1,084,006	-	-	1,084,006	1,084,006	-	-	1,084,006
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
	2,838,679	-	-	2,838,679	3,741,041	-	-	3,741,041
- term deposit receipts	-	13,575	-	13,575	13,575	-	-	13,575
Trade debts	-	924,858	-	924,858	-	-	-	-
Other receivables	-	295,868	-	295,868	-	-	-	-
Bank balance	-	124,425	-	124,425	-	-	-	-
	3,059,396	1,358,726	-	4,418,122	3,754,616	-	-	3,754,616
Financial liabilities not measured at fair value								
Long term loans	-	-	464,500	464,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	121,023	121,023	-	-	-	-
Trade and other payable	-	-	808,283	808,283	-	-	-	-
Mark-up accrued	-	-	13,852	13,852	-	-	-	-
Short term borrowings	-	-	874,730	874,730	-	-	-	-
	-	-	2,282,388	2,282,388	-	-	-	-

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

30 June 2016 (Audited)

	Carrying Amount		Fair Value					
	Investments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
On-balance sheet								
Financial instruments								
Financial assets								
measured at fair value								
Investment								
- listed equity securities	864,648	-	-	864,648	864,648	-	-	864,648
- commodity	1,857	-	-	1,857	1,857	-	-	1,857
	866,505	-	-	866,505	866,505	-	-	866,505
Financial assets not measured at fair value								
Investments								
- unlisted equity securities	220,717	-	-	220,717	-	-	-	-
- equity	2,882,395	-	-	2,882,395	2,825,661	-	-	2,825,661
- term deposit receipts	12,875	-	-	12,875	-	-	-	-
Trade debts	-	472,121	-	472,121	-	-	-	-
Other receivables	-	175,347	-	175,347	-	-	-	-
Bank balance	-	72,052	-	72,052	-	-	-	-
	3,115,987	719,520	-	3,835,507	2,825,661	-	-	2,825,661
Financial liabilities not measured at fair value								
Long term loan	-	-	503,500	503,500	-	-	-	-
Liabilities against assets subject to finance lease	-	-	135,632	135,632	-	-	-	-
Trade and other payable	-	-	687,798	687,798	-	-	-	-
Mark-up accrued	-	-	23,419	23,419	-	-	-	-
Short term borrowings	-	-	2,278,930	2,278,930	-	-	-	-
	-	-	3,629,479	3,629,479	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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

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

30. GENERAL

30.1 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 31 January 2017 has declared first interim cash dividend of Rs. 1.5 per share (i.e. 15%) (2015: Rs. 1.5 per share), amounting to Rs. 116.449 million (2015: Rs. 116.449 million). This condensed interim consolidated financial information does not reflect this proposed issue.

30.2 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue in the Board of Directors meeting held on 31 January 2017.



Chief Executive



Director



Chief Financial Officer

ڈائریکٹرز کا جائزہ

کرنٹ رلیٹو جو 30 جون 2016 کو 1.4:1 سے بڑھ کر 1.83:1 31 دسمبر 2016 ہو گیا۔ گینرنگ رلیٹو جو 30 جون 2016 کو 31% تھا 31 دسمبر 2016 کو بڑی حد تک کم ہو کر 16.8% پر آ گیا۔

گروپ بنیادوں پر مرموط بیلنس شیٹ 30 جون 2016 کو 11,457.3 ملین روپے کے مقابلے میں 11,024.4 ملین روپے پر آگئی۔ ٹوٹل شیئر ہولڈرز فنڈ جو 30 جون 2016 کو 7,319.2 ملین روپے تھا بڑھ کر 7,914.1 ملین روپے ہو گیا۔ بریک اپ ویلیو ٹی شیئر جو 30 جون 2016 کو 94.3 روپے تھی، بڑھ کر 101.9 روپے ہوئی۔

مستقبل کا منظر نامہ

تجزیہ کاروں کو توقع ہے کہ مجموعی قومی پیداوار 270 ملین ڈالر سے بڑھ کر 300 ملین ڈالر کے قریب آجائے گی، جس کے ساتھ 1 ٹریلین ڈالر کی بلند تر پریچرنگ پاور پیٹری ہوگی۔ اس اضافے کی بنیادی وجہ چین پاکستان اقتصادی راہداری (CPEC) کے تحت شروع کیے جانے والے منصوبے اور بہتر پبلک انویسٹمنٹ ہے۔ CPEC کے تحت منصوبے ملک میں بجلی کی پیداوار میں بڑی حد تک اضافہ کریں گے، جس سے صنعت اور خدمات کے شعبے میں زیادہ افزائش ہوگی۔

آپ کی کمپنی نے اسٹیل لائن پائپس کے دو اضافی پراجیکٹس حاصل کیے ہیں جو H2FY17 میں ہمارے ریونیو کو بہت حد تک آگے بڑھائیں گے۔ تاہم اس کاروبار پر منافع کے تاریخی مارجنز برقرار نہیں رہ پائیں گے۔ ہم، اسٹیل لائن پائپس اور لائن پائپ کوئنگز، دونوں میں، کسی بھی آنے والے ٹینڈرز میں سرگرمی سے شرکت کا ارادہ رکھتے ہیں۔ اضافی پیداواری صلاحیت، آپ کی کمپنی کو پائپ لائن آکسیجنیشن اور امپورٹ انفراسٹرکچر پراجیکٹس میں لائن پائپ بزنس میں شرکت کے لیے ایک بہتر پوزیشن میں لاتی ہے۔

200 ملین روپے کے بیکنگ کے ساتھ ٹیکنیکل کے مندی کے شکار ریکٹر کو ترقی دینے کے لیے، جس کی اشد ضرورت تھی کافی بڑھاوا دیا گیا ہے۔ اس سے برآمدات کی حوصلہ افزائی ہوگی اور لوکل مارکیٹ میں یارن کی قیمتیں بھی آگے بڑھیں گی۔ درآمدی کاٹن پر 4% کسٹم ڈیوٹی کا خاتمہ خام مال کی لاگت کو کم کرے گا اور مقامی کاٹن کی قیمتوں پر مثبت اثرات مرتب ہوں گے۔

ایکویٹی مارکیٹ کا منظر نامہ کئی عوامل کی بنیاد پر مثبت رہے گا۔ H2FY17 کے لیے bourse کی بڑی قوت متحرک لیکوئیڈیٹی ہے۔ PSX کی بجکاری سے توقع ہے کہ KSE-100 میں خاطر خواہ لیکوئیڈیٹی سرایت کرے گی کیونکہ منی مارکیٹ اور انویسٹمنٹ کے متبادل آپشنز مسلسل کم فائدے رہے ہیں۔

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

برائے اور اطرف بورڈ آف ڈائریکٹرز



احسان ایم سلیم
چیف ایگزیکٹو آفیسر

31 جنوری 2017

ڈائریکٹرز کا جائزہ

280 ملین شیئرز تک جا پہنچا جبکہ روزانہ اوسط ٹریڈ ویلیو USD111mn پر برقرار رہی، جس سے چھوٹے ٹیکسٹائل کمپنیوں میں سرمایہ کاروں کی بڑھتی ہوئی دلچسپی کا اشارہ ملتا ہے۔

سیگمنٹ پرفارمنس

31 دسمبر 2016 کو ختم ہونے والی ششماہی کے دوران ڈویژن کے ہیلڈ فار ٹریڈنگ (HFT) سیگمنٹ نے 362.3 ملین کی weighted اوسط انویسٹمنٹس پر 27.24% ROI حاصل کیا، اسی مدت کے دوران بیچ مارک KSE-100 انڈیکس %26.53 بڑھ گیا۔ مارکیٹ اسٹبل سیکورٹیز پر مجموعی اعتبار سے پورٹ فولیو ROI 2,964.3 ملین روپے کی weighted اوسط سرمایہ کاری پر %34 رہا۔

31 دسمبر 2016 کو ختم ہونے والی نصف ششماہی کے دوران پورٹ فولیو کا قبل از ٹیکس حاصل کردہ منافع 329.9 ملین روپے رہا، جبکہ HYFY16 میں 14.7 ملین روپے کا خسارہ قبل از ٹیکس (LBT) تھا۔ پی ٹی ٹی، شکر گرج لمیٹڈ میں 100.6 ملین روپے کی حد تک اسٹریٹجک انویسٹمنٹ پر impairment reversal کے مترادف ہے اور ازلان انرجی لمیٹڈ میں 140 ملین روپے کا ڈیویڈنڈ ایکویٹی اکاؤنٹیڈ انویسٹمنٹ میں منقسم ہے۔ 30 جون 2016 کو 4,326.9 ملین روپے کے مقابلے میں انویسٹمنٹ پورٹ فولیو کی کلوزنگ پوزیشن 5,593.3 ملین روپے تھی۔

مجموعی مالیاتی کارکردگی - مربوط

مربوط بنیادوں پر مالی لاگت سے قبل کا آپریٹنگ پروفٹ 1,116.6 ملین روپے تھا۔ (HYFY 16: 727.3 ملین روپے) ایکویٹی اکاؤنٹیڈ ایسوی ایٹس سے منافع پر خالص شیئر 122.9 ملین روپے تھا۔ (197 ملین روپے: HYFY 16) اس کے نتیجے میں گروپ کا بعد از ٹیکس مربوط منافع اور EPS HYFY17 کے لیے 716.6 ملین روپے اور 9.23 روپے فی شیئر رہا۔ اس سے پچھلے سال کی اسی مدت میں بالترتیب بعد از ٹیکس منافع 492.8 ملین روپے اور فی شیئر آمدنی 6.89 (EPS) روپے تھی۔

اس مدت کے دوران، جولائی سے اکتوبر 2016 کے آف بیزنس میں کلسڈ پراڈکشن اخراجات، کم ایکٹیویٹی اور بگاڑ کی بہت زیادہ لاگت کی وجہ سے شکر گرج انرجی (پرائیویٹ) لمیٹڈ کا قبل از ٹیکس خسارہ 62.9 ملین روپے رہا (2.3 ملین روپے: HYFY 16: PBT)۔ تاہم شوگر بیزنس یعنی نومبر سے دسمبر 2016 کے دوران 33.7 ملین روپے کا PBT حاصل ہوا۔ کریڈٹ حدید (پرائیویٹ) لمیٹڈ (CHL) نے 10,596 ٹن billets تیار کیا جبکہ اس نے 10,296 ٹن فروخت کیا۔ اپریل 2017 تک دوسرے فرانس کی تصحیب اور کام شروع کرنے سے توقع ہے کہ کمپنی معیاری بہتری حاصل کرے گی اور زیادہ بہتر مالی نتائج دے گی۔

مربوط نتائج کے مطابق HYFY17 کے دوران IID ڈویژن کے لیے کانٹریبیوٹن سے پہلے قبل از ٹیکس منافع HYFY16 میں 139.5 ملین روپے کے مقابلے میں 451.2 ملین روپے تھا۔ اس کی بڑی وجہ ایسوی ایٹس میں ایکویٹی اکاؤنٹیڈ انویسٹمنٹس سے 122.3 ملین روپے (197 ملین روپے: HYFY 16) کے منافع کا حصہ اور 177.7 ملین روپے کی ڈیویڈنڈ انکم ہے۔ (33.5 ملین روپے: HYFY 16) -

31 دسمبر 2016 کو ویلیو آف انویسٹمنٹ پورٹ فولیو 4,157 ملین روپے تھی جبکہ 30 جون 2016 کو یہ 3,982.5 ملین روپے رہی۔

مالی حالت

بیلنس شیٹ

30 جون 2016 کو 9,484.2 ملین روپے کے مقابلے میں 31 دسمبر 2016 کو بیلنس شیٹ 9,140.5 ملین روپے تھی۔ بریک اپ ویلیو فی شیئر 30 جون 2016 کو 74.8 روپے سے بڑھ کر 84.3 روپے ہو گئی۔

ڈائریکٹرز کا جائزہ

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

- HYFY16 میں 2,835.8 ملین روپے کے مقابلے میں سبزیو نیٹو 5,580.6 ملین روپے تک بڑھ گیا۔
- HYFY16 میں 750.1 ملین روپے کے مقابلے میں مجموعی منافع 1550.6 ملین روپے ہو گیا۔
- HYFY16 میں 17.9 ملین روپے کے خسارے کے مقابلے میں سرمایہ کاری سے منافع 243.3 ملین روپے ہو گیا۔
- دیگر آمدنی پچھلے سال کی اسی مدت میں 28.1 ملین روپے کے مقابلے میں 114.7 ملین روپے ہو گئی۔
- HYFY16 میں 367.1 ملین روپے کے مقابلے میں خالص منافع 890.6 ملین روپے تک پہنچ گیا۔
- HYFY16 میں 589.3 ملین روپے کے مقابلے میں EBIT بڑھ کر 1,268 ملین روپے ہو گیا۔
- HYFY16 کے لیے 5.13 روپے کے مقابلے میں EPS بڑھ کر 11.47 روپے ہو گئی۔
- سال گزشتہ کی اسی مدت میں 16 فیصد کے مقابلے میں زیر استعمال اوسط سرمائے (سالانہ بنیاد پر) منافع 19.7 فیصد تھا۔
- بریک اپ ویلیوٹی شیئر 30 جون 2016 کو 74.8 روپے تھی، بڑھ کر 84.3 روپے ہو گئی۔

بزنس سیکٹس

اسٹیل سیکٹ

سیکٹس پر فارمنس

اسٹیل ڈویژن نے 868.3 ملین روپے کا قبل از ٹیکس منافع کمایا (HYFY 16: 599.1 ملین روپے)۔ جو YoY کی بنیاد پر 44.9% زیادہ ہے۔ اس پورے عرصہ کے دوران پیداواری صلاحیت کا استعمال زیادہ رہا۔

کرنٹ مدت کے دوران 4,954.5 ملین روپے کا ریونیو جنریٹ کیا گیا، اسی طرح HYFY16 کے دوران 2816.6 ملین روپے کا ریونیو حاصل ہوا۔ HYFY16 کے دوران 798.5 ملین روپے کے مقابلے میں 1,550.5 ملین روپے کا مجموعی منافع (GP) کمایا گیا۔

کاشن سیکٹ

سیکٹس پر فارمنس

ایک طویل تعطل کے بعد کاشن پلانٹ پر پراڈکشن دوبارہ شروع کی گئی۔ ہوم یکنائٹل ایکسپورٹ سیکٹ کی جانب پیش قدمی کی گئی تاکہ سپنگ کے اتار چڑھاؤ کے خلاف بقاء کو یقینی بنایا جاسکے، اور جنوبی، بٹانی اور وسطی امریکی منڈیوں کو ہدف بنایا گیا۔ پرنٹیڈ، ڈائریڈ اور پینچڈ فیئر کس کے آرڈر حاصل کیے گئے اور ان کی ترسیل کی گئی۔ HYFY16 کے لیے سبزیو نیٹو 626.2 ملین روپے رہا۔ (19.3 ملین روپے: HYFY 16)۔ نصف سال کا اختتام 26.4 ملین روپے کے LBT پر ہوا۔ (63.2 ملین روپے: LBT: HYFY 16)۔ جو زیادہ تر پیداوار اور انتظامی اخراجات سے متعلق لگائوں کی عکاسی کرتا ہے۔ تاہم، کاشن ڈویژن Q1FY17 میں 13.4 ملین روپے کے خسارے سے نکل گیا اور کاسٹ آف سبزیو کم لاگت کی وجہ سے اس نے Q2FY17 میں 13.5 ملین روپے کا مجموعی منافع کمایا۔

انویسٹمنٹ اینڈ انفراسٹرکچر ڈیولپمنٹ (IID) سیکٹ

مارکیٹ کا جائزہ

ایک غیر واضح CY15 کے بعد سال گزشتہ میں مارکیٹ نے 45.7% (HYFY 17 : 26.5%) کا غیر معمولی منافع کمایا اور پانچویں بہترین گلوبل مارکیٹ کا اعزاز حاصل کر لیا۔ CY08 سے USD340mn کے بلند ترین FIPI آؤٹ فلو کے باوجود مقامی سرمایہ کاروں نے لیکویٹیڈ ٹیلی برفر انہم کرنے کے لیے جارحانہ غیر ملکی فروخت کے خلاف ایک مہم پور دفاع کے طور پر کام کیا۔ CY16 میں شرکت امید افزا رہی۔ اس دوران روزانہ اوسط ٹران اور YoY 14% کی بنیاد پر بڑھتے ہوئے

ڈائریکٹرز کا جائزہ

عزیز شیئر ہولڈر صاحبان،

31 دسمبر 2016 کو ختم ہونے والی چھ ماہ کی مدت کے لئے بالترتیب کینی اور گروپ کی غیر مربوط اور مربوط عبوری مالیاتی معلومات پیش کرتے ہوئے، مجھے خوشی محسوس ہو رہی ہے۔

معاشی منظر نامہ

مالی سال 2017 میں پاکستان کی مجموعی قومی پیداوار 5.2 فیصد ہو جانے کا امکان ہے، اس کی بنیادی وجہ کموڈیٹی کی کم قیمتیں ہیں جو توانائی کی کم لاگت، اخراجات میں اضافے، پبلک سرمایہ کاری کے منصوبوں پر عمل درآمد اور اساسی ڈھانچے کی جاری اصلاحات کا باعث ہوگی۔ چین پاکستان اقتصادی راہداری (CPEC) کی ابھرتی ہوئی شکل اور بجلی کے بحران کے کمزور خاتمے کے پیش نظر معاشی منظر نامہ مثبت ہے۔ عالمی پلیٹرز کے پاکستانی منڈی میں داخل ہونے کے باعث خدمات کی صنعت، تعمیرات کے شعبے اور مگازڈیوں کی صنعت کو پھیلنے ہی بڑے فوائد نظر آ رہے ہیں۔ صارفین کی جانب سے پیسہ خرچ کرنے میں اضافہ اور بڑھتے ہوئے متوسط طبقے کی وجہ سے ایف ایم سی جی سیکٹر بھی ترقی کی راہ پر آگے بڑھنے کی بہتر پوزیشن میں ہے۔

بجلی کی مسلسل بڑھتی ہوئی ضروریات پوری کرنے کے لیے موجودہ گیس پائپ لائن کے منصوبوں اور بجلی درآمد کرنے کے منصوبوں (CASA - 1000) پر کام جاری ہے۔ CPEC کے تحت بجلی کے اساسی ڈھانچے کے منصوبوں میں درمیانی اور طویل مدت، دونوں لحاظ سے فارن ڈائریکٹ انویسٹمنٹ شامل ہوگی، جو ستر رفتار قومی سرمایہ کاری کا ازالہ کرنے سے زیادہ ہوگی۔

سیاسی استحکام اور بہتر داخلی سیکورٹی سازگار ماحول فراہم کرتی رہے گی انفراسٹرکچر کو استحکام کے ساتھ آگے بڑھنے کے لیے بنیادی ڈھانچے اور معاشی اصلاحات کے ساتھ عظیم تر انرجی اور داخلی سیکورٹی کی ضرورت ہے۔

مالیاتی اور آپریشنل کارکردگی

مجموعی مالیاتی کارکردگی

31 دسمبر 2016 (HYFY17) کو ختم ہونے والی مدت کے غیر مربوط نتائج نے HYFY16 کو پیچھے چھوڑ دیا، کیونکہ اسٹیل ڈویژن کے لیے آرڈرز ان پینڈ جو کہ جون 2016 کے اختتام پر تھے، پہلی ششماہی میں پورے کر دیئے گئے۔ کینی کا بعد از ٹیکس منافع (PAT) پچھلے سال کی اسی مدت کے 367.7 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 890.7 ملین روپے تک جا پہنچا۔ جاری مدت کے لیے نی شیئر آمدنی (EPS) 11.47 روپے تک جا پہنچی، جو پچھلے سال اسی مدت کے دوران 5.13 روپے تھی۔

فروخت سے ہونے والے کینی کے حاصل 5,580.6 ملین روپے (2,835.8 ملین روپے: HYFY 16) رہے، جو زیادہ تر اسٹیل ڈویژن کے ٹرن اوور کی عکاسی کرتے ہیں۔ فروخت کے حاصل میں YoY 96.8% اضافہ ہوا۔ IID ڈویژن سے سرمایہ کاری پر منافع 329.4 ملین روپے ہو گیا (سرمایہ کاری میں خسارہ 14.7 ملین روپے: HYFY 16)

مجموعی منافع (GP) جو 1,550.6 ملین روپے (750.143 ملین روپے: HYFY 16) تھا جو تقریباً مکمل اسٹیل ڈویژن سے آیا، جس نے 1,550.5 ملین روپے کا مجموعی منافع (798.5 ملین روپے: HYFY 16) کمایا، جبکہ کائن ڈویژن نے 72 ہزار روپے کا مجموعی منافع (48.4 ملین روپے: Gross loss - HYFY 16) حاصل کیا۔

کینی نے 1,171.3 ملین روپے کا قبل از ٹیکس منافع (PBT) کمایا (521.2 ملین روپے: HYFY 16) اس مدت میں اسٹیل ڈویژن کا پی ٹی 868.3 ملین روپے (599 ملین روپے: PBT - HYFY 16) جبکہ کائن ڈویژن سے خسارہ قبل از ٹیکس 26.4 ملین روپے رہا۔ (63.2 ملین روپے: HYFY 16) IID - 329.4 ملین روپے کا PBT حاصل کیا (14.7 ملین روپے: LBT - HYFY 16) -

